# ASPEN GROUP, INC.

**State of Incorporation: Delaware**
**4605 E. Elwood Street, Suite 300**
**Phoenix, AZ 85040**
**(646) 448-5144**
**www.aspu.com**
**ir@aspen.edu**

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**SIC Code: 8200**

# Quarterly Report

**For the period ending July 31, 2025**
**(the "Reporting Period")**

**The number of shares outstanding of our Common Stock was 30,063,203 as of October 24, 2025**

**The number of shares outstanding of our Common Stock was 28,389,531 as of April 30, 2025**

**Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Securities Exchange Act of 1934):**

**Yes: ☐** **No: ☑**

**Indicate by check mark whether the company's shell status has changed since the previous reporting period:**

**Yes: ☐** **No: ☑**

**Indicate by check mark whether a change in control of the company has occurred over this reporting period:**

**Yes: ☐** **No: ☑**

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**Item 1. Exact name of the issuer and the address of its principal executive offices.**

Exact name of issuer: Aspen Group, Inc.

Principal executive offices: 4605 E. Elwood Street, Suite 300
Phoenix, AZ 85040
(646) 448-5144
www.aspu.com

Principal business offices: 4605 E. Elwood Street, Suites 300 and 400
Phoenix, AZ 85040

Investor relations contact: Kim Rogers
Hayden IR
(385) 831-7337
kim@haydenir.com
7320 E. Butherus Dr.
Scottsdale, AZ 85260

**Item 2. Shares outstanding.**

**Period End Date: July 31, 2025**

| Class | Number of Shares Authorized | Number of Shares Outstanding | Freely Tradable Shares (Public Float) | Number of Beneficial Shareholders Owning at Least 100 Shares | Total Number of Shareholders of Record |
|---|---|---|---|---|---|
| Common Stock | 85,000,000 | 29,080,778 | 18,580,625 | 113 | 117 |
| Preferred Stock | 1,000,000 | 10,000 | — | 2 | 2 |

**Period End Date: April 30, 2025**

| Class | Number of Shares Authorized | Number of Shares Outstanding | Freely Tradable Shares (Public Float) | Number of Beneficial Shareholders Owning at Least 100 Shares | Total Number of Shareholders of Record |
|---|---|---|---|---|---|
| Common Stock | 85,000,000 | 28,389,531 | 18,909,125 | 109 | 113 |
| Preferred Stock | 1,000,000 | 10,000 | — | 2 | 2 |

Transfer agent: Securities Transfer Corporation
2901 N Dallas Parkway, Suite 380
Plano, Texas 75093
(469) 633-0101

Registered under the Exchange Act: No

Regulatory authority: N/A

**Item 3. Interim financial statements.**

**ASPEN GROUP, INC. AND SUBSIDIARIES**
**CONSOLIDATED BALANCE SHEETS**

| | July 31, 2025 | April 30, 2025 |
|---|---|---|
| | (Unaudited) | |
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 480,581 | $ 736,871 |
| Restricted cash | 338,002 | 338,002 |
| Accounts receivable, net of allowance of $6,199,996 and $5,731,139, respectively | 16,896,190 | 17,167,346 |
| Prepaid expenses | 373,052 | 443,366 |
| Other current assets | 1,127,150 | 518,171 |
| Total current assets | 19,214,975 | 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 | 7,704,341 | 7,527,066 |
| | 16,726,122 | 16,545,974 |
| Less: accumulated depreciation and amortization | (10,546,264) | (9,907,309) |
| Total property and equipment, net | 6,179,858 | 6,638,665 |
| Goodwill | 5,011,432 | 5,011,432 |
| Intangible assets, net | 7,900,000 | 7,900,000 |
| Courseware and accreditation, net | 239,037 | 256,994 |
| Long-term contractual accounts receivable | 21,068,679 | 19,846,823 |
| Operating lease right-of-use assets, net | 6,882,871 | 7,250,407 |
| Deposits and other assets | 654,403 | 657,850 |
| **Total assets** | $ 67,151,255 | $ 66,765,927 |

(Continued)

The accompanying condensed notes are an integral part of these unaudited consolidated financial statements.

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

| | July 31, 2025 | April 30, 2025 |
|---|---|---|
| | (Unaudited) | |
| **Liabilities and Stockholders' Equity** | | |
| **Liabilities:** | | |
| Current liabilities: | | |
| Accounts payable | $ 2,735,862 | $ 2,055,173 |
| Accrued expenses | 2,608,147 | 2,483,520 |
| Advances on tuition | 1,730,416 | 2,235,332 |
| Deferred tuition | 2,683,072 | 2,535,533 |
| Due to students | 2,152,303 | 2,115,581 |
| Current portion of long-term debt | 6,751,104 | 2,000,000 |
| Operating lease obligations, current portion | 2,926,379 | 2,811,471 |
| Other current liabilities | 713,245 | 185,296 |
| Total current liabilities | 22,300,528 | 16,421,906 |
| | | |
| Long-term debt, net | — | 5,224,524 |
| Operating lease obligations, less current portion | 11,630,856 | 12,398,678 |
| Put warrants liabilities | 1,427,521 | 1,427,521 |
| Other long-term liabilities | 327,402 | 327,402 |
| Total liabilities | 35,686,307 | 35,800,031 |
| | | |
| Commitments and contingencies – see Note 11 | | |
| | | |
| **Stockholders' equity:** | | |
| Preferred stock, $0.001 par value; 1,000,000 shares authorized, 10,000 issued and 10,000 outstanding at both July 31, 2025 and April 30, 2025 | 10 | 10 |
| Common stock, $0.001 par value; 85,000,000 shares authorized, 29,080,778 and 28,389,531 issued and outstanding at July 31, 2025 and April 30, 2025, respectively | 29,081 | 28,390 |
| Additional paid-in capital | 122,244,089 | 122,152,533 |
| Accumulated deficit | (90,808,232) | (91,215,037) |
| Total stockholders' equity | 31,464,948 | 30,965,896 |
| **Total liabilities and stockholders' equity** | $ 67,151,255 | $ 66,765,927 |

The accompanying condensed notes are an integral part of these unaudited consolidated financial statements.

