December 15, 2025

Aspen Group Reports Third Consecutive Quarter of Net Income for Second Quarter Fiscal 2026

- **Continued profitability expansion with net income of $0.7 million versus net loss of $(1.1) million in Q2 FY2025, and up from net income of $0.4 million in Q1 FY2026**
- **Revenue of $11.2 million; USU increases 9% year-over-year**
- **Disciplined cost controls deliver operating income of $1.0 million**
- **Positive Adjusted EBITDA of $2.5 million versus $1.5 million; Adjusted EBITDA margin of 22% versus 14%**
- **Fourth consecutive quarter of positive operating cash flow of $0.5 million**

PHOENIX, Dec. 15, 2025 (GLOBE NEWSWIRE) -- Aspen Group, Inc. (OTCQB: ASPU) ("AGI" or the "Company"), an education technology holding company, today announced financial results for its second quarter of fiscal year 2026 ended October 31, 2025.

Second Quarter Fiscal Year 2026 Summary Results

	Three Months Ended October 31,		Six Months Ended October 31,	
$ in millions, except per share data	**2025**	**2024**	**2025**	**2024**
Revenue	$ 11.2	$ 11.5	$ 22.7	$ 22.8
Gross Profit[1]	$ 8.4	$ 8.1	$ 16.7	$ 15.6
Gross Margin (%) [1]	75%	71%	74%	69%
Net Income (Loss)	$ 0.7	$ (1.1)	$ 1.1	$ (1.2)
Earnings (Loss) per Share - Basic	$ 0.02	$ (0.04)	$ 0.03	$ (0.05)
Earnings (Loss) per Share - Diluted	$ 0.01	$ (0.04)	$ 0.02	$ (0.05)
EBITDA[2]	$ 1.6	$ 0.1	$ 3.0	$ 1.2
Adjusted EBITDA[2]	$ 2.5	$ 1.5	$ 4.3	$ 2.0

[1]GAAP gross profit calculation includes marketing and promotional costs, instructional costs and services, and amortization expense of $0.4 million and $0.5 million; and $0.8 million and $0.9 million for the three and six months ended October 31, 2025 and 2024, respectively.

[2]Non-GAAP financial measures. See reconciliations of GAAP to non-GAAP financial measures under "Non-GAAP Financial Measures" starting on page 4.

Michael Mathews, Chairman and CEO of AGI, stated: "In the quarter, we delivered solid top-line stability coupled with material margin expansion, producing our third consecutive quarter of net income. Our continued disciplined execution, cost controls and restructuring initiatives keep Aspen Group on track to achieve approximately $1.5 million of additional quarterly G&A savings by the third quarter of fiscal year 2026. Our strategy to sustain profitability and cash flow from operations is working and positions us to boost enrollments through strategic reinvestments in marketing. We remain committed to our objectives of expanding student resources and achieving positive operating cash flow for fiscal year 2026."

Fiscal Q2 2026 Financial and Operational Results (compared to Fiscal Q2 2025)

Revenue declined by 2% to $11.2 million compared to $11.5 million. The following table presents the Company’s revenue, both per subsidiary and total:

	Three Months Ended October 31,			
	2025	$ Change	% Change	2024
AU	$ 3,938,503	$ (835,190)	(17)%	$ 4,773,693
USU	7,280,742	594,656	9%	6,686,086
Revenue	$ 11,219,245	$ (240,534)	(2)%	$ 11,459,779

Aspen University's (“AU”) revenue decline of 17% year-over year is the result of lower post-licensure enrollments from the effect of decreased marketing spend initiated in the second half of Fiscal 2023.

United States University (“USU”) revenue increased by 9% to $7.3 million. Despite the maintenance level of marketing spend, USU experienced growth this quarter due to continued organic lead flow, strong demand from existing students returning from inactive status and higher revenue per student driven by more students entering their second year of the MSN-FNP program, which includes clinical rotations, and tuition increases.

GAAP gross profit increased by $0.2 million to $8.4 million. Consolidated gross margin was 75% compared to 71%, AU's gross margin was 72% versus 67%, and USU's gross margin was 76% versus 74%. GAAP gross profit and gross margin increased primarily due to higher revenue at USU related to increased revenue per student combined with reduced cost of revenue at AU and USU driven by more efficient allocation of faculty resources.

AU instructional costs and services represented 22% of AU revenue, and USU instructional costs and services represented 21% of USU revenue. AU marketing and promotional costs represented 1% of AU revenue, while USU marketing and promotional costs represented less than 1% of USU revenue.

