the decrease. The remainder of the decrease is primarily due to lower post-licensure enrollments attri

FOR IMMEDIATE RELEASE: December 13, 2022

Aspen Group Reports Revenue of $17.1 million for Second Quarter Fiscal 2023

- **Restructuring plan increases year-over-year gross margin to 60% from 51%, and narrows net loss to $(2.3) million from $(2.9) million**
- **Adjusted EBITDA of $0.5 million versus $(0.7) million in prior year quarter**
- **Positive operating cash flow of $1.0 million versus $(1.0) million in prior year quarter**

NEW YORK – December 13, 2022 - Aspen Group, Inc. (Nasdaq: ASPU) ("AGI" or the "Company"), an education technology holding company, today announced financial results for its second quarter fiscal year 2023 ended October 31, 2022.

Second Quarter Fiscal Year 2023 Summary Results

	Three Months Ended October 31,		Six Months Ended October 31,	
	2022	2021	2022	2021
Revenue	$ 17.1	$ 18.9	$ 36.0	$ 38.4
Gross Profit[1]	$ 10.2	$ 9.7	$ 18.4	$ 20.1
Gross Margin (%)[1]	60%	51%	51%	52%
Net Income (Loss)	$ (2.3)	$ (2.9)	$ (6.0)	$ (3.7)
Earnings (Loss) per Share	$ (0.09)	$ (0.11)	$ (0.24)	$ (0.15)
EBITDA[2]	$ (0.6)	$ (1.9)	$ (2.8)	$ (1.8)
Adjusted EBITDA[2]	$ 0.5	$ (0.7)	$ (0.6)	$ (0.2)

[1] GAAP gross profit calculation includes marketing and promotional costs, instructional costs and services, and amortization expense of $0.5 million and $0.5 million, and $1.0 million and $0.9 million for the three and six months ended October 31, 2022 and 2021, respectively.

[2] Non-GAAP financial measures. See reconciliations of GAAP to non-GAAP financial measures under "Non-GAAP –Financial Measures" starting on page 5.

"We are encouraged by our second quarter results which reflect the impact of reduced marketing and general and administrative spend as part of our restructuring initiative that we launched in the prior quarter," said Michael Mathews, Chairman, and CEO of AGI. "Gross margin improved by 900 basis points on lower revenue, and we narrowed our net loss and delivered positive adjusted EBITDA. USU's revenue grew 9%, due to continued strong demand for the MSN-FNP program, which helped to offset the expected decline in AU revenue coming from the teach-out of our BSN pre-licensure program and lower marketing spend."

"The restructuring initiated in the first quarter of fiscal year 2023 reduced cash used in operations in the second quarter by $4.6 million, enabling AGI to generate positive operating cash flow of $1 million," continued Mr. Mathews. "At the end of Q2, we issued an 8-K stating that AGI and the Arizona State Board for Private Postsecondary Education entered into a revised stipulated agreement that reduces AU's surety bond requirement from $18.3 million to $5.5 million and requires a teach-out of the core component of the pre-licensure program, among other requirements. As a result, our surety bond provider has recently agreed to return $1.5 million of the $5 million cash previously being held as collateral, providing additional cash for operations."

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Mr. Mathews concluded, "As previously stated, we engaged Lampert Capital Advisors to assist with securing an accounts receivable (AR) financing agreement. After conducting due diligence on our accounts receivable, Lampert has begun outreach to prospective lenders."

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Fiscal Q2S

% =

Non-recurring charges - Other	103,754	58,325	45,429	—
Adjusted EBITDA	$ (715,148)	$ (4,149,243)	$ 2,332,308	$ 1,101,787
Net income (loss) Margin	(15)%	NM	10%	14%
Adjusted EBITDA Margin	(4)%	NM	18%	18%

Definitions

Lifetime Value ("LTV") – is calculated as the weighted average total amount of tuition and fees paid by every new student that enrolls in the Company's universities, after giving effect to attrition.

Bookings – is defined by multiplying LTV by new student enrollments for each operating unit.

Average Revenue per Enrollment ("ARPU") – is defined by dividing total bookings by total enrollments.

Adjusted EBITDA Margin – is defined as Adjusted EBITDA divided by revenue. We believe Adjusted EBITDA margin is 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.

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 impact of our efforts to reduce expenses, our ability to generate positive operating cash flow in the second half of fiscal 2023, continued strong demand for the MSN-FNP program, and our plans and efforts to locate and close an accounts receivable facility, and 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 os[illegible]

Payments of deferred financing costs	(60,833)	—
Borrowings under the 2018 Credit Facility	—	5,000,000
Proceeds from stock options exercised	—	56,034
Net cash (used in) provided by financing activities	(251,298)	5,056,034

(Continued)

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

	Six Months Ended October 31, 2022	Six Months Ended October 31, 2021
Net decrease in cash, cash equivalents and restricted cash	$ (4,186,142)	$ (1,247,551)
Cash, cash equivalents and restricted cash at beginning of period	12,916,147	13,666,079
Cash, cash equivalents and restricted cash at end of period	$ 8,730,005	$ 12,418,528
Supplemental disclosure cash flow information:		
Cash paid for interest	$ 802,167	$ 98,904
Cash paid for income taxes	$ 22,522	$ 157,552
Supplemental disclosure of non-cash investing and financing activities:		
Warrants issued as part of the 2018 Credit Facility amendment	$ —	$ 137,500

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, 2022	October 31, 2021
Cash and cash equivalents	$ 2,306,480	$ 10,985,131
Restricted cash	6,423,525	1,433,397
Total cash, cash equivalents and restricted cash	$ 8,730,005	$ 12,418,528