ASPEN
GROUP INC.

First Quarter Fiscal Year 2022 Earnings Slides

Michael Mathews, Chairman & Chief Executive Officer
Matt LaVay, Chief Financial Officer
September 14, 2021
Nasdaq: ASPU

CREATING VALUE BY TRANSFORMING THE COLLEGE EDUCATION EXPERIENCE

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 bookings, Lifetime Value and cost of enrollment, the anticipated impact of changes in growth spend on enrollments, bookings, profitability, and liquidity, the expected rate and timing of opening new campuses and targeted markets, our future growth, growth drivers and growth strategy, expected increase in future gross margins, increase in revenues from the high LTV programs, expected future performance of recently opened campuses, future changes in operating expenses, projected future advertising spend, the expected impact of COVID-19 and the federal vaccine mandate, the intended use of proceeds from the drawdown under the revolving credit facility, and the expected capital expenditures related to new campuses. 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, without limitation, our ability to successfully implement the ‘Aspen 2.0’ business plan and the accuracy of the assumptions used in estimating the results of such implementation, unanticipated issues with, and delays in, launching phase two of our in-house CRM and the continued ability of the CRM to perform as expected, continued high demand for nurses, the continued effectiveness of our marketing efforts, the effectiveness of our collection efforts and process improvements, our ability to obtain the necessary regulatory approvals to launch our future campuses in a timely fashion or at all, national and local economic factors, including the substantial impact of the COVID-19 pandemic on the economy, risks stemming from the new federal vaccination program, competition from nursing schools in local markets, the competitive impact from the trend of major non-profit universities using online education, unfavorable regulatory changes, our failure to continue obtaining enrollments at low acquisition costs and keeping teaching costs down, and potential loss of employees as a result of the COVID-19 vaccine mandate. 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, as amended and supplemented by the Form 10-Q for the three months ended July 31, 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 slide 4, 14 and 15, 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 September 14, 2021 and the Form 10-Q 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.
First Quarter Fiscal 2022
Operating Metrics

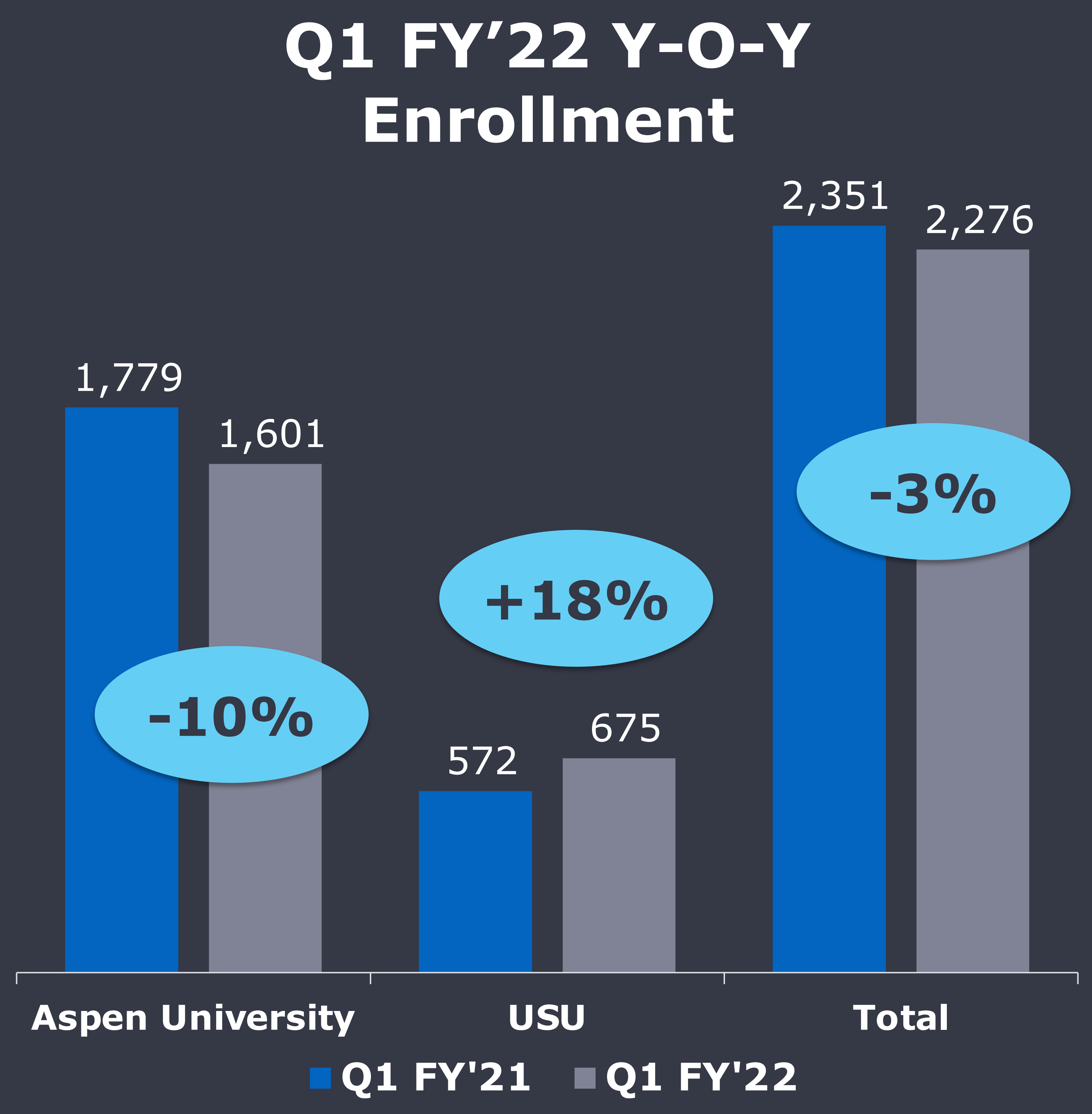
ASPEN
GROUP INC.

