CREATING VALUE BY TRANSFORMING THE COLLEGE EDUCATION EXPERIENCE

ASPEN
GROUP INC.

Fourth Quarter Fiscal Year 2021 Earnings Slides

Michael Mathews, Chairman & Chief Executive Officer
Robert Alessi, Interim Chief Financial Officer, Chief Accounting Officer
July 13, 2021
Nasdaq: ASPU

SAFE HARBOR STATEMENT

Certain statements in this presentation and responses to various questions include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our expectations regarding Lifetime Value and cost of enrollment, anticipated future revenue from our Phoenix Pre-Licensure campuses, our fiscal 2022 guidance, the expected timing for new campuses to achieve profitability, the expected rate, timing and geography of opening new campuses, the expected impact of opening new campuses on our operating results, our targeted future first-year and two-year core program enrollments and the timing thereof, our future growth and growth strategy, including growth spending against the highest efficiency businesses and the expected impact on our business and operating results, expected fiscal 2022 growth, expected increase in future gross margin, expected increase in revenue from recently opened campuses, future changes in operating expenses, projected fiscal 2022 advertising spend, seasonality, 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 our ability to obtain the necessary regulatory approvals to launch our future campuses in a timely fashion or at all, the continued ability of our in-house CRM to perform as expected, our ability to implement the fiscal 2022 business plan and our assumptions regarding the impact of implementing the plan being correct, continued high demand for nurses, the continued effectiveness of our marketing efforts, the effectiveness of our collection efforts and process improvements, national and local economic factors including the impact of the COVID-19 pandemic on our Company and the economy, the competitive impact from the trend of major non-profit and for-profit universities marketing online family nurse practitioner programs, unfavorable regulatory changes, including at the state level, and our failure to continue obtaining enrollments at low acquisition costs and keeping teaching costs down. Further information on the risks and uncertainties affecting our business and operating results is contained in our filings with the Securities and Exchange Commission, including our Form 10-K for the fiscal year ended April 30, 2021.

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.

Also, the discussions during this conference call and slides 3, 13, 15, 16 and 17 include certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Additional information regarding non-U.S. GAAP financial measures can be found in the press release issued on July 13, 2021 and the Form 10-K filed the same day. Any non-U.S. GAAP financial measures presented are not, and should not be viewed as, substitutes for financial measures required by U.S. GAAP, have no standardized meaning prescribed by U.S. GAAP and may not be comparable to the calculation of similar measures of other companies. See reconciliation of these non-GAAP financial measures to their respective GAAP measures at the end of this slide presentation.

Aspen Group Inc.
Fourth Quarter and Full Year Fiscal 2021 Operating Metrics

ASPEN GROUP INC.