The following tables present the Company’s net income (loss), both per subsidiary and total:

	Three Months Ended October 31, 2025			
	Consolidated	AGI Corporate	AU	USU
Net income (loss)	$ 651,738	$ (2,800,567)	$ 428,780	$ 3,023,525
Per share information available to common stockholders:				
Earnings per share - Basic	$ 0.02			
Earnings per share - Diluted	$ 0.01			

	Three Months Ended October 31, 2024			
	Consolidated	AGI Corporate	AU	USU
Net income (loss)	$ (1,057,420)	$ (1,611,277)	$ (1,866,384)	$ 2,420,241
Per share information available to common stockholders:				
Loss per share - Basic	$ (0.04)			
Loss per share - Diluted	$ (0.04)			

The following tables present the Company’s Non-GAAP measures, both per subsidiary and total. See reconciliations of GAAP to non-GAAP financial measures under “Non-

GAAP–Financial Measures” starting on page 4.

	Three Months Ended October 31, 2025			
	Consolidated	AGI Corporate	AU	USU
EBITDA	$1,631,062	$(2,425,361)	$871,880	$3,184,543
EBITDA Margin	15%	NM	22%	44%
Adjusted EBITDA	$2,468,810	$(2,343,696)	$1,341,195	$3,471,311
Adjusted EBITDA Margin	22%	NM	34%	48%

NM - Not meaningful

	Three Months Ended October 31, 2024			
	Consolidated	AGI Corporate	AU	USU
EBITDA	$126,190	$(1,179,476)	$(1,264,051)	$2,569,717
EBITDA Margin	1%	NM	(26)%	38%
Adjusted EBITDA	$1,549,020	$(2,161,445)	$910,733	$2,799,732
Adjusted EBITDA Margin	14%	NM	19%	42%

Adjusted EBITDA improved by $0.9 million primarily due to increased revenue per student at USU, increased instructional efficiencies at AU and USU and a decrease in general and administrative costs attributed to our restructurings.

Operating Metrics

New Student Enrollments

On a Company-wide basis, new student enrollments decreased 29% year-over-year. Sequentially, new student enrollments at USU increased due to continued strong organic lead flow, existing students returning from inactive status, and students enrolling in advance of Q2 Fiscal 2026 price increases. New student enrollments at both AU and USU were negatively impacted by the on-going maintenance level of marketing spend. As a result of the restructurings and increased instructional efficiencies, we anticipate the resumption of marketing spend at a level necessary to provide enrollments needed to grow the student body and allow for the generation of positive operating cash flow following the repayment of the 15% Debentures.

New student enrollments for the past five quarters are shown below:

	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
AU	508	359	350	338	297
USU	442	196	258	338	378
Total	950	555	608	676	675

Total Active Student Body

Total active student body for the past five quarters is shown below:

	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
AU	3,827	3,564	3,375	3,140	2,771
USU	2,560	2,475	2,434	2,369	2,302
Total	6,387	6,039	5,809	5,509	5,073

Nursing Students

Nursing student body for the past five quarters is shown below:

	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
AU	2,948	2,745	2,606	2,418	2,122
USU	2,300	2,297	2,254	2,210	2,153
Total	5,248	5,042	4,860	4,628	4,275

Liquidity

The Q2 Fiscal 2026 ending unrestricted cash balance was $0.3 million. As of December 12, 2025, the Company had $0.4 million of unrestricted cash on hand. On September 15, 2025, we implemented a fifth restructuring plan, which will result in additional cash benefits for the Company starting in Q3 Fiscal 2026. The restructuring resulted in the elimination of approximately 75 positions within AU and AGI. The resulting additional on-going quarterly compensation-related savings will be approximately $1.5 million beginning in Q3 Fiscal 2026.

Our restructuring efforts were designed to achieve break-even to positive annual operating cash flows, which will permit the resumption of marketing spend at a level that we expect will renew growth in our post-licensure nursing student body following the repayment of the 15% Debentures. In Q2 Fiscal 2026, we had positive cash flow from operations of $0.5 million.

Cost reductions associated with the restructuring plans and other corporate cost reductions ensure that the Company will have sufficient cash to meet its working capital needs for the next 12 months.

Non-GAAP Financial Measures

This press release includes both financial measures in accordance with Generally Accepted Accounting Principles, or GAAP, as well as non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company’s performance, financial position or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP financial measures should be viewed as supplemental to, and should not be considered as alternatives to net income (loss), operating income (loss), and cash flow from operating activities, liquidity or any other financial measures. They may not be indicative of the historical operating results of AGI nor are they intended to be predictive of potential future results. Investors should not consider non-GAAP financial measures in isolation or as substitutes for performance measures calculated in accordance with GAAP.