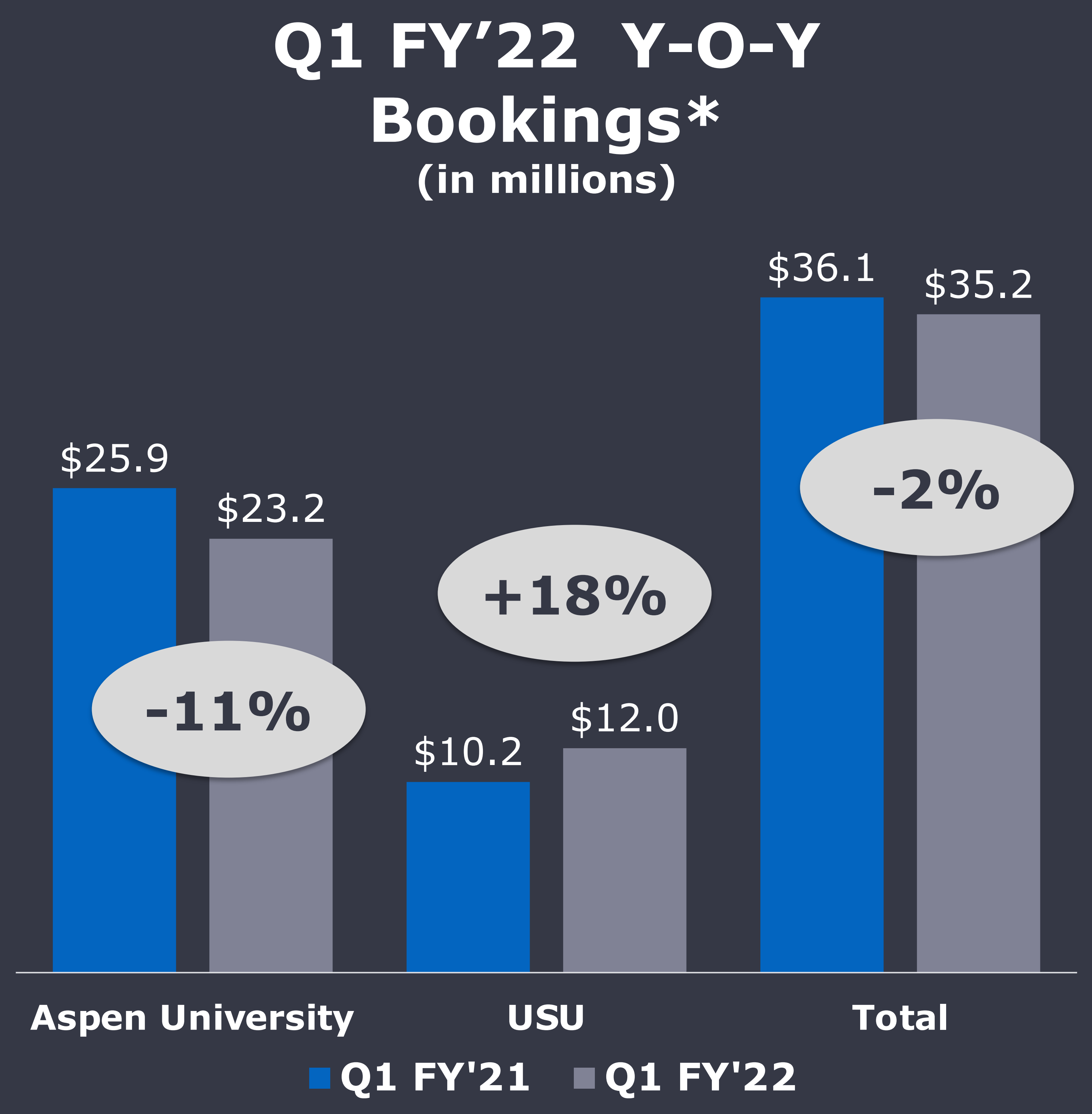
FIRST QUARTER FISCAL YEAR 2022 SUMMARY

(All comparisons are Q1 FY'22 versus Q1 FY'21)

- First quarter revenue increased 28% to $19.4 million
- 55% of consolidated revenue attributable to AU's BSN Pre-licensure unit and USU (primarily MSN-FNP students)
- Year-over-Year Enrollments and Bookings growth impacted by strategic shift in marketing spend to slow Phoenix metro pre-licensure enrollment growth while delivering growth in AU's new pre-licensure markets and USU's FNP program
- Gross margin declined to 54% from 59% due to growth spending to support three new campus launches
    - Instructional costs increased to 23% of revenue from 20%
    - Marketing costs increased to 21% of revenue from 18%
- G&A decreased to 56% of revenue, down from 58%, as a result of execution of cost controls associated with the Aspen 2.0 business plan.
- All three business units (Aspen Nursing + Other, Aspen PL, and USU) delivered Adjusted EBITDA margins above 20%