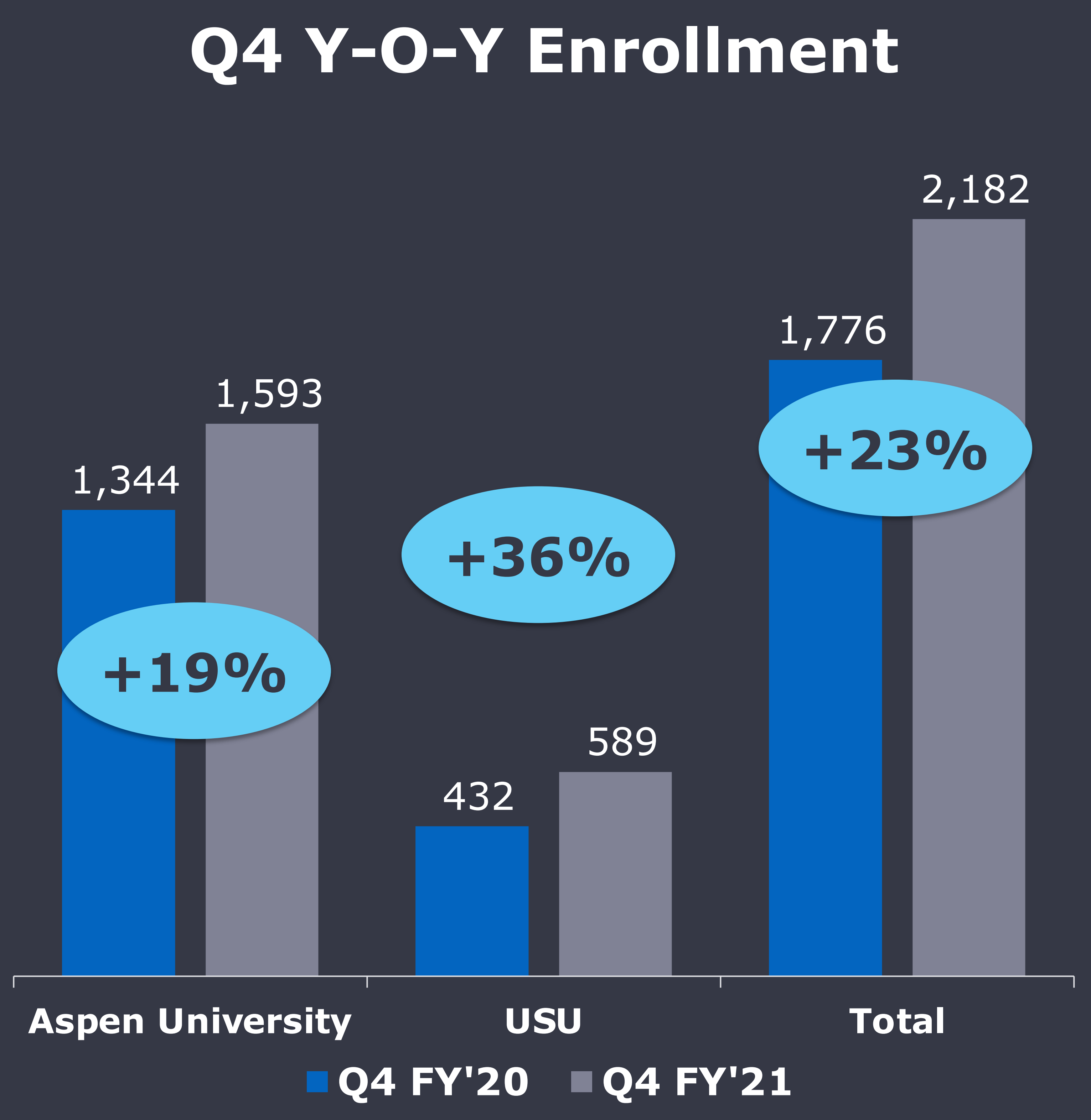
FOURTH QUARTER FISCAL YEAR 2021 SUMMARY

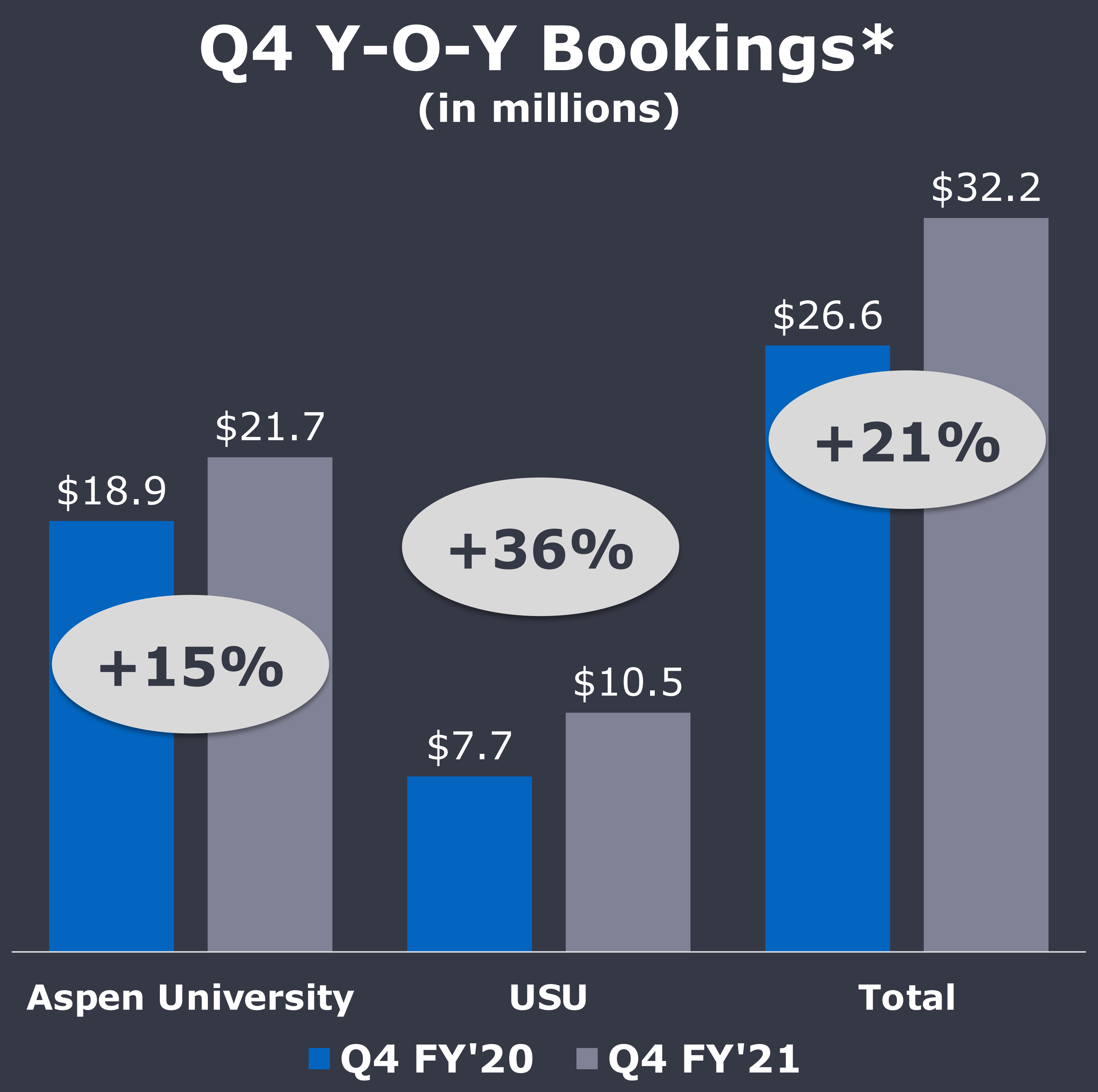
All comparisons are Q4 FY'21 versus Q4 FY'20

- Fourth quarter revenue increased 35% to $19.1 million
- 51% of total revenue from AU's BSN Pre-Licensure unit and USU (primarily FNP students)
- Enrollments increased 23% (2,182) and bookings increased 21% ($32.2 million)
- Gross margin declined to 52% from 59% due to growth spending to support three new campus launches
    - Instructional costs increased to 24% of revenue from 19%
    - Marketing costs increased to 22% of revenue from 19%

ASPEN GROUP INC.