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

| | Three Months Ended July 31, 2025 | Three Months Ended July 31, 2024 |
|---|---|---|
| | (Unaudited) | (Unaudited) |
| Revenue | $ 11,440,466 | $ 11,328,837 |
| | | |
| Operating expenses: | | |
| Cost of revenue (exclusive of depreciation and amortization shown separately below) | 2,685,052 | 3,347,225 |
| General and administrative | 6,911,137 | 7,327,334 |
| Provision for credit losses | 450,000 | 450,000 |
| Depreciation and amortization | 669,662 | 820,004 |
| Total operating expenses | 10,715,851 | 11,944,563 |
| | | |
| Operating income (loss) | 724,615 | (615,726) |
| | | |
| Other income (expense): | | |
| Interest expense | (310,391) | (347,170) |
| Change in fair value of put warrant liability | — | 820,987 |
| Other income, net | — | 13,837 |
| Total other (expense) income, net | (310,391) | 487,654 |
| | | |
| Income (loss) before income taxes | 414,224 | (128,072) |
| | | |
| Income tax expense (benefit) | 7,419 | (208) |
| | | |
| Net income (loss) | 406,805 | (127,864) |
| | | |
| Dividends attributable to preferred stock | (42,345) | (141,152) |
| | | |
| Net income (loss) available to common stockholders | $ 364,460 | $ (269,016) |
| | | |
| Net income (loss) per share attributable to common stockholders: | | |
| Basic | $ 0.01 | $ (0.01) |
| Diluted | $ 0.01 | $ (0.01) |
| | | |
| Weighted average number of common stock outstanding: | | |
| Basic | 29,073,583 | 25,929,218 |
| Diluted | 38,451,820 | 25,929,218 |

The accompanying condensed notes are an integral part of these unaudited consolidated financial statements.

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

| | Three Months Ended July 31, | |
|---|---|---|
| | **2025** | **2024** |
| | (Unaudited) | (Unaudited) |
| **Cash flows from operating activities:** | | |
| Net income (loss) | $ 406,805 | $ (127,864) |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | |
| Provision for credit losses | 450,000 | 450,000 |
| Depreciation and amortization | 669,662 | 820,004 |
| Stock-based compensation | 32,180 | 151,341 |
| Change in fair value of put warrant liability | — | (820,987) |
| Amortization of warrant-based cost | — | 7,000 |
| Amortization of debt issuance costs | 26,580 | — |
| Non-cash lease benefit | (225,313) | (124,497) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (1,400,700) | 481,156 |
| Prepaid expenses | 70,314 | (6,001) |
| Other current assets | (608,979) | 368,529 |
| Deposits and other assets | 3,447 | 19,419 |
| Accounts payable | 680,689 | (196,066) |
| Accrued expenses | 124,627 | 219,262 |
| Due to students | 36,722 | (138,529) |
| Advances on tuition and deferred tuition | (357,377) | (1,267,356) |
| Other current liabilities | 527,951 | 402,493 |
| **Net cash provided by operating activities** | **436,608** | **237,904** |
| | | |
| **Cash flows from investing activities:** | | |
| Purchases of courseware and accreditation | (12,750) | (20,580) |
| Purchases of property and equipment | (180,148) | (289,906) |
| **Net cash used in investing activities** | **(192,898)** | **(310,486)** |
| | | |
| **Cash flows from financing activities:** | | |
| Repayment of portion of 15% Senior Secured Debentures | (500,000) | (150,000) |
| **Net cash used in financing activities** | **(500,000)** | **(150,000)** |

(Continued)

The accompanying condensed notes are an integral part of these unaudited consolidated financial statements.

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

| | Three Months Ended July 31, | | | |
|---|---|---|---|---|
| | 2025 | | 2024 | |
| | (Unaudited) | | (Unaudited) | |
| **Net decrease in cash, cash equivalents and restricted cash** | **$** | **(256,290)** | **$** | **(222,582)** |
| **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** | **$** | **818,583** | **$** | **2,396,845** |
| | | | | |
| **Supplemental disclosure of cash flow information:** | | | | |
| Cash paid for interest | $ | 310,391 | $ | 345,413 |
| Cash paid (refunds) for income taxes | $ | 7,419 | $ | (208) |
| | | | | |
| **Supplemental disclosure of non-cash investing and financing activities:** | | | | |
| Accrued dividends | $ | 42,345 | $ | 141,152 |

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:

| | July 31, | | | |
|---|---|---|---|---|
| | 2025 | | 2024 | |
| | (Unaudited) | | (Unaudited) | |
| Cash and cash equivalents | $ | 480,581 | $ | 1,308,843 |
| Restricted cash | | 338,002 | | 1,088,002 |
| Total cash, cash equivalents and restricted cash | $ | 818,583 | $ | 2,396,845 |

The accompanying condensed notes are an integral part of these unaudited consolidated financial statements.

**ASPEN GROUP, INC. AND SUBSIDIARIES**
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**July 31, 2025**
**(Unaudited)**

## Note 1. Nature of Operations

Aspen Group, Inc. ("AGI") is an education technology holding company. AGI has two subsidiaries, Aspen University Inc. ("Aspen University" or "AU"), organized in 1987, and United States University, Inc. ("United States University" or "USU").

All references to the “Company”, “AGI”, “Aspen Group”, “we”, “our” and “us” refer to Aspen Group, Inc. and its subsidiaries, unless the context otherwise indicates.