Our management uses and relies on EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin, which are non-GAAP financial measures. We believe that management, analysts, and shareholders benefit from referring to the following non-GAAP financial measures to evaluate and assess our core operating results from period-to-period after removing the impact of items that affect comparability. Our management recognizes that the non-GAAP financial measures have inherent limitations because of the excluded items described below.

We have included a reconciliation of our non-GAAP financial measures to the most comparable financial measures calculated in accordance with GAAP. We believe that providing the non-GAAP financial measures, together with the reconciliation to GAAP, helps investors make comparisons between AGI and other companies. In making any comparisons to other companies, investors need to be aware that companies use different non-GAAP measures to evaluate their financial performance. Investors should pay close attention to the specific definition being used and to the reconciliation between such measure and the corresponding GAAP measure provided by each company under applicable SEC rules.

AGI defines Adjusted EBITDA as EBITDA excluding: (1) provision for credit losses; (2) stock-based compensation; (3) severance, if applicable; (4) lease modifications, if applicable; (5) impairments of right-of-use assets and tenant leasehold improvements, if applicable; (6) change in fair value of put warrant liability, if applicable; and (7) other non-recurring charges (income). The following table presents a reconciliation of net income (loss) to EBITDA and Adjusted EBITDA and of net income (loss) margin to Adjusted EBITDA Margin.

EBITDA Margin is defined as EBITDA divided by revenue. Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by revenue. We believe these margins are useful for management, analysts and investors as this measure allows for a more meaningful comparison between our performance and that of our competitors. Adjusted EBITDA margin has certain limitations in that it does not take into account the impact to our consolidated statement of operations of certain expenses.

	Three Months Ended October 31,	
	2025	**2024**
Net income (loss)	$ 651,738	$ (1,057,420)
Interest expense, net	295,530	342,490
Tax expense, net	42,504	46,225
Depreciation and amortization	641,290	794,895
EBITDA	1,631,062	126,190
Provision for credit losses	450,000	450,000
Stock-based compensation	30,486	98,245
Severance	232,659	35,522
Impairments of right-of-use assets and tenant leasehold improvements	—	1,848,209
Change in fair value of put warrant liability	—	(1,085,145)
Non-recurring charges - Other	124,603	75,999
Adjusted EBITDA	$ 2,468,810	$ 1,549,020
Net income (loss) Margin	6%	(9)%
EBITDA Margin	15%	1%
Adjusted EBITDA Margin	22%	14%

The following tables present a reconciliation of net income (loss) to EBITDA and Adjusted EBITDA and of net income (loss) margin to EBITDA margin and Adjusted EBITDA margin by business unit:

	Three Months Ended October 31, 2025			
	Consolidated	AGI Corporate	AU	USU
Net income (loss)	$ 651,738	$ (2,800,567)	$ 428,780	$ 3,023,525
Interest expense, net	295,530	295,530	—	—
Tax expense, net	42,504	11,789	26,840	3,875
Depreciation and amortization	641,290	67,887	416,260	157,143
EBITDA	1,631,062	(2,425,361)	871,880	3,184,543
Provision for credit losses	450,000	—	225,000	225,000
Stock-based compensation	30,486	30,170	—	316
Severance	232,659	51,495	174,514	6,650
Non-recurring charges - Other	124,603	—	69,801	54,802
Adjusted EBITDA	$ 2,468,810	$ (2,343,696)	$ 1,341,195	$ 3,471,311
Net income (loss) Margin	6%	NM	11%	42%
EBITDA Margin	15%	NM	22%	44%
Adjusted EBITDA Margin	22%	NM	34%	48%

NM - Not meaningful

	Three Months Ended October 31, 2024			
	Consolidated	AGI Corporate	AU	USU
Net income (loss)	$ (1,057,420)	$ (1,611,277)	$ (1,866,384)	$ 2,420,241
Interest expense, net	342,490	342,490	—	—
Tax expense, net	46,225	15,479	25,900	4,846
Depreciation and amortization	794,895	73,832	576,433	144,630
EBITDA	126,190	(1,179,476)	(1,264,051)	2,569,717
Provision for credit losses	450,000	—	225,000	225,000
Stock-based compensation	98,245	94,819	1,954	1,472
Severance	35,522	8,357	23,622	3,543
Impairments of right-of-use assets and tenant leasehold improvements	1,848,209	—	1,848,209	—
Change in fair value of put warrant liability	(1,085,145)	(1,085,145)	—	—
Non-recurring charges - Other	75,999	—	75,999	—
Adjusted EBITDA	$ 1,549,020	$ (2,161,445)	$ 910,733	$ 2,799,732
Net income (loss) Margin	(9) %	NM	(39) %	36%
EBITDA Margin	1%	NM	(26) %	38%
Adjusted EBITDA Margin	14%	NM	19%	42%