Q1 FY'22 Enrollment and Bookings Impacted by Strategic Marketing Spend Reduction



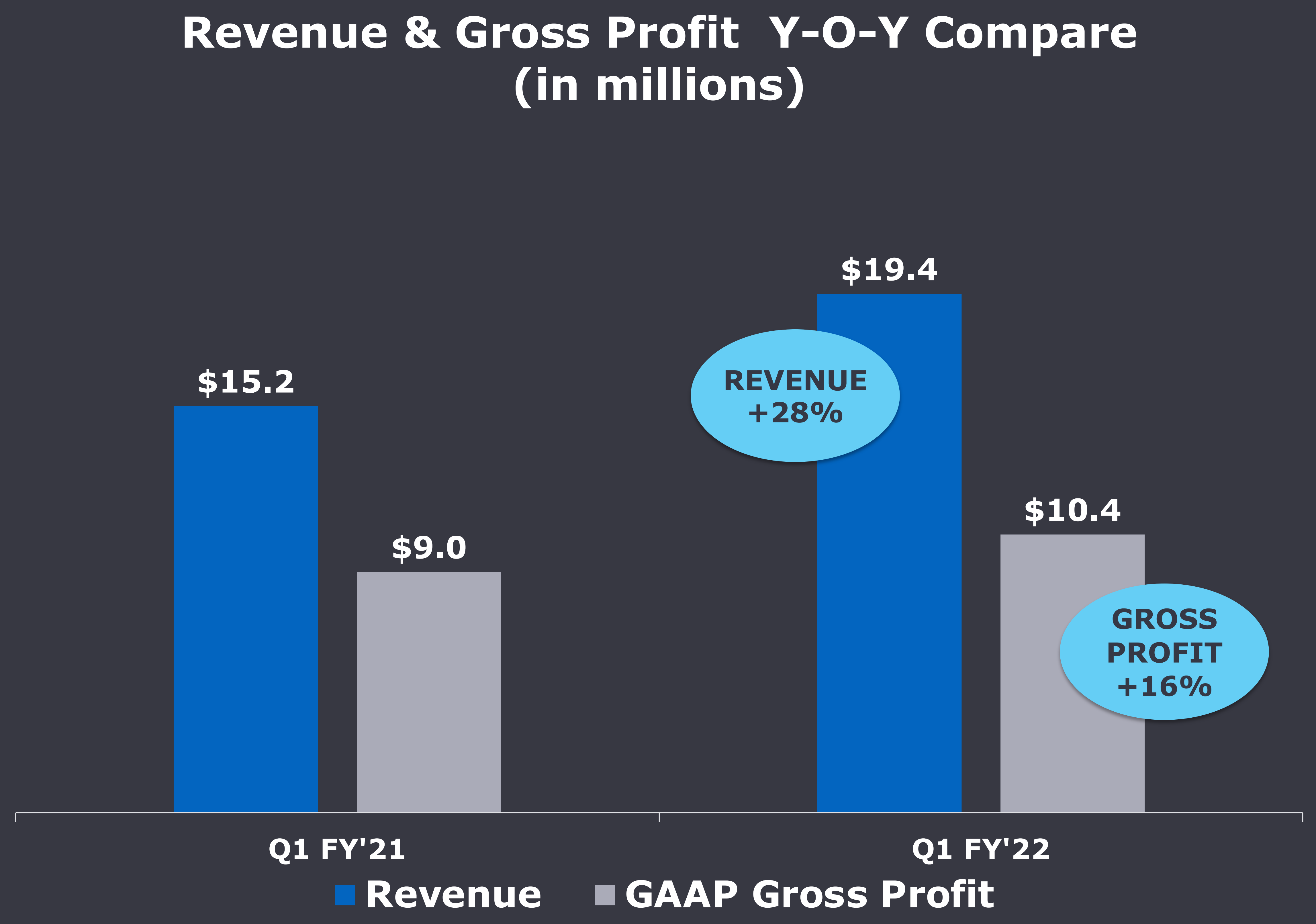


- New student enrollments increased sequentially from 2,182 to 2,276 or 4%. On a year-over-year basis, new student enrollments for the Company were down 3%
- Excluding the 232 planned enrollment reduction in the Phoenix pre-licensure metro, Company-wide enrollments would have been up year-over-year by 7%
- USU delivered a record 675 new student enrollments, an 18% increase year-over-year, primarily from FNP enrollments.