AGI leverages its education technology infrastructure and expertise to allow its two universities, Aspen University and United States University, to deliver on the vision of making college affordable again. Because we believe higher education should be a catalyst to our students’ long-term economic success, we exert financial prudence by offering affordable tuition that is one of the greatest values in higher education. AGI’s primary focus relative to future growth is to target the high growth nursing profession.

Since 1993, AU has been institutionally accredited by the Distance Education Accrediting Commission (“DEAC”), an accrediting agency recognized by the United States Department of Education (the “DOE”), and AU is accredited through January 2029.

Since 2009, USU has been institutionally accredited by WASC Senior College and University Commission (“WSCUC”), an accrediting agency recognized by the DOE, and USU is accredited through 2030.

Both universities are qualified to participate under the Higher Education Act of 1965, as amended ("HEA") and the Federal student financial assistance programs (Title IV, HEA programs). USU received full certification on May 6, 2022, and a new Program Participation Agreement ("PPA") was issued with an effective period until December 31, 2025. In September 2025, USU submitted its request to renew the PPA. Aspen University is also certified to participate under the Title IV and HEA Programs. On September 26, 2025, AU received a new PPA with an effective period until June 30, 2031. Both USU and AU are under Heightened Cash Monitoring 1 status due to AU’s request to participate under the Zone Alternative option for Title IV program eligibility. See Note 11. Commitments and Contingencies for additional information.

The Company has made the decision to merge AU into USU, with USU as the surviving entity. See Note 12. Subsequent Events for details.

## Note 2. Significant Accounting Policies

### Basis of Presentation and Consolidation

The interim unaudited consolidated financial statements included herein have been prepared by the Company. In the opinion of the Company’s management, all adjustments (consisting of normal recurring adjustments and reclassifications and non-recurring adjustments) necessary to present fairly the results of operations for the three months ended July 31, 2025 and 2024, cash flows for the three months ended July 31, 2025 and 2024, and the consolidated financial position as of July 31, 2025 have been made. The results of operations for such interim periods are not necessarily indicative of the operating results to be expected for the full year.

Certain information and disclosures normally included in the notes to the annual consolidated financial statements have been condensed or omitted from these interim unaudited consolidated financial statements. Accordingly, these interim consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Audited Annual Report for the fiscal year ended April 30, 2025 as filed with the OTC Markets Group Inc. ("OTC") on September 15, 2025. The April 30, 2025 consolidated balance sheet is derived from those statements.

The Company prepares its consolidated financial statements in accordance with U.S. generally accepted accounting principles ("GAAP").

The consolidated financial statements include the accounts of AGI and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

A full listing of our significant accounting policies is described in Note 2. Summary of Significant Accounting Policies of our Audited Annual Report for the fiscal year ended April 30, 2025 as filed with the OTC on September 15, 2025.

**Accounting Estimates**

Management of the Company is required to make certain estimates, judgments and assumptions during the preparation of its consolidated financial statements in accordance with GAAP. These estimates, judgments and assumptions impact the reported amounts of assets, liabilities, revenue and expenses and the related disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Significant estimates in the accompanying consolidated financial statements include the allowance for credit losses, the valuation of lease liabilities and the carrying value of the related right-of-use assets ("ROU assets"), depreciable lives of property and equipment, amortization periods and valuation of courseware, intangibles and software development costs, valuation of goodwill, valuation of loss contingencies, valuation of the put warrant liability, valuation of stock-based compensation and the valuation allowance on deferred tax assets.

Additionally, at each reporting period, accounts receivable is adjusted for the impact of any 25% discount programs offered to students, as discussed in Note 3. Accounts Receivable and Allowance for Credit Losses. The estimated adjustment is based on the 25% discount applied to the historical student participation rate in the offer, and it results in a reduction of reported accounts receivable balance in the consolidated balance sheet and a related reduction of revenue in the consolidated statement of operations.

**Cash, Cash Equivalents, and Restricted Cash**

For the purposes of the consolidated statements of cash flows, the Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

| | July 31, 2025 | April 30, 2025 |
|---|---|---|
| **Cash and cash equivalents** | $ 480,581 | $ 736,871 |
| | | |
| **Restricted cash:** | | |
| Collateral for surety bond at AU | 250,000 | 250,000 |
| Letter of credit for Title IV with DOE at AU | 88,002 | 88,002 |
| **Total restricted cash** | 338,002 | 338,002 |
| | | |
| **Total cash, cash equivalents and restricted cash as shown on the statement of cash flows** | $ 818,583 | $ 1,074,873 |

**Concentration of Credit Risk**

The Company maintains its cash in bank and financial institution deposits that at times may exceed federally insured limits of $250,000 per financial institution. The Company has not experienced any losses in such accounts from inception through July 31, 2025. As of July 31, 2025 and April 30, 2025, the Company maintained deposits exceeding federally insured limits by approximately $0 and $293,258, respectively, held in one institution.

**Fair Value Measurements and Fair Value of Financial Instruments**

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. The Company classifies assets and liabilities recorded at fair value under the fair value hierarchy based upon the observability of inputs used in valuation techniques. Observable inputs (highest level) reflect market data obtained from independent sources, while unobservable inputs (lowest level) reflect internally developed market assumptions. The fair value measurements are classified under the following hierarchy:

Level 1—Observable inputs that reflect quoted market prices (unadjusted) for identical assets and liabilities in active markets;
Level 2—Observable inputs, other than quoted market prices, that are either directly or indirectly observable in the marketplace for identical or similar assets and liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets and liabilities; and
Level 3—Unobservable inputs that are supported by little or no market activity that are significant to the fair value of assets or liabilities.

The estimated fair value of certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued expenses are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments and long-term accounts receivable approximate fair value since there is not a significant finance component (see below).