HIGH-LTV ENROLLMENTS LIFTED Q4 FY'21 BOOKINGS BY 21%

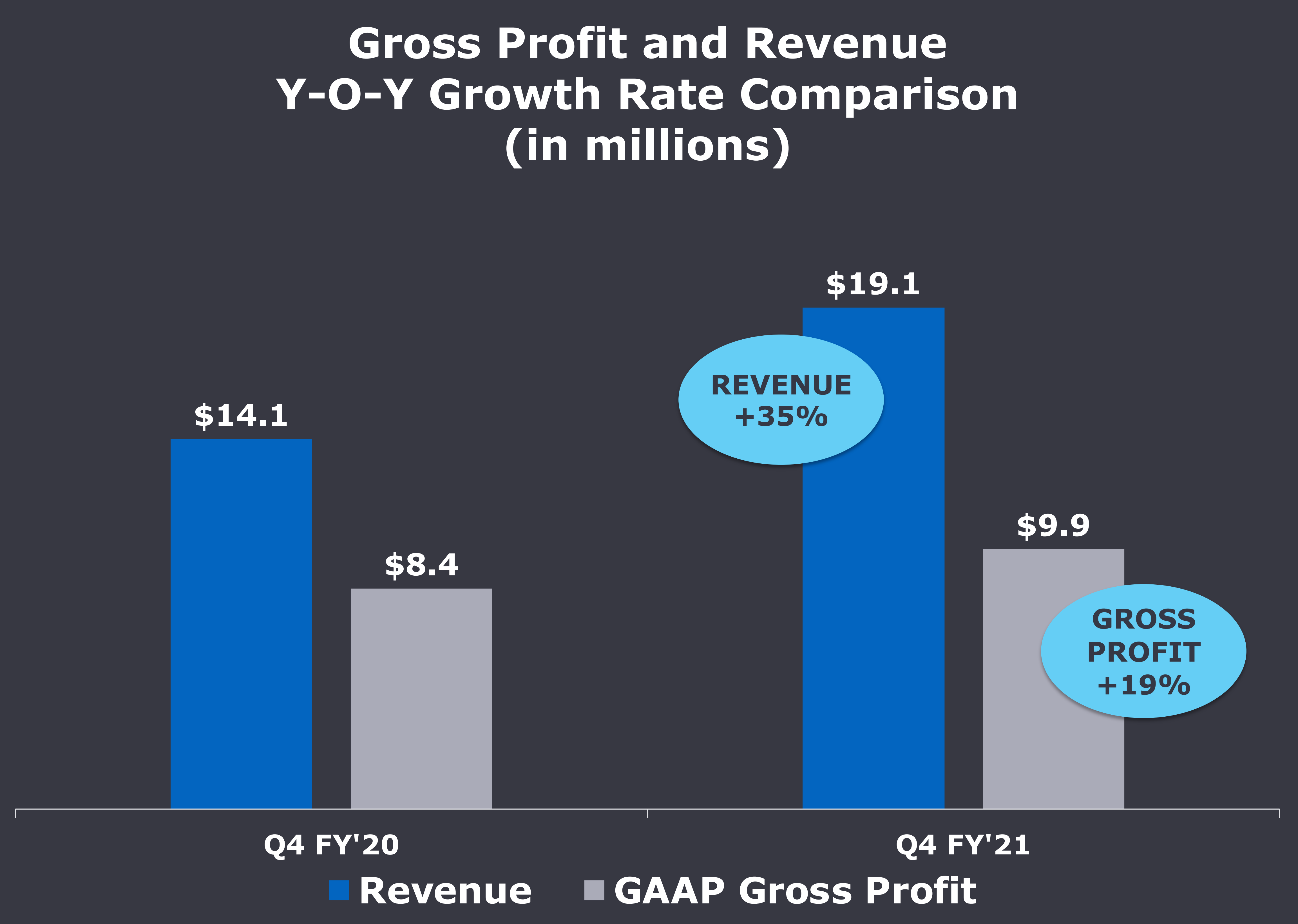




*Bookings are defined by multiplying LTV by new student enrollments for each operating unit.