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

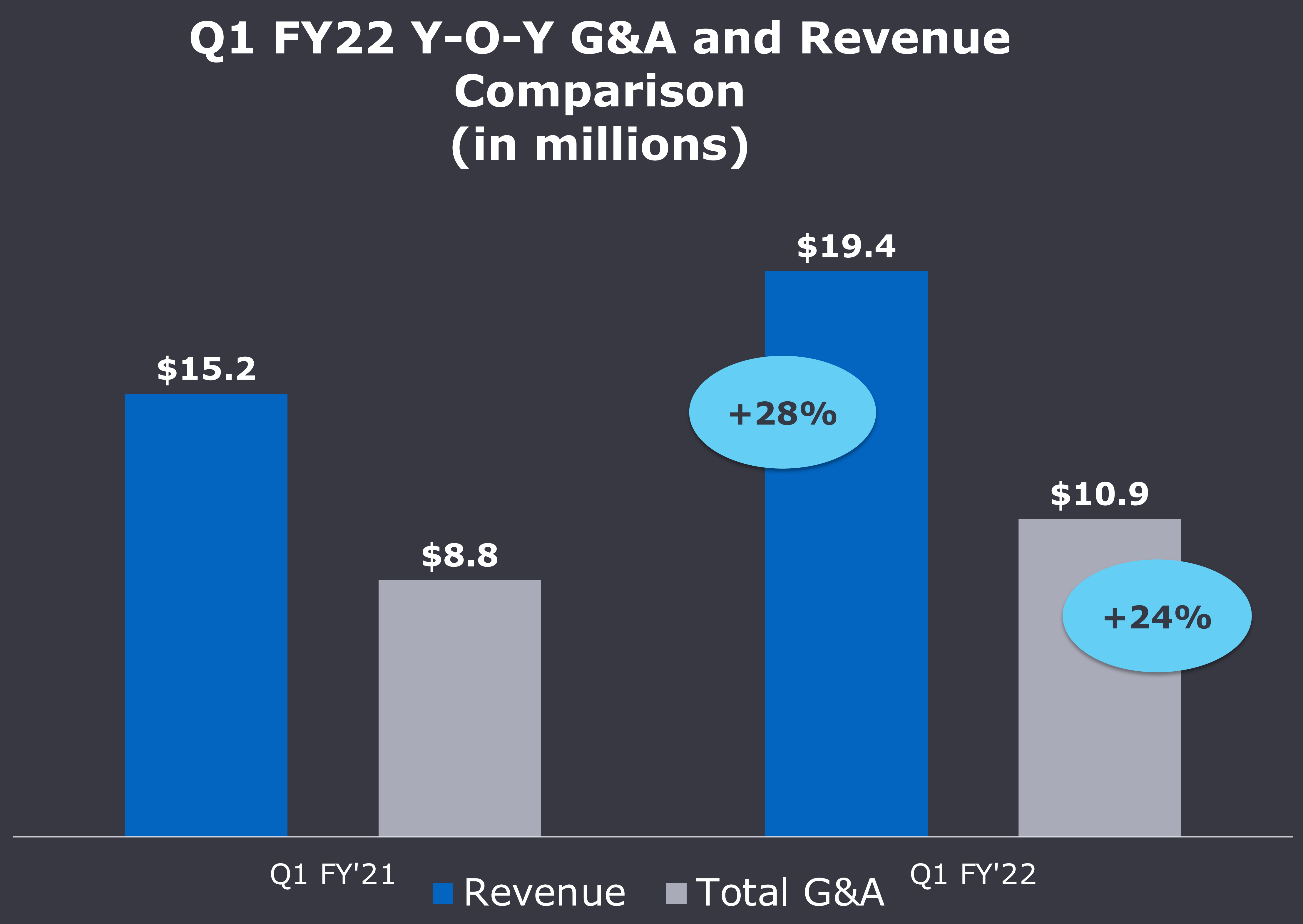
ASPEN GROUP INC.

Q1 FY’22 Gross Profit Reflects New Campus Launches



- Q1 FY’22 Gross margin of 54% versus 59% represents higher instructional and marketing costs for recently launched PL campuses
- BSN-PL and USU revenue contributed 55% of revenue in Q1 FY’22
- **Anticipate meeting or exceeding historical gross margins in future quarters:**