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including the expected general and administrative savings to be achieved by the third quarter of the fiscal year ending April 30, 2026 (“Fiscal 2026”), increased marketing spend, our refinancing of our 15% Debentures, and achieving positive operating cash flow for Fiscal 2026, the future boost of enrollment including growth in the post-licensing nursing student body and our liquidity. The words “believe,” “may,” “estimate,” “continue,” “anticipate,” “intend,” “should,” “plan,” “could,” “target,” “potential,” “is likely,” “will,” “expect” and similar expressions, as they relate to us, are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. Important factors that could cause actual results to differ from those in the forward-looking statements include the continued demand of nursing students for the new programs, student attrition, national and local economic factors including the impact of tariffs on the economy and affordability in general, competition from nursing schools in local markets, the competitive impact from the trend of major non-profit universities using online education and consolidation among our competitors, the impact, if any from any future U.S. government shutdowns, and our ability to refinance our outstanding convertible debentures. Any forward-looking statement made by us herein speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

About Aspen Group, Inc.

Aspen Group, Inc. is an education technology holding company that leverages its infrastructure and expertise to allow its two universities, Aspen University and United States University, to deliver on the vision of making college affordable again.

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GAAP Financial Statements

ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	October 31, 2025	April 30, 2025
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 261,918	$ 736,871
Restricted cash	338,002	338,002
Accounts receivable, net of allowance of $5,862,014 and $5,731,139, respectively	16,712,629	17,167,346
Prepaid expenses	340,630	443,366
Other current assets	841,072	518,171
Total current assets	18,494,251	19,203,756
Property and equipment:		
Computer equipment and hardware	897,124	894,251
Furniture and fixtures	1,974,271	1,974,271
Leasehold improvements	5,621,087	5,621,087
Instructional equipment	529,299	529,299
Software	7,886,764	7,527,066
	16,908,545	16,545,974
Less: accumulated depreciation and amortization	(11,157,520)	(9,907,309)
Total property and equipment, net	5,751,025	6,638,665
Goodwill	5,011,432	5,011,432
Intangible assets, net	7,900,000	7,900,000
Courseware and accreditation, net	227,952	256,994
Long-term contractual accounts receivable	21,904,037	19,846,823
Operating lease right-of-use assets, net	6,447,146	7,250,407
Deposits and other assets	644,796	657,850
Total assets	$ 66,380,639	$ 66,765,927

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ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)

	October 31, 2025	April 30, 2025
	(Unaudited)	
Liabilities and Stockholders' Equity		
Liabilities:		
Current liabilities:		
Accounts payable	$ 3,319,147	$ 2,055,173
Accrued expenses	2,738,900	2,483,520
Advances on tuition	1,416,428	2,235,332
Deferred tuition	2,373,652	2,535,533
Due to students	2,062,410	2,115,581
Current portion of long-term debt	6,277,684	2,000,000
Operating lease obligations, current portion	3,059,767	2,811,471
Other current liabilities	747,604	185,296
Total current liabilities	21,995,592	16,421,906
Long-term debt, net	—	5,224,524
Operating lease obligations, less current portion	10,754,124	12,398,678
Put warrant liabilities	1,427,521	1,427,521
Other long-term liabilities	77,402	327,402
Total liabilities	34,254,639	35,800,031
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.001 par value; 1,000,000 shares authorized, 10,000 issued and 10,000 outstanding at both October 31, 2025 and April 30, 2025	10	10
Common stock, $0.001 par value; 85,000,000 shares authorized, 30,063,203 and 28,389,531 issued and outstanding at October 31, 2025 and April 30, 2025, respectively	30,063	28,390
Additional paid-in capital	122,252,421	122,152,533
Accumulated deficit	(90,156,494)	(91,215,037)
Total stockholders' equity	32,126,000	30,965,896
Total liabilities and stockholders' equity	$ 66,380,639	$ 66,765,927

ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended October 31,		Six Months Ended October 31,	
	2025	**2024**	**2025**	**2024**
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	$ 11,219,245	$ 11,459,779	$ 22,659,711	$ 22,788,616
Operating expenses:				
Cost of revenue (exclusive of depreciation and amortization shown separately below)	2,479,617	2,885,895	5,164,669	6,233,120
General and administrative	6,658,746	7,237,555	13,569,883	14,564,889
Impairments of right-of-use assets and tenant leasehold improvements	—	1,848,209	—	1,848,209
Provision for credit losses	450,000	450,000	900,000	900,000
Depreciation and amortization	641,290	794,895	1,310,952	1,614,899
Total operating expenses	10,229,653	13,216,554	20,945,504	25,161,117
Operating income (loss)	989,592	(1,756,775)	1,714,207	(2,372,501)
Other income (expense):				
Interest expense	(295,530)	(342,490)	(605,921)	(689,660)
Change in fair value of put warrant liability	—	1,085,145	—	1,906,132
Other income, net	180	2,925	180	16,762
Total other (expense) income, net	(295,350)	745,580	(605,741)	1,233,234
Income (loss) before income taxes	694,242	(1,011,195)	1,108,466	(1,139,267)
Income tax expense	42,504	46,225	49,923	46,017
Net income (loss)	651,738	(1,057,420)	1,058,543	(1,185,284)
Dividends attributable to preferred stock	(63,519)	(7,057)	(105,864)	(148,209)
Net income (loss) available to common stockholders	$ 588,219	$ (1,064,477)	$ 952,679	$ (1,333,493)
Per share information available to common stockholders:				
Earnings (loss) per share - Basic	$ 0.02	$ (0.04)	$ 0.03	$ (0.05)
Earnings (loss) per share - Diluted	$ 0.01	$ (0.04)	$ 0.02	$ (0.05)
Weighted average number of common stock outstanding:				
Basic	29,902,903	26,692,457	29,480,057	26,308,766
Diluted	39,985,232	26,692,457	40,245,130	26,308,766

ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended October 31,	
	2025	**2024**
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Net income (loss)	$ 1,058,543	$ (1,185,284)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Provision for credit losses	900,000	900,000
Depreciation and amortization	1,310,952	1,614,899
Stock-based compensation	62,666	190,836
Change in fair value of put warrant liability	—	(1,906,132)
Amortization of warrant-based cost	—	7,000
Amortization of debt issuance costs	35,440	—
Non-cash lease (benefit) expense	(536,382)	107,696
Impairments of right-of-use assets and tenant leasehold improvements	—	1,848,209
Changes in operating assets and liabilities:		
Accounts receivable	(2,502,497)	(762,744)
Prepaid expenses	102,736	(171,330)
Other current assets	(322,901)	799,264
Deposits and other assets	13,054	25,695
Accounts payable	1,263,974	(1,072,854)
Accrued expenses	255,380	430,795
Due to students	(53,171)	(264,878)
Advances on tuition and deferred tuition	(980,785)	(965,151)
Other current liabilities	562,308	424,954
Other long-term liabilities	(250,000)	—
Net cash provided by operating activities	**919,317**	**20,975**
Cash flows from investing activities:		
Purchases of courseware and accreditation	(31,700)	(33,110)
Purchases of property and equipment	(362,570)	(565,068)
Net cash used in investing activities	**(394,270)**	**(598,178)**
Cash flows from financing activities:		
Repayment of portion of 15% Senior Secured Debentures	(1,000,000)	(721,066)
Payments of debt issuance costs	—	(155,376)
Net cash used in financing activities	**(1,000,000)**	**(876,442)**

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ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(Unaudited)

	Six Months Ended October 31,	
	2025	2024
	(Unaudited)	(Unaudited)
Net decrease in cash, cash equivalents and restricted cash	**$ (474,953)**	**$ (1,453,645)**
Cash, cash equivalents and restricted cash at beginning of period	**1,074,873**	**2,619,427**
Cash, cash equivalents and restricted cash at end of period	**$ 599,920**	**$ 1,165,782**
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 605,921	$ 689,660
Cash paid for income taxes	$ 49,923	$ 46,017
Supplemental disclosure of non-cash investing and financing activities:		
Accrued dividends	$ 63,519	$ 7,057
Common stock issued for accrued dividends	$ 144,757	$ 200,988

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the accompanying consolidated balance sheet to the total amounts shown in the accompanying unaudited consolidated statements of cash flows:

	October 31,	
	2025	2024
	(Unaudited)	(Unaudited)
Cash and cash equivalents	$ 261,918	$ 827,780
Restricted cash	338,002	338,002
Total cash, cash equivalents and restricted cash	$ 599,920	$ 1,165,782

ASPEN GROUP INC.

Source: Aspen Group Inc.