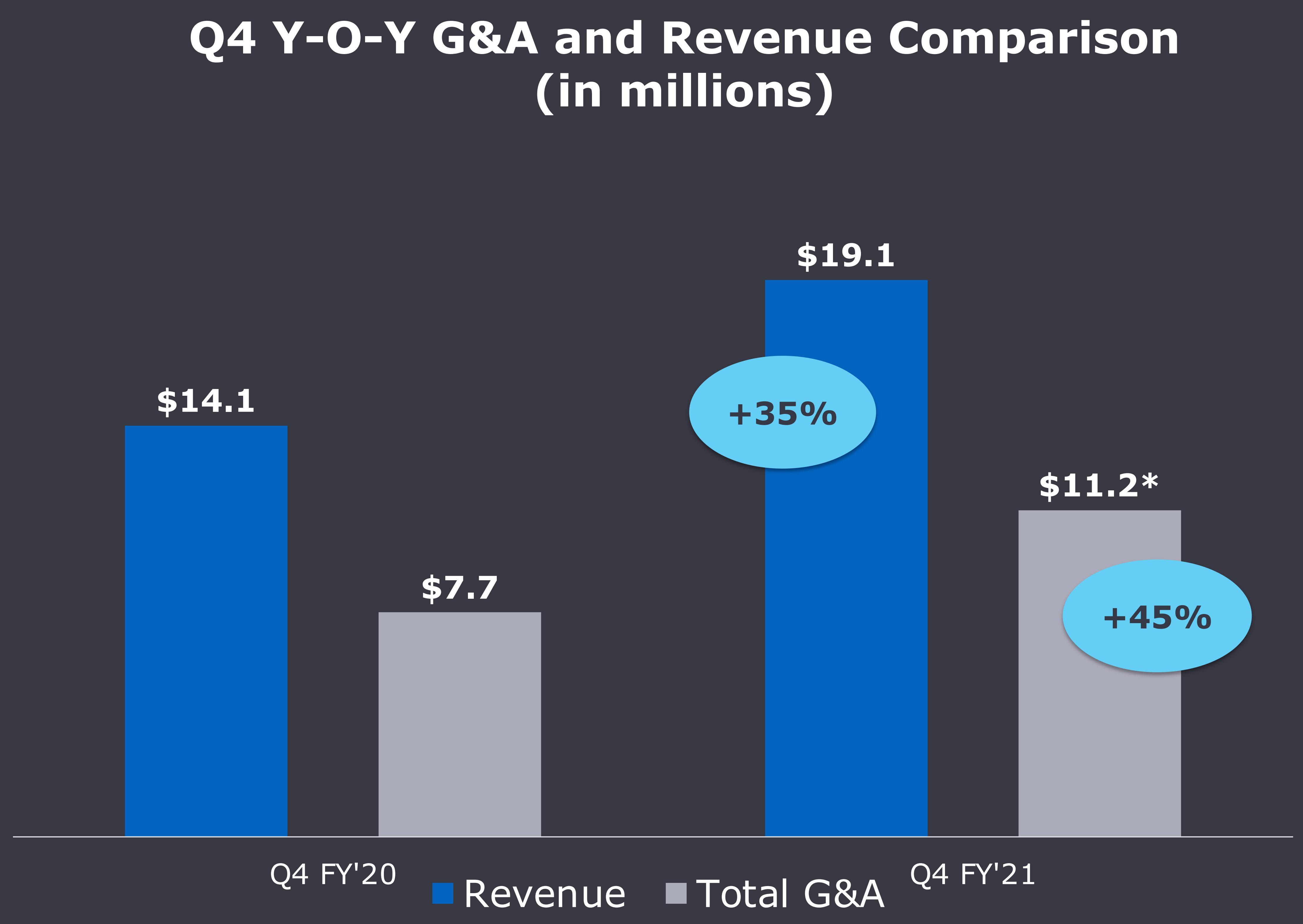
ASPEN GROUP INC.

Q4 FY'21 Gross Profit Reflects New Campus Launches



- PL-BSN and USU revenue contributed 51% of total revenue in Q4 FY'21
- Rising contribution from these units expected to increase future gross margin
- Anticipate meeting or exceeding historical gross margins in future quarters, due to:
  - ✓ Increased percentage of total revenue coming from BSN P-L and USU
  - ✓ Plan to limit YoY advertising spend increase to 13% in next fiscal year as part of maximum efficiency plan (support new campuses, high-LTV programs and maintain current Phoenix pipeline)
  - ✓ New campuses expected to achieve breakeven after six quarters of operation

G&A Growth Reflects Increased Growth Spend in Q4 FY'21



*Includes $1.1 million of non-recurring expenses

- G&A growth exceeded revenue due to "growth spend" to support new campus launches
- Anticipate achieving operational scale going forward, due to:
  - ✓ Increasing revenue from recently opened prelicensure campuses in FY 2022 and FY 2023
  - ✓ Y-O-Y growth in operating expenses expected to return to previous levels as a percentage of revenue
  - ✓ Future campuses contributing to revenue and turning breakeven after approximately six quarters