  - ✓ Increased percentage of total revenue coming from BSN P-L and USU
  - ✓ Aspen 2.0 limits YoY advertising spend increase to 13% in next fiscal year (support new campuses, high-LTV programs and maintain current Phoenix pipeline)
  - ✓ New campuses expected to achieve breakeven after six quarters of operation

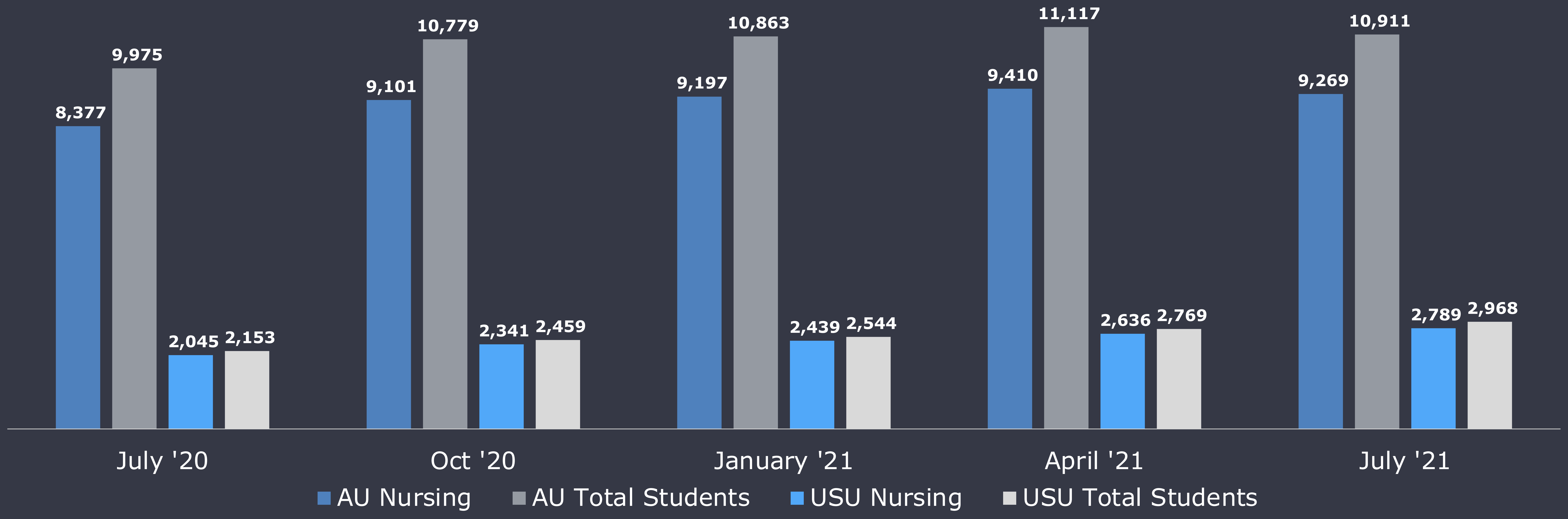
G&A Returns to Prior Year Levels in Q1 FY'22 with Five Operational BSN-PL Campuses