The Company’s non-financial assets, such as goodwill, intangible assets, ROU assets, and property and equipment, are adjusted to fair value only when an impairment is recognized. Such fair value measurements are based predominantly on Level 3 inputs**.**

A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The table below summarize the fair values of the Company's financial assets and liabilities as of July 31, 2025 and April 30, 2025 that are not valued at historical cost:

| | July 31, 2025 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total Fair Value Measurements** |
| Put Warrant Liability | $ — | $ — | $ 1,427,521 | $ 1,427,521 |

| | April 30, 2025 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total Fair Value Measurements** |
| Put Warrant Liability | $ — | $ — | $ 1,427,521 | $ 1,427,521 |

The Company's put warrant liability is measured at fair value on a recurring basis using significant unobservable inputs (Level 3). The following table provides a reconciliation of the beginning and ending balance and gains or losses recognized during the year ended July 31, 2025:

| | |
|---|---|
| **Beginning balance, April 30, 2024** | $ 1,964,593 |
| Re-measurement adjustments: | |
| Change in fair value of put warrant liability | (537,072) |
| **Ending balance, April 30, 2025** | 1,427,521 |
| Re-measurement adjustments: | |
| Change in fair value of put warrant liability | — |
| **Ending balance, July 31, 2025** | $ 1,427,521 |

See warrants discussion in Note 7. Stockholders' Equity.

**ASPEN GROUP, INC. AND SUBSIDIARIES**
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**July 31, 2025**
**(Unaudited)**

**Revenue Recognition, Advances on Tuition and Deferred Tuition**

The Company follows Accounting Standards Codification 606 ("ASC 606"). ASC 606 is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASC also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer purchase orders, including significant judgments.

Revenue consists primarily of tuition and course fees derived from courses taught by the Company online and in-person as well as from related educational resources and services that the Company provides to its students. Under ASC 606, tuition and course fee revenue is recognized pro-rata over the applicable period of instruction and are not considered separate performance obligations. Non-tuition related revenue and fees are recognized as services are provided or when the goods are received by the student. Students may receive discounts, scholarships, or refunds, which gives rise to variable consideration. Discounts or scholarships are applied to individual student accounts when such amounts are awarded. Therefore, the tuition is reduced directly by these discounts or scholarships from the amount of the standard tuition rate charged.

Deferred tuition liability represents student billings in excess of revenues recognized for courses that started as of the balance sheet date for which the related accounts receivable have not yet been collected.

Advances on tuition liability represents student billings in excess of revenues recognized for courses that started as of the balance sheet date for which the related accounts receivable have already been collected.

The Company's disaggregated revenue disclosures are presented in Note 8. Revenue.

**Net Earnings (Loss) Per Share**

Basic net income (loss) per share is computed by dividing the net income (loss) by the weighted average number of common shares during the period. Diluted net income (loss) per share is computed using the weighted average number of common shares and potentially dilutive securities outstanding during the period.

Summarized below are shares not included in the computation of diluted net loss per share because the effects would have been anti-dilutive. The warrants, RSUs, convertible preferred stock, and 15% Convertible Debentures are considered to be common stock equivalents and are only included in the calculation of diluted earnings per share of common stock when their effect is dilutive. See Note 7. Stockholders’ Equity.

| | July 31, 2025 | April 30, 2025 |
|---|---|---|
| Warrants to purchase common shares | 275,000 | 7,417,479 |
| Unvested restricted stock units | — | 1,538,505 |
| Convertible preferred shares | 20,000,000 | 20,000,000 |
| 15% Convertible Debentures | 13,679,408 | 14,679,408 |

**ASPEN GROUP, INC. AND SUBSIDIARIES**
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**July 31, 2025**
**(Unaudited)**

The following table sets forth the computations of basic and diluted net income (loss) per common share:

| | Three Months Ended July 31, | |
|---|---|---|
| | 2025 | 2024 |
| **Net income (loss) available to common stockholders** | $ 364,460 | $ (269,016) |
| | | |
| **Weighted average basic shares** | 29,073,583 | 25,929,218 |
| Dilutive securities: | | |
| Unvested restricted stock units | 1,530,000 | — |
| Dividends paid in common shares | 705,758 | — |
| Warrants to purchase common shares | 7,142,479 | — |
| **Weighted average dilutive shares** | 38,451,820 | 25,929,218 |
| | | |
| **Earnings (loss) per share:** | | |
| Basic | $ 0.01 | $ (0.01) |
| Diluted | $ 0.01 | $ (0.01) |

**Segment Information**

Operating segments are defined as components of a business for which separate discrete financial information is available for evaluation by the chief operating decision maker in deciding how to allocate resources and assess performance. The Company operates as a single operating and reporting segment, as a single educational delivery operation using a core infrastructure that serves the curriculum and educational delivery needs of its online and campus students regardless of geography. In accordance with ASC 280, the Company's chief operating decision makers (CODM), its Chief Executive Officer and Chief Financial Officer, manage the Company's operations as a whole and are responsible for assessing the Company's performance and making resource allocation decisions. The CODM evaluates financial information on a consolidated basis, focusing on key metrics. Existing guidance, which is based on a management approach to segment reporting, establishes requirements to report selected segment information quarterly and to report annually entity-wide disclosures about products and services, major customers, and the countries in which the entity holds material assets and reports revenue. All material operating units qualify for aggregation under "Segment Reporting" due to their similarities in economic characteristics such as nature of services. The CODM allocates resources based on the Company's available cash resources, forecasted cash flow, and expenditures on a consolidated basis, as well as an assessment of the probability of success of its business activities. Resource allocation decisions are informed by budgeted and forecasted information, along with actual operating results incurred to date. The measure of segment assets is reported on the balance sheet as total assets. Disaggregated profit or loss information at the program or functional level is *not* regularly provided to or relied upon by the CODM, as our integrated operating model emphasizes shared resources and centralized decision-making. Since the Company operates in one segment, all financial information required by "Segment Reporting" can be found in the accompanying notes to consolidated financial statements.