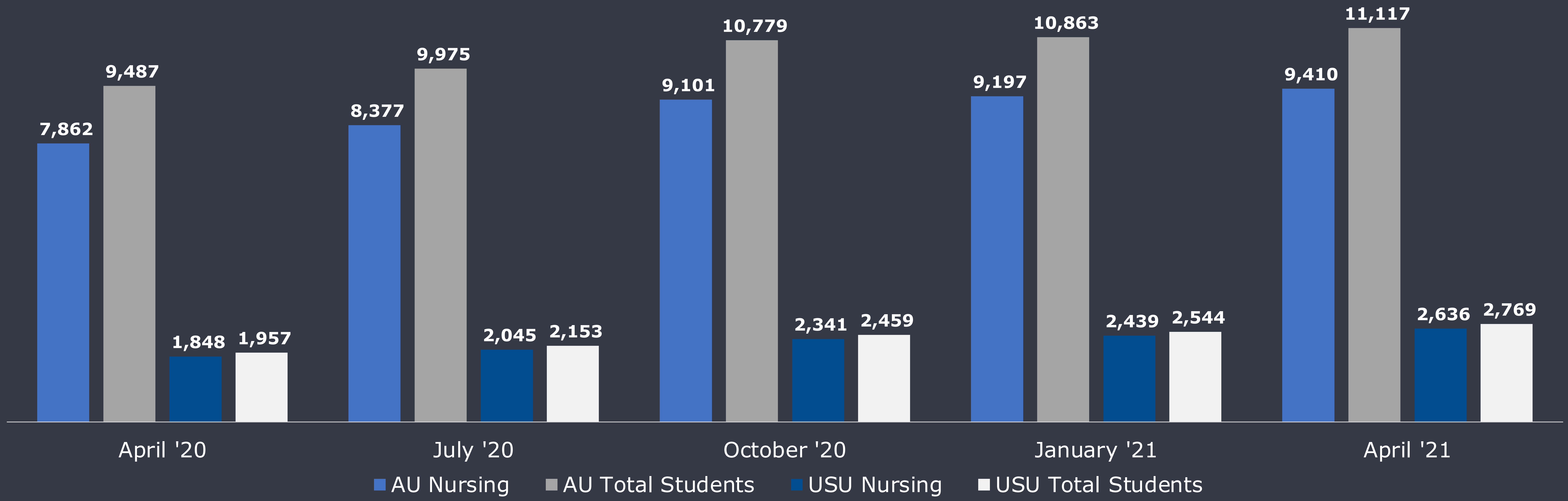
KEY TAKEAWAYS FOR FY'21

All comparisons are FY'21 versus FY'20

- High LTV program growth fueled 38% revenue growth
- Aspen's three business units all enjoyed strong growth
    - Revenue rose 16% for Aspen University Online during 2020/2021 COVID spike, strong performance considering majority of students are RNs
    - USU, primarily FNP students that are bachelor-degreed RNs, was a terrific performer in COVID spike, increasing revenue by 48%
    - Aspen University's prelicensure delivered 117% revenue growth, driven by millennials looking for future job stability and better career paths
- Increased growth spending to support future revenue streams from three new BSN P-L metros
    - Instructional costs increased to 23% of revenue from 20%
    - Marketing cost increased to 21% of revenue from 19%

AGI Active Student Body Grows to 13,886;Nursing Students Represent 87% of Total Student Body

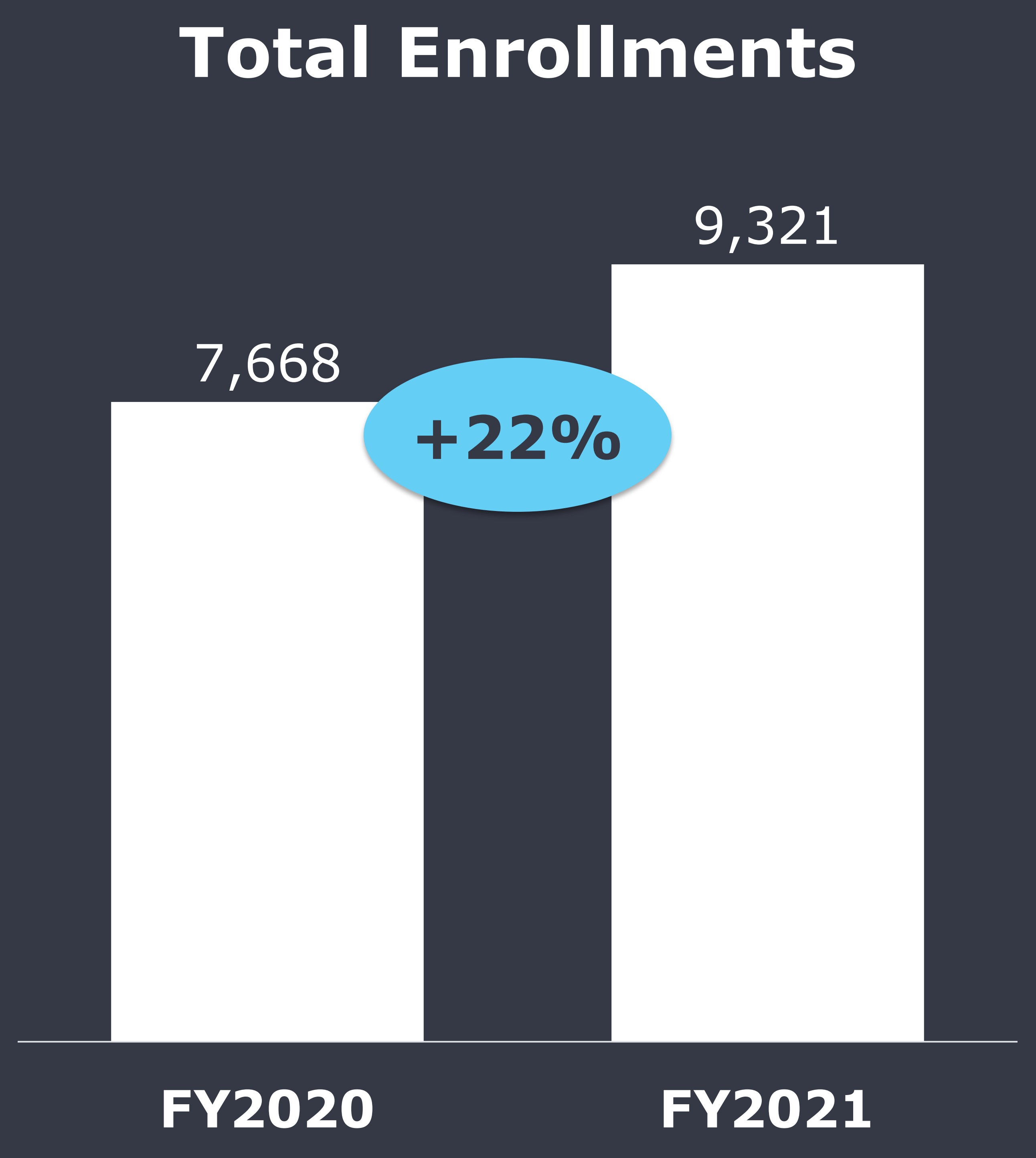
AU and USU Active Student Body* and Nursing Students by University