- G&A decreased to 56% of revenue, down from 58%, as a result of execution of cost controls associated with the Aspen 2.0 business plan
- Anticipate achieving operational scale going forward, due to:
  - ✓ Increasing revenue from recently opened pre-licensure 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

AGI Active Student Body Grew 14% to 13,879;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.

Aspen 2.0 Business Plan

ASPEN
GROUP INC.

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 FY 2022
[2] Projected COE in new metros - Austin, Tampa, and Nashville

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-PL 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**
    - Advertising decreases to approximately 17% of revenue from 20% 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

ASPEN GROUP INC.

First Quarter Fiscal Year 2022 Financial Results Tables

ASPEN GROUP INC.

Income Statement

	Three Months Ended July 31, 2021	2020
Revenue	$ 19,430,995	$ 15,165,562
Operating expenses:		
Cost of revenue (exclusive of depreciation and amortization shown separately below)	8,593,568	5,847,523
General and administrative	10,946,477	8,793,756
Bad debt expense	350,000	400,000
Depreciation and amortization	779,409	490,624
Total operating expenses	20,669,454	15,531,903
Operating loss	(1,238,459)	(366,341)
Other income (expense):		
Interest expense	(33,539)	(455,457)
Other income (expense), net	552,120	(123,298)
Total other income (expense), net	518,581	(578,755)
Loss before income taxes	(719,878)	(945,096)
Income tax expense (benefit)	151,010	(1,900)
Net loss	$ (870,888)	$ (943,196)
Net loss per share - basic and diluted	$ (0.03)	$ (0.04)
Weighted average number of common stock outstanding - basic and diluted	25,070,072	22,094,409

ASPEN GROUP INC.

Net Loss to EBITDA and Adjusted EBITDA Reconciliation

	Three Months Ended July 31,	
	2021	2020
Net loss	$ (870,888)	$ (943,196)
Interest expense, net	32,132	455,223
Taxes	151,010	(1,900)
Depreciation and amortization	779,409	490,624
EBITDA	91,663	751
Bad debt expense	350,000	400,000
Stock-based compensation	542,712	487,110
Non-recurring charges - Severance	19,665	44,000
Non-recurring (income) charges - Other	(498,120)	375,437
Adjusted EBITDA	$ 505,920	$ 1,307,298
Net loss Margin	(4)%	(6)%
Adjusted EBITDA Margin	3 %	9 %