**Recent Accounting Pronouncements**

***Accounting Pronouncements Not Yet Adopted by the Company***

*ASU No. 2023-09—Income Taxes (Topic 740)—Improvements to Income Tax Disclosures*

In December 2023, the FASB issued ASU No. 2023-09, which establishes required categories and a quantitative threshold to the annual tabular rate reconciliation disclosure and disaggregated jurisdictional disclosures of income taxes paid. The guidance's annual requirements are effective for the Company beginning with the fiscal year ended April 30, 2026 reporting period. Early adoption is permitted, and ASU No. 2023-09 may be applied either prospectively or retrospectively. The Company is currently assessing ASU No. 2023-09, its impact on its income tax disclosures and method of adoption. ASU No. 2023-09 does not affect the Company's results of operations, financial condition or cash flows. The Company does not plan to adopt ASU No. 2023-09 early.

**ASPEN GROUP, INC. AND SUBSIDIARIES**
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**July 31, 2025**
**(Unaudited)**

*ASU No. 2024-03—Income Statement-Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)—Disaggregation of Income Statement Expenses*

In November 2024, the FASB issued ASU No. 2024-03, which is intended to provide users of financial statements with more decision-useful information about expenses of a public business entity, primarily through enhanced disclosures of certain components of expenses commonly presented within captions on the statement of operations, such as purchases of inventory, employee compensation, depreciation and amortization, as well as a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively. ASU No. 2024-03 also requires disclosure of the total amount of selling expenses and, in annual reporting periods, the definition of selling expenses. ASU No. 2024-03 is effective for fiscal years beginning after December 15, 2026 and for interim periods beginning after December 15, 2027. Early adoption is permitted, and ASU No. 2024-03 may be applied either prospectively or retrospectively. The Company is currently assessing ASU No. 2024-03, its impact on its disclosures and the timing and method of adoption. ASU No. 2024-03 does not affect the Company's results of operations, financial condition or cash flows. The Company does not plan to adopt ASU No. 2024-03 early.

**Note 3. Accounts Receivable and Allowance for Credit Losses**

Accounts receivable consisted of the following at July 31, 2025 and April 30, 2025:

| | July 31, 2025 | April 30, 2025 |
|---|---|---|
| Total accounts receivable, gross | $ 44,164,865 | $ 42,745,308 |
| Long-term contractual accounts receivable | (21,068,679) | (19,846,823) |
| Accounts receivable, gross | 23,096,186 | 22,898,485 |
| Less: allowance for doubtful accounts | (6,199,996) | (5,731,139) |
| Accounts receivable, net | $ 16,896,190 | $ 17,167,346 |

During the three months ended July 31, 2025 and 2024, AU and USU offered opportunities for graduates/alumni still making payments under the monthly payment plan ("MPP"), and all other payment types including financial aid, to reduce their outstanding balance by 25% if the balance was paid within the time period specified in the offer. The amounts collected under the program is summarized in the table below:

| | Three Months Ended July 31, | |
|---|---|---|
| | 2025 | 2024 |
| Aspen University | $0.3 million | $0.5 million |
| United States University | $0.7 million | $0.8 million |
| Total cash collected under the program | $1.0 million | $1.3 million |

During the three months ended July 31, 2025 and 2024, $0.2 million and $0.6 million, respectively, of consolidated accounts receivable were written off under the program and was recorded as a reduction of revenue in the accompanying consolidated statement of operations.

Provision for credit losses for both the three months ended July 31, 2025 and 2024, was $450,000. The following table presents the changes in the allowance for credit losses:

| | Three Months Ended July 31, | |
|---|---|---|
| | 2025 | 2024 |
| Balance at May 1 | $ 5,731,139 | $ 4,560,378 |
| Current period provision for credit losses | 450,000 | 450,000 |
| Write-offs charged against the allowance | (132,031) | (103,997) |
| Recoveries collected | 150,888 | 98,855 |
| Balance at July 31 | $ 6,199,996 | $ 5,005,236 |

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**Note 4. Property and Equipment**

As property and equipment reach the end of their useful lives, the fully expired assets are written off against the associated accumulated depreciation and amortization.

When assets are disposed of before reaching the end of their useful lives both the recorded cost of the fixed asset and the corresponding amount of accumulated depreciation is reversed. Any remaining difference between the two, net of proceeds, is recognized as either other income or expense. There was no expense impact for such write-offs for the three months ended July 31, 2025 and 2024.

Software consisted of the following:

| | July 31, 2025 | April 30, 2025 |
|---|---|---|
| Software | $ 7,704,341 | $ 7,527,066 |
| Accumulated amortization | (4,749,640) | (4,379,277) |
| Software, net | $ 2,954,701 | $ 3,147,789 |

Depreciation and amortization expense for property and equipment and software is summarized below:

| | Three Months Ended July 31, | |
|---|---|---|
| | 2025 | 2024 |
| **Depreciation and amortization expense:** | | |
| Property and equipment, excluding software | $ 268,569 | $ 353,946 |
| Software | $ 370,363 | $ 436,567 |

**Note 5. Courseware and Accreditation**

As courseware and accreditation reach the end of their useful life, they are written off against the accumulated amortization. There was no expense impact for such write-offs for the three months ended July 31, 2025 and 2024.

Courseware and accreditation consisted of the following:

| | July 31, 2025 | April 30, 2025 |
|---|---|---|
| Courseware | $ 523,334 | $ 510,561 |
| Accreditation | 106,750 | 106,750 |
| | 630,084 | 617,311 |
| Accumulated amortization | (391,047) | (360,317) |
| Courseware and accreditation, net | $ 239,037 | $ 256,994 |

Amortization expense for courseware and accreditation is summarized below:

| | Three Months Ended July 31, | |
|---|---|---|
| | 2025 | 2024 |
| Courseware and accreditation amortization expense | $ 30,730 | $ 29,491 |

Amortization expense is included in "Depreciation and amortization" in the unaudited consolidated statements of operations.