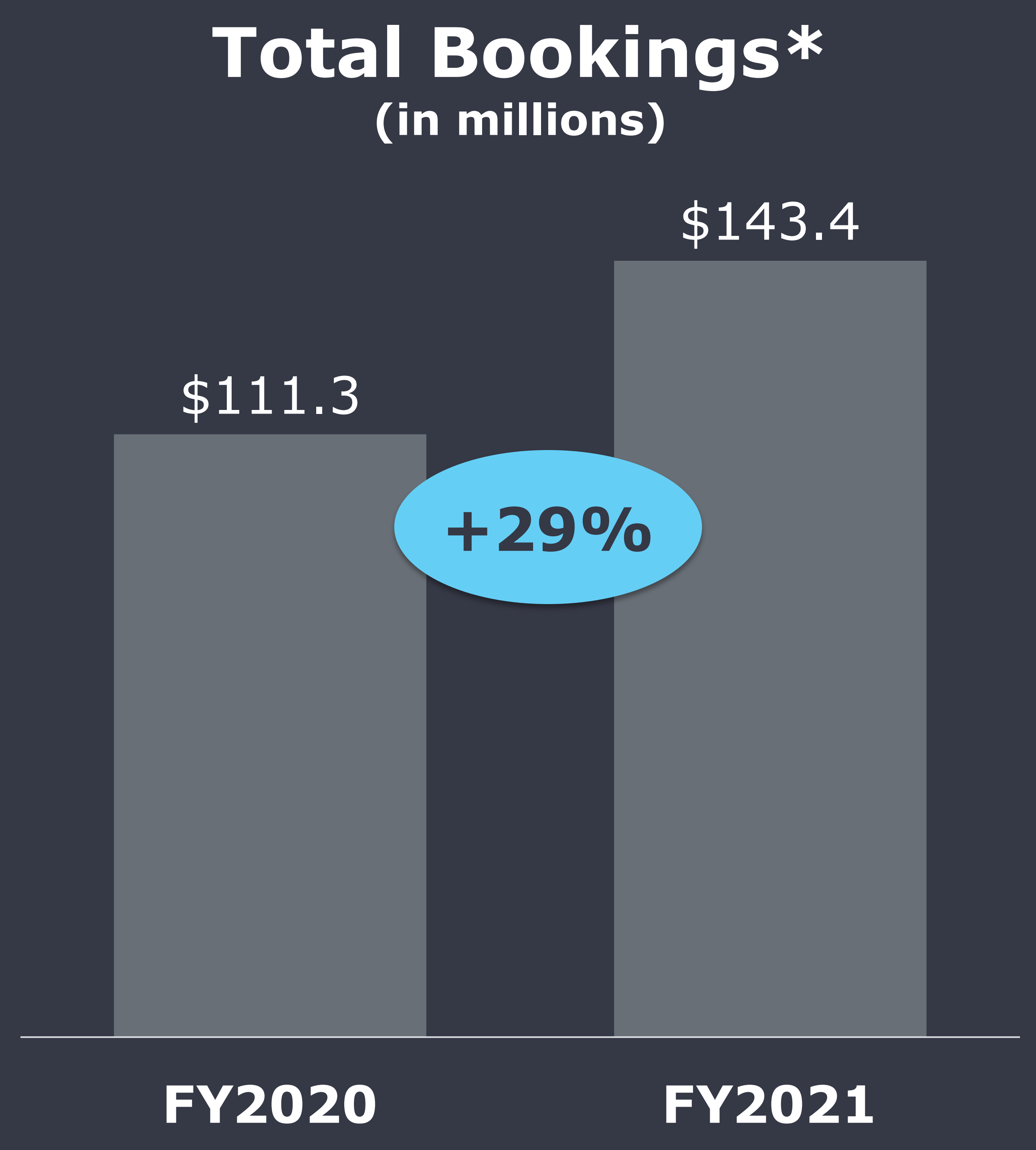


*Active Degree-Seeking Students are defined as degree-seeking students who were enrolled in a course during the quarter reported or are registered for an upcoming course.

ASPEN GROUP INC.

Growth in High LTV Program Enrollments Lifts FY'21 Bookings Growth by 29% to $143.4 Million





*Bookings are defined by multiplying LTV by new student enrollments for each operating unit.

ASPEN GROUP INC.


Aspen 2.0 Business Plan and FY'22
Guidance
ASPEN
GROUP INC.
SLIDE 11

Aspen 2.0 Business Plan Designed to Deliver Maximum Efficiency

Highest Efficiency Businesses

REVENUE EARNED PER MARKETING DOLLAR SPENT

LIFETIME VALUE AND PROJECTED COST OF ENROLLMENT[1]

MARKETING SPEND EFFICIENCY	ASPEN NURSING + OTHER	USU FNP	BSN Pre-Licensure (PHX Historical)	BSN Pre-Licensure (Projected)
Revenue earned per marketing dollar spent	~$5	~$12	~$60	~$10
LTV	$7,350	$17,820	$30,000	$30,000
COE	$1,400	$1,500	$500	$3,000[2]

[1] Projected Cost of Enrollment (COE) for FY2022
[2] Projected COE in new metros - Austin, Tampa, and Nashville

ASPEN GROUP INC.

