

February 22, 2021



Aspen Group, Inc. Announces Third Quarter Fiscal Year 2021 Quarterly Enrollments Increased by 22% to 2,129 New Students; Bookings Grew by 24% to \$33.0 Million

AGI's Total Active Student Body Increased by 2,374 Students to 13,407 or 22%; Nursing Active Student Body Grew by 26% to 11,636 Students Representing 87% of Total Student Body

Company to Report Third Quarter Fiscal Year 2021 Results on March 16, 2021

NEW YORK, Feb. 22, 2021 (GLOBE NEWSWIRE) -- Aspen Group, Inc. ("Aspen Group" or "AGI") (Nasdaq: ASPU), an education technology holding company, today announced that for the third-quarter fiscal year 2021, ending January 31, 2021, student enrollments increased by 22% year-over-year to 2,129. Aspen Group's rising enrollment in higher LTV nursing licensure degree programs was the primary revenue and bookings growth driver. Quarterly bookings increased 24% year-over-year to \$33.0 million. Total nursing students comprised 87% of the active student body, up from 84% in the prior-year period.

"Aspen Group's increased enrollment in high LTV nursing programs delivered bookings growth of 24%, despite the dramatic acceleration in COVID-19 cases during our third quarter," said Chairman & CEO Michael Mathews. "Our proprietary EdTech platform continued to deliver industry-leading marketing metrics. This key technology differentiator in the for-profit education sector enables our low-cost CAC model, which allows us to pass these savings onto our students. The result is a win-win that drives growth and improves our student outcomes."

"Our two largest enrollment segments, Aspen's Nursing + Other post-licensure programs and USU's MSN-FNP program, target registered nurses looking to earn an advanced nursing degree. During our third quarter, infection rates of COVID-19 skyrocketed, filling emergency rooms and hospital beds and increasing registered nurses' workloads. Despite the short term headwinds, we delivered strong enrollment growth in every unit of the Company. Aspen's Pre-Licensure BSN program also experienced strong growth from our recently launched campuses in Tampa and Austin given the tailwind of millennials looking for better paying, secure jobs. As previously disclosed, the Company intentionally slowed year-over-year enrollment growth at our Phoenix pre-licensure campuses. These campuses currently have a full pipeline of first-year online pre-requisite students. This decision moderated pre-licensure growth in the quarter to 15%. Longer-term, Aspen plans to open eight new campuses throughout the Southern United States over the next four years to deliver

continued growth and shareholder value,” stated Mathews.

In the third quarter, Aspen University generated 1,593 new student enrollments, up 16% year-over-year, attributable to strength in its Doctoral and Nursing + Other units. United States University (“USU”) delivered 536 new student enrollments, a 43% increase year-over-year, primarily from MSN-Family Nurse Practitioner (“FNP”) enrollments. The FNP enrollment growth is especially notable, given the demands on nursing professionals with COVID-19 infection rates accelerating throughout the quarter.

Table 1 reflects new student enrollments for the past five quarters:

Table 1 New Student Quarterly Enrollments					
	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Aspen University	1,371	1,344	1,779	2,010	1,593
USU	375	432	572	649	536
Total	1,746	1,776	2,351	2,659	2129

The third quarter Marketing Efficiency Ratio (MER) for both universities, defined as revenue-per-enrollment (LTV) divided by cost-per-enrollment (CAC), remained above 11X, as shown below in Table 2:

Table 2 Third Quarter Marketing Efficiency Ratio				
	Enrollments	CAC ¹	LTV ²	Q3 '21 MER
Aspen University	1,593	\$1,296	\$15,181 ³	11.4X
USU	536	\$1,574	\$17,820 ⁴	11.3X

¹Based on 6-month rolling weighted average CAC for each university’s enrollments

²Lifetime Value (LTV) of a new student enrollment

³Weighted average LTV for all Aspen University enrollments in the quarter

⁴LTV for USU’s MSN-FNP Program

Compared to the previous year, AGI’s weighted average cost of enrollment (CAC) increased 38%, from \$989 to \$1,365. Table 3 below shows the breakdown by university and the weighted average.

Table 3 Third Quarter Weighted Average Cost of Enrollment					
	Q3 '20 Enrollments	Q3 '20 CAC ¹	Q3 '21 Enrollments	Q3 '21 CAC ¹	CAC % Change
Aspen University	1,371	\$961	1,593	\$1,296	35%
USU	375	\$1,103	536	\$1,574	43%
Weighted Average		\$989		\$1,365	38%

¹Based on 6-month rolling average

Table 4 below shows, on a year-over-year basis, bookings increased 24% to \$33.0 million. The increase in bookings led to a company-wide average revenue per enrollment (ARPU) increase by 2% to \$15,513, reflecting the shift in the revenue mix toward higher LTV nursing licensure degree programs, partially offset by the planned flattening of first-year online pre-requisite student enrollments at the Phoenix BSN pre-licensure campuses.

Table 4 Third Quarter Bookings and Average Revenue Per Enrollment (ARPU)					
	Q3'2020 Enrollments	Q3'2020 Bookings	Q3'2021 Enrollments	Q3'2021 Bookings	Percent Change Total Bookings & ARPU
Aspen University	1,371	\$19,855,050	1,593	\$23,476,050	
USU	375	\$6,682,500	536	\$9,551,520	
Total	1,746	\$26,537,550	2,129	\$33,027,570	24%
ARPU		\$15,199		\$15,513	2%

AGI's overall active student body (includes both Aspen University and USU) grew 22% year-over-year from 11,033 to 13,407. Aspen University's total active degree-seeking student body grew 17% year-over-year from 9,274 to 10,863. On a year-over-year basis, USU's total active student body grew from 1,759 to 2,544 or 45%. The chart below shows the student body growth over the past five quarters.

Fiscal 2021 Third Quarter Earnings Conference Call Details:

Aspen Group will host a conference call to discuss its third quarter fiscal year 2021 financial results and business outlook on Tuesday, March 16th, 2021, at 4:30 p.m. (ET). Aspen Group will issue a press release reporting results after the market closes on that day. The conference call can be accessed by dialing toll-free (844) 452-6823 (U.S.) or (731) 256-5216 (international), passcode 9391007. Subsequent to the call, a transcript of the audiocast will be available from the Company's website at ir.aspen.edu. There will also be a seven day dial-in replay which can be accessed by dialing toll-free (855) 859-2056 or (404) 537-3406 (international), passcode 9391007.

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. For more information, visit www.aspu.com.

Forward-Looking Statements:

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our plans with respect to new campus openings, and the future impact of bookings and LTV. 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 substantial impact of the COVID-19 pandemic on the economy, and the competitive impact from the trend of public non-profit universities offering online education. Other risks are included in our filings with the SEC including our Form 10-K for the year ended April 30, 2020 and the prospectus supplement dated August 31, 2020. 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.

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A photo accompanying this announcement is available at
<https://www.globenewswire.com/NewsRoom/AttachmentNg/27963697-f801-4b8b-823d-95c5da1b32cd>



Source: Aspen Group Inc.

AU and USU Active Student Body



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