**Note 6. Debt**

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| | July 31, 2025 | April 30, 2025 |
|---|---|---|
| 15% Senior Secured Debentures due May 12, 2026; interest payable monthly | $ 6,839,704 | $ 7,339,704 |
| Less: debt issuance costs | (88,600) | (115,180) |
| Less: current portion of long-term debt | (6,751,104) | (2,000,000) |
| Total long-term debt, net | $ — | $ 5,224,524 |

On May 12, 2023, Aspen Group, Inc. completed a private offering of approximately $12.4 million aggregate principal amount of 15% Senior Secured Debentures ("15% Debentures") due May 2026. Of the $12.4 million of principal, approximately $10.5 million was funded with the remainder recorded as debt discount. A portion of the proceeds from the 15% Debentures ($5 million plus accrued interest) were used to fully repay the outstanding borrowings under the 2018 Credit Facility, in addition to paying expenses associated with this offering; the remaining proceeds were used for working capital needs. The Company also reimbursed the investors for expenses incurred in relation to legal expenses, due diligence and investment documentation of $90,000 in advance of entering into the 15% Debentures. After the discount, fees, expenses, discussed below, and the repayment of the 2018 Credit Facility, $3.4 million was made available to the Company as unrestricted cash, and $2.0 million was deposited into a restricted cash account. The $2.0 million restricted cash deposit was subsequently used to prepay a portion of the outstanding balance (see Second and Third Amendment discussions below).

At closing of the 15% Debentures, the Company paid the investment bank fees, lender fees and legal expenses of $0.8 million, which were recorded as debt issuance costs and recorded a $1.4 million original issue discount, both of which were being amortized over a three-year period in "interest expense" in the accompanying consolidated statement of operations. In the fourth quarter of Fiscal 2024, in connection with the Third Amendment discussed below, the Company recorded a loss on debt extinguishment, which consisted of $0.8 million of debt issuance costs, a $250,000 exit fee and $1.0 million of original issue discount. Therefore, during the three months ended July 31, 2024, there was no amortization of debt issuance costs or amortization of original issue discount. During Fiscal 2025, the Company paid $0.2 million of investment bank fees related to the 15% Debentures. During the three months ended July 31, 2025, the Company recorded $26,580 of amortization of debt issuance costs. The unamortized debt issuance costs during the three months ended July 31, 2025 were $0.1 million. During the three months ended July 31, 2025 and 2024, the Company recorded interest expense of $0.3 million and $0.3 million, respectively, for the 15% Debentures, which is included in "Interest expense" in the consolidated statement of operations.

The 15% Debentures bear cash interest from May 12, 2023 at an annual rate of 15% payable monthly in arrears on the last business day of each month, beginning May 2023. The interest rate is subject to increase to 20% upon the occurrence of an event of default. The 15% Debentures will mature on May 12, 2026 unless earlier redeemed. The 15% Debentures were subject to monthly redemptions beginning in November 2023 of approximately $290,000 (subsequently amended as discussed in the Sixth Amendment below).

The Company had the option to prepay the 15% Debentures at any time after May 12, 2024 at 105%; but did not make this election.

As part of the offering, the Company also issued warrants to purchase 2.2 million shares of common stock, representing 6% of the outstanding common stock at closing, at an exercise price of $0.01 per share ("May 2024 Warrants"). The fair value of the warrants was $154,000 and was being amortized over a three-year term. The warrants contain anti-dilution protection. In connection with the Second Amendment, described below and discussed in Note 7. Stockholders' Equity, these warrants were reclassified to liabilities in the third quarter of Fiscal 2024.

The 15% Debentures contain covenants that required the Company to maintain $2.0 million of restricted cash (subsequently amended as discussed in the Second and Third Amendments below), maintain at least $20.0 million of accounts receivable at all times, and achieve enumerated quarterly revenue and quarterly Adjusted EBITDA targets, which is defined as EBITDA excluding: (1) stock-based compensation; and (2) non-recurring charges (subsequently amended as discussed in the Third Amendment below).

First Amendment

On August 1, 2023, the Company entered into an amendment with the purchasers pursuant to the 15% Debentures to unrestrict $750,000 of the $2.0 million restricted cash, required to be maintained as part of the covenants, until the earlier of August 22, 2023 or next Heightened Cash Monitoring 2 ("HCM2") funding, discussed in Note 11. Commitments and Contingencies. On August 9, 2023, the Company replenished the restricted cash balance to $2.0 million and paid $100,000 of principal along with a $5,000 fee.

Second Amendment

On October 31, 2023, the Company entered into a Second Amendment with the purchasers pursuant to the 15% Debentures to unrestrict $1.5 million of the $2.0 million restricted cash which was accounted for as a debt modification. Upon receipt of the fifth HCM2 reimbursement on February 8, 2024, the Company was required to prepay $1.5 million of the outstanding principal of the 15% Debentures ("Mandatory Prepayment"). Additionally, the Company paid a prepayment premium of $250,000, which was recorded as loss on debt extinguishment. Monthly redemptions which began in November 2023 were reduced by 10% following the Mandatory Prepayment to approximate $260,000. As part of the Second Amendment, the Company also issued additional warrants to purchase Common Stock. See Note 7. Stockholders' Equity for additional information on the warrants.

Third Amendment

On April 16, 2024, the Company entered into a Third Amendment with the holders of its outstanding 15% Debentures to:

(i) utilize the remaining $500,000 of restricted cash to prepay outstanding principal on April 18, 2024;

(ii) pay an exit fee of $250,000 on or prior to the earlier of the maturity date and repayment in full of the outstanding balance of the 15% Debentures which was accrued in "Other long-term liabilities" in the accompanying consolidated balance sheets;

(iii) reduce the monthly principal payments to $50,000 for the calendar months of March, April, May, June, July, and August 2024;

(iv) reduce the required minimum Revenue and Adjust EBITDA covenants; and

(v) include a voluntary $0.50 conversion feature to common stock of AGI.