Focused Growth Spending and Managing New Investments

Focus "growth spend" on highest efficiency businesses, as defined by return on marketing dollar spent

- Decrease marketing spend on lowest efficiency unit and in Phoenix BSN P-L market:
    - Aspen University legacy online unit (excluding Doctoral)
    - First-year pre-requisite student pipeline in Phoenix metro nearing 1,650 capacity
- **Net effect for FY'22**
    - Marketing decreases to approximately 17% of revenue from 19% in FY'21
    - 1% enrollment increase year-over-year
    - Bookings growth of 6% to $151 million

Manage new investments with next BSN Pre-licensure metro launch targeted at end of FY'22

- Expected in Spring 2022
- Targeting Tier 1 market, larger than Phoenix

Goal: Establish a sustainable growth platform that achieves profitability and positive cash flow by Q4 FY'2022

Fiscal Year 2022 Guidance

(DOLLARS IN MILLIONS EXCEPT EPS)	GUIDANCE RANGE		GROWTH RATE (%)[1]	YOY INCREASE[1]
Revenue	$85.0	$88.0	27.0%	$18.7
Net Income[2]	($4.5)	($3.0)	64%	$6.7
GAAP Earnings (Loss) per Share	($0.18)	($0.12)	66%	$0.29
EBITDA[3]	($1.6)	$0.4	90%	$5.4
Adjusted EBITDA[3]	$2.0	$4.0	137%	$1.7

[1] Year-over-year growth rate or increase is calculated from the midpoint of the guidance range.
[2] The Company anticipates positive GAAP net income and earnings per share in the fourth quarter of fiscal year 2022.
[3] Non-GAAP financial measure. See guidance reconciliations of GAAP to Non-GAAP financial measures on slide 17.

Three key drivers of growth in FY'22

- Double cohorts at main Phoenix campus
- USU's MSN-FNP degree, second highest LTV program
- Enrollment and class starts at new BSN Pre-licensure campuses in Austin, Tampa and Nashville

ASPEN GROUP INC.

Fourth Quarter and Fiscal Year 2021 Financial Results Tables

ASPEN
GROUP INC.

FY’21 Income Statement

	Years Ended April 30, 2021	2020
Revenues	$ 67,812,520	$ 49,061,080
Operating expenses		
Cost of revenues (exclusive of depreciation and amortization shown separately below)	29,453,733	19,135,302
General and administrative	41,908,030	30,329,520
Bad debt expense	2,268,540	1,431,210
Depreciation and amortization	2,426,365	2,203,461
Total operating expenses	76,056,668	53,099,493
Operating loss	(8,244,148)	(4,038,413)
Other income (expense):		
Other (expense) income	(120,800)	249,246
Interest expense	(2,051,381)	(1,818,078)
Total other expense, net	(2,172,181)	(1,568,832)
Loss before income taxes	(10,416,329)	(5,607,245)
Income tax expense	32,644	51,820
Net loss	$ (10,448,973)	$ (5,659,065)
Net loss per share - basic and diluted	$ (0.44)	$ (0.29)
Weighted average number of common shares outstanding - basic and diluted	23,757,656	19,708,708

ASPEN GROUP INC.

Q4 & FY’21 Net Loss to Adjusted EBITDA Reconciliation

	Three Months Ended April 30,		For the Year Ended April 30,	
	2021	2020	2021	2020
Net loss	$ (2,319,986)	$ (664,563)	$ (10,448,973)	$ (5,659,065)
Interest expense, net	13,369	393,471	2,031,545	1,818,078
Taxes	(12,446)	(10,688)	32,644	51,820
Depreciation and amortization	874,111	493,268	2,426,365	2,203,461
EBITDA	(1,444,952)	211,488	(5,958,419)	(1,585,706)
Bad debt expense	566,540	780,005	2,268,540	1,431,210
Stock-based compensation	382,936	300,740	2,203,822	1,641,984
Non-recurring charges - Other stock-based compensation	555,321	—	1,754,263	474,324
Non-recurring charges - Severance	303,870	—	347,870	218,750
Non-recurring charges - Other	275,438	77,000	650,875	526,998
Adjusted EBITDA	$ 639,153	$ 1,369,233	$ 1,266,951	$ 2,707,560

ASPEN GROUP INC.

Q4 FY'21 Reconciliation Of Net Income (Loss) To EBITDA And Adjusted EBITDA By Business Unit

	Three Months Ended April 30, 2021					
	Consolidated	AGI Corporate	AU BSN Pre-Licensure	AU Online	AU Total	USU
Net income (loss)	$ (2,319,986)	$ (4,736,579)	$ 831,192	$ 557,608	$ 1,388,800	$ 1,027,793
Interest expense, net	13,369	13,486	—	—	—	(117)
Taxes	(12,446)	(14,250)	—	2,064	2,064	(260)
Depreciation and amortization	874,111	15,691	114,618	671,517	786,135	72,285
EBITDA	(1,444,952)	(4,721,652)	945,810	1,231,189	2,176,999	1,099,701
Bad debt expense	566,540	—	—	340,000	340,000	226,540
Stock-based compensation	382,936	275,938	—	75,605	75,605	31,393
Non-recurring charges - Other stock-based compensation	555,321	555,321	—	—	—	—
Non-recurring charges - Severance	303,870	303,870	—	—	—	—
Non-recurring charges - Other	275,438	239,438		36,000	36,000	—
Adjusted EBITDA	$ 639,153	$ (3,347,085)	$ 945,810	$ 1,682,794	$ 2,628,604	$ 1,357,634

ASPEN GROUP INC.