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

	Three Months Ended July 31, 2021					
	Consolidated	AGI Corporate	Aspen BSN Pre-Licensure	AU Online	AU Total	USU
Net income (loss)	$ (870,888)	$ (4,458,536)	$ 889,460	$ 1,444,997	$ 2,334,457	$ 1,253,191
Interest expense, net	32,132	33,272	—	(1,000)	(1,000)	(140)
Taxes	151,010	1,163	—	149,807	149,807	40
Depreciation and amortization	779,409	31,043	126,068	537,625	663,693	84,673
EBITDA	91,663	(4,393,058)	1,015,528	2,131,429	3,146,957	1,337,764
Bad debt expense	350,000	—	—	250,000	250,000	100,000
Stock-based compensation	542,712	443,279	—	69,595	69,595	29,838
Non-recurring charges - Severance	19,665	—	—	—	—	19,665
Non-recurring income - Other	(498,120)	—	—	(498,120)	(498,120)	—
Adjusted EBITDA	$ 505,920	$ (3,949,779)	$ 1,015,528	$ 1,952,904	$ 2,968,432	$ 1,487,267
Net income (loss) Margin	(4) %	NM	19 %	17 %	18 %	20 %
Adjusted EBITDA Margin	3 %	NM	22 %	22 %	22 %	24 %

NM – Not meaningful

ASPEN GROUP INC.

Balance Sheet (Assets)

	July 31, 2021 (Unaudited)	April 30, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 6,554,423	$ 8,513,290
Restricted cash	3,722,831	5,152,789
Accounts receivable, net of allowance of $3,272,977 and $3,289,816, respectively	17,190,238	16,724,744
Prepaid expenses	914,216	1,077,831
Other current assets	13,890	68,529
Total current assets	28,395,598	31,537,183
Property and equipment:		
Computer equipment and hardware	1,193,278	956,463
Furniture and fixtures	1,793,686	1,705,101
Leasehold improvements	6,182,239	5,729,324
Instructional equipment	491,597	421,039
Software	8,951,241	8,488,635
Construction in progress	88,367	247,767
	18,700,408	17,548,329
Less: accumulated depreciation and amortization	(5,962,034)	(4,892,987)
Total property and equipment, net	12,738,374	12,655,342
Goodwill	5,011,432	5,011,432
Intangible assets, net	7,907,932	7,908,360
Courseware, net	303,020	187,296
Accounts receivable, net of allowance of $— and $625,963, respectively	—	45,329
Long term contractual accounts receivable	11,313,657	10,249,833
Debt issue cost, net	9,722	18,056
Operating lease right of use assets, net	12,242,456	12,714,863
Deposits and other assets	468,361	479,212
Total assets	$ 78,390,552	$ 80,806,906

ASPEN GROUP INC.

Balance Sheet (Liabilities and Stockholders' Equity)

	July 31, 2021 (Unaudited)	April 30, 2021
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 1,627,731	$ 1,466,488
Accrued expenses	2,361,271	2,040,896
Deferred revenue	4,691,087	6,825,014
Due to students	2,905,192	2,747,484
Operating lease obligations, current portion	2,086,076	2,029,821
Other current liabilities	57,847	307,921
Total current liabilities	13,729,204	15,417,624
Operating lease obligations, less current portion	15,865,044	16,298,808
Total liabilities	29,594,248	31,716,432
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.001 par value; 1,000,000 shares authorized,		
0 issued and 0 outstanding at July 31, 2021 and April 30, 2021	—	—
Common stock, $0.001 par value; 40,000,000 shares authorized,		
25,087,051 issued and 24,931,565 outstanding at July 31, 2021		
25,066,297 issued and 24,910,811 outstanding at April 30, 2021	25,088	25,067
Additional paid-in capital	109,617,521	109,040,824
Treasury stock (155,486 at both July 31, 2021 and April 30, 2021)	(1,817,414)	(1,817,414)
Accumulated deficit	(59,028,891)	(58,158,003)
Total stockholders' equity	48,796,304	49,090,474
Total liabilities and stockholders' equity	$ 78,390,552	$ 80,806,906

ASPEN GROUP INC.

Subsidiary KPIs (Percentage of Revenue)

	Three Months Ended July 31, 2021		
	Consolidated	AU	USU
Revenue	$19,430,995	$13,249,652	$6,181,343
Percentage of Revenue	Consolidated	AU	USU
Instructional costs	23%	23%	24%
Marketing costs	21%	21%	16%
General and Administrative expenses	56%	34%	39%
Depreciation and Amortization	4%	5%	1%
GAAP Gross Profit	54%	53%	60%

ASPEN GROUP INC.

First Quarter Fiscal Year 2022 Earnings Slides

CREATING VALUE BY TRANSFORMING THE COLLEGE EDUCATION EXPERIENCE

IR Contact:
Kim Rogers
Hayden IR
kim@haydenir.com
385-831-7337