The above conversion feature of $0.50 triggered price protection in certain prior warrant grants. See Note 7. Stockholders' Equity.

Fourth Amendment

On April 29, 2024, the Company entered into a Fourth Amendment with the holders of its outstanding 15% Debentures to:

(i) approve the exchange of the 2022 Convertible Notes held by the holders in exchange for the Series A Convertible Preferred Stock ("Series A") pursuant to the Exchange Agreement and the terms of the Series A set forth in the Certificate of Designation;

(ii) revise certain negative covenants in the 15% Debentures to permit the issuance of the Dividend Shares (see Note 7. Stockholders' Equity) and carve-out the issuance of the Dividend Shares from triggering any adjustments pursuant to negative covenants in the 15% Debentures;

(iii) clarify that the issuance of the Dividend Shares is an "Exempt Issuance" under the 15% Debentures;

(iv) agree that if the Series A are exchanged for new convertible notes on similar terms as the original 2022 Convertible Notes (other than a $0.50 per share conversion price), such notes would be "Permitted Indebtedness" (as defined in the 15% Debentures); and

(v) enter into an agreement to terminate the subordination agreement.

Fifth Amendment

On July 19, 2024, the Company entered into a Fifth Amendment to amend certain prior events of default.

Sixth Amendment

On October 31, 2024, the Company entered into a Sixth Amendment with the holders of its outstanding 15% Debentures. The Amendment provides that effective Q3 Fiscal 2025, required monthly loan principal payments, as noted above, will be converted to quarterly payments of $500,000. The first quarterly principal payment was made on January 31, 2025, with subsequent payments due each 90 days thereafter. As part of the Sixth Amendment, the Company issued the holders of the 15% Debentures additional warrants to purchase common stock equal to 5% of outstanding shares of common stock on the Sixth Amendment effective date of October 31, 2024. See Note 7. Stockholders' Equity for additional information.

**Note 7. Stockholders' Equity**

**Stock-based Incentive Plans**

AGI maintains one stock-based incentive plan: the 2018 Equity Incentive Plan (the "2018 Plan") that provides for the grant of shares in the form of incentive stock options, non-qualified stock options, restricted shares, stock appreciation rights and RSUs to employees, consultants, officers and directors.

As of July 31, 2025 and April 30, 2025, there were 224,854 and 224,854 shares, respectively, remaining available for future issuance under the 2018 Plan.

**OTC Markets Group Inc. Status**

Aspen Group's common stock is traded under the ticker symbol "ASPU" on the OTCQB market.

**Preferred Stock**

The Company is authorized to issue 1,000,000 shares of "blank check" preferred stock with designations, rights and preferences as may be determined from time to time by our Board of Directors. As of both July 31, 2025 and April 30, 2025, there were 10,000 shares issued and outstanding.

Each share of Series A has a par value of $0.001 per share and an initial stated value of $1,000 per share. Retroactive to April 1, 2024, shares of the Series A are entitled to receive dividends at the rate of 14.0% per annum of the stated value payable solely in shares of AGI common stock. Such dividends accrue and are cumulative from and including April 1, 2024 and are payable quarterly in arrears on each dividend payment date, commencing May 1, 2024. Accruing and unpaid dividends are settled with common stock shares using a conversion price of $0.50 per share to determine the quantity of shares to be issued and then using the quoted trading price of the Company's common stock on the settlement date to determine the fair value of the dividend. Each share of Series A is convertible into 2,000 shares of AGI common stock at a conversion price of $0.50 based on the stated value. The Series A has a beneficial ownership limitation on the Common Stock of 24.99% per shareholder.

Dividends issued were as follows:

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| Issuance Date | Number of Common Stock Issued | Fair Value of Dividend [1] | |
|---|---|---|---|
| Activity during the three months ended July 31, 2025: | | | |
| 'May 1, 2025 [2] | 682,744 | $ | 102,412 |
| | | | |
| Activity subsequent to July 31, 2025 | | | |
| August 1, 2025 [3] | 705,758 | $ | 141,152 |

[1] Based on the quoted marketed price on the dividend settlement date.
[2] Accrued at April 30, 2025 and [3] Accrued at July 31, 2025. Since the Company does not have retained earnings, the fair value of the dividend is recorded as both a debit and credit to additional-paid-in capital resulting in no net effect in stockholders equity.

**Common Stock**

At both July 31, 2025 and April 30, 2025, the Company was authorized to issue 85,000,000 shares of common stock.

During the three months ended July 31, 2025 and 2024, 705,758 and 705,758 common shares, respectively, were issued to satisfy accrued dividends of $42,345 and $141,152, respectively.

**Restricted Stock**

As of both July 31, 2025 and April 30, 2025, there were no unvested shares of restricted common stock outstanding. There is no unrecognized compensation expense related to restricted stock as of July 31, 2025.

**Restricted Stock Units**

A summary of the Company's RSU activity granted under the 2018 Equity Incentive Plan, during the three months ended July 31, 2025 is presented below:

| Restricted Stock Units | Number of Shares | Weighted Average Grant Date Fair Value | |
|---|---|---|---|
| Unvested balance outstanding, April 30, 2025 | 1,538,505 | $ | 0.17 |
| Granted | — | | — |
| Forfeits | — | | — |
| Vested | (8,505) | | 0.13 |
| Expired | — | | — |
| Unvested balance outstanding, July 31, 2025 | 1,530,000 | $ | 0.15 |

CEO RSUs

On September 29, 2023, the Board of Directors approved a 1.0 million RSU grant to the Company's Chief Executive Officer ("CEO"). The grant has a grant date fair value of $180,000 based on a closing stock price of $0.18 per share. The amortization expense related to this grant for the three months ended July 31, 2025 and 2024 was $22,500 and $67,500, respectively, which is included in "General and administrative expense" in the accompanying consolidated statements of operations.