FY'21 Reconciliation Of Net Income (Loss) To EBITDA And Adjusted EBITDA By Business Unit

	Year Ended April 30, 2021					
	Consolidated	AGI Corporate	AU BSN Pre-Licensure	AU Online	AU Total	USU
Net income (loss)	$ (10,448,973)	$ (20,666,448)	$ 3,895,576	$ 3,386,117	$ 7,281,693	$ 2,935,782
Interest expense, net	2,031,545	2,031,745	—	—	—	(200)
Taxes	32,644	—	—	32,644	32,644	—
Depreciation and amortization	2,426,365	57,713	189,618	2,020,548	2,210,166	158,486
EBITDA	(5,958,419)	(18,576,990)	4,085,194	5,439,309	9,524,503	3,094,068
Bad debt expense	2,268,540	—	—	1,862,000	1,862,000	406,540
Stock-based compensation	2,203,822	1,845,683	—	210,771	210,771	147,368
Non-recurring charges - Other stock-based compensation	1,754,263	1,754,263	—	—	—	—
Non-recurring charges - Severance	347,870	347,870	—	—	—	—
Non-recurring charges - Other	650,875	614,875	—	36,000	36,000	—
Adjusted EBITDA	$ 1,266,951	$ (14,014,299)	$ 4,085,194	$ 7,548,080	$ 11,633,274	$ 3,647,976

ASPEN GROUP INC.

Balance Sheet (Assets)

	April 30, 2021	April 30, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 8,513,290	$ 14,350,554
Restricted cash	5,152,789	3,556,211
Accounts receivable, net of allowance of $3,289,816 and $1,758,920, respectively	16,724,744	14,326,791
Prepaid expenses	1,077,831	941,671
Other receivables	—	23,097
Other current assets	68,529	173,090
Total current assets	31,537,183	33,371,414
Property and equipment:		
Computer equipment and hardware	956,463	649,927
Furniture and fixtures	1,705,101	1,007,099
Leasehold improvements	5,729,324	867,024
Instructional equipment	421,039	301,842
Software	8,488,635	6,162,770
Construction in progress	247,767	—
	17,548,329	8,988,662
Less: accumulated depreciation and amortization	(4,892,987)	(2,841,019)
Total property and equipment, net	12,655,342	6,147,643
Goodwill	5,011,432	5,011,432
Intangible assets, net	7,908,360	7,900,000
Courseware, net	187,296	111,457
Accounts receivable, net of allowance of $625,963, and $625,963, respectively	45,329	45,329
Long term contractual accounts receivable	10,249,833	6,701,136
Debt issue cost, net	18,056	182,418
Operating lease right of use assets, net	12,714,863	6,412,851
Deposits and other assets	479,212	355,831
Total assets	$ 80,806,906	$ 66,239,511

ASPEN GROUP INC.

Balance Sheet (Liabilities and Stockholders' Equity)

	April 30, 2021	April 30, 2020
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 1,466,488	$ 1,505,859
Accrued expenses	2,040,896	900,643
Deferred revenue	6,825,014	3,712,994
Due to students	2,747,484	2,371,844
Operating lease obligations, current portion	2,029,821	1,683,252
Other current liabilities	307,921	182,481
Total current liabilities	15,417,624	10,357,073
Convertible notes, net of discount of $0 and $1,550,854, respectively	—	8,449,146
Operating lease obligations, less current portion	16,298,808	5,685,335
Total liabilities	31,716,432	24,491,554
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.001 par value; 1,000,000 shares authorized, 0 issued and 0 outstanding at April 30, 2021 and April 30, 2020	—	—
Common stock, $0.001 par value; 40,000,000 shares authorized, 25,066,297 issued and 24,910,811 outstanding at April 30, 2021 21,770,520 issued and 21,753,853 outstanding at April 30, 2020	25,067	21,771
Additional paid-in capital	109,040,824	89,505,216
Treasury stock (155,486 and 16,667 shares, respectively)	(1,817,414)	(70,000)
Accumulated deficit	(58,158,003)	(47,709,030)
Total stockholders' equity	49,090,474	41,747,957
Total liabilities and stockholders' equity	$ 80,806,906	$ 66,239,511

ASPEN GROUP INC.

Q4 & FY'21 Subsidiary KPIs (Percentage of Revenue)

	Three Months Ended April 30, 2021			For the Year Ended April 30, 2021		
	Consolidated	**AU**	**USU**	**Consolidated**	**AU**	**USU**
Revenue	$19,051,076	$13,307,813	$5,743,263	$67,812,520	$47,942,339	$19,870,181
Percentage of Revenue	**Consolidated**	**AU**	**USU**	**Consolidated**	**AU**	**USU**
Instructional costs	24%	24%	25%	23%	22%	25%
Marketing costs	22%	21%	18%	21%	20%	18%
Depreciation and Amortization	5%	6%	1%	4%	5%	1%
GAAP Gross Profit	52%	52%	57%	54%	55%	58%
General and Administrative expenses	59%	36%	34%	62%	34%	40%

ASPEN GROUP INC.

Fiscal Year 2022 Guidance:
GAAP to Non-GAAP Reconciliation

	2022 Guidance Range (in millions)
Net loss	(\$4.5) - (\$3.0)
Interest expense, net	0.1
Taxes	—
Depreciation and amortization	2.8 - 3.3
EBITDA	(\$1.6) - \$0.4
Bad debt expense	1.0
Stock-based compensation	2.7
Non-recurring charges	(0.1)
Adjusted EBITDA	\$2.0 - \$4.0

ASPEN GROUP INC.