CFO RSUs

On August 29, 2023, the Board of Directors approved a 500,000 RSU grant to the CFO. The grant has a grant date fair value of $65,000 based on a closing stock price of $0.13 per share. The amortization expense related to this grant for the three months ended July 31, 2025 and 2024 was $5,417 and $5,417, respectively, which is included in "General and administrative expense" in the accompanying consolidated statements of operations.

CAO RSUs

On September 29, 2023, the Board of Directors approved a 100,000 RSU grant to the Company's Chief Academic Officer ("CAO"). The grant has a grant date fair value of $18,000 based on a closing stock price of $0.18 per share. The amortization expense related to this grant for the three months ended July 31, 2025 and 2024 was $1,583 and $1,583, respectively, which is included in "General and administrative expense" in the accompanying consolidated statements of operations.

On September 12, 2025, the remaining unvested restricted stock units were accelerated.

Other RSUs

Of the 1,530,000 unvested RSUs outstanding at July 31, 2025, 1.4 million shares are related to the CFO, CEO and CAO RSU grants. The remaining approximately 0.1 million unvested RSUs were employee grants subject to time-based vesting and continued employment, of which $2,680 was amortized during the three months ended July 31, 2025.

At July 31, 2025, total unrecognized compensation expense related to unvested RSUs is less than $0.1 million and is expected to be recognized over a weighted-average period of approximately 2.33 years.

### Warrants

The Company estimates the fair value of warrants utilizing the Black-Scholes pricing model, unless indicated otherwise, which is dependent upon several variables such as the expected term, expected volatility of the Company's stock price over the expected term, expected risk-free interest rate over the expected term and expected dividend yield rate over the expected term. The Company believes this valuation methodology is appropriate for estimating the fair value of warrants issued which are subject to ASC Topic 718 requirements. These amounts are estimates and thus may not be reflective of actual future results, nor amounts ultimately realized by recipients of these grants. The Company recognizes expense on a straight-line basis over the vesting period of each warrant issued.

A summary of the Company's warrant activity during the three months ended July 31, 2025 is presented below:

| Warrants | Number of Shares | Weighted Average Exercise Price | Weighted Average Remaining Contractual Term | Aggregate Intrinsic Value |
|---|---|---|---|---|
| Balance Outstanding, April 30, 2025 | 7,417,479 | $ 0.09 | 3.57 | $ 999,947 |
| Granted | — | — | — | — |
| Exercised | — | — | — | — |
| Surrendered | — | — | — | — |
| Expired | — | — | — | — |
| Balance Outstanding, July 31, 2025 | 7,417,479 | $ 0.09 | 3.32 | $ 357,124 |
| Unvested | — | | | |
| Exercisable, July 31, 2025 | 7,417,479 | $ 0.09 | 3.32 | $ 357,124 |

| OUTSTANDING WARRANTS | | | EXERCISABLE WARRANTS | | |
|---|---|---|---|---|---|
| Exercise Price | Weighted Average Exercise Price | Outstanding Number of Warrants | Weighted Average Exercise Price | Weighted Average Remaining Life In Years | Exercisable Number of Warrants |
| $ 0.01 | $ 0.01 | 5,846,018 | $ 0.01 | 3.20 | 5,846,018 |
| $ 0.01 | $ 0.01 | 1,296,461 | $ 0.01 | 4.25 | 1,296,461 |
| $ 0.50 | $ 0.50 | 200,000 | $ 0.50 | 1.73 | 200,000 |
| $ 0.50 | $ 0.50 | 50,000 | $ 0.50 | 1.08 | 50,000 |
| $ 6.99 | $ 6.99 | 25,000 | $ 6.99 | 0.97 | 25,000 |
| | | 7,417,479 | | | 7,417,479 |

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15% Debentures - Warrants

On May 12, 2023, as part of the 15% Debentures offering, the Company issued warrants to the investors to purchase 2.2 million shares of the Company’s common stock exercisable for five years from the date of issuance at the exercise price of $0.01 per share (the "May 2023 Warrants"). See Note 6. Debt. The relative fair value of the warrants was $154,000, and they are amortized over a three-year term and contain anti-dilution protection. The relative fair value of the warrants was treated as a deferred financing cost. The Company recognized $34,222, of amortization expense in connection with the fair value of the warrants during Fiscal 2024, which is included in "interest expense" in the accompanying consolidated statement of operations. In connection with the Second Amendment, described below, the fair value of the warrants was reclassified to liabilities due to the addition of the cash repayment put option in accordance with ASC 480. As of April 30, 2024, the Company reclassified $500,825 from "Additional paid-in capital" to "Warrant liabilities" in the accompanying consolidated balance sheet; recorded $957,779 of initial grant date fair value as expense; and recognized a $505,989 loss of fair value adjustment in "Change in fair value of put warrant liability" in the accompanying consolidated statement of operations during the year ended April 30, 2024.

As part of the Second Amendment to the 15% Debentures, which is discussed in Note 6. Debt, the Company also issued warrants to purchase Common Stock at an exercise price of $0.01 based on the outstanding principal balances of the 15% Debentures, which are the same term as the May 2023 Warrants (collectively, the “New Warrants”):

a. on the effective date of the Second Amendment, New Warrants were issued to purchase 403,545 shares of Common Stock, which is equal to 1% of the Company’s outstanding shares on a fully diluted basis, with a value of $91,280;

b. since the Mandatory Prepayment of $1.5 million was not made by December 30, 2023, on such date, New Warrants were issued to purchase 3% of the Company’s issued and outstanding on a fully diluted basis. The Company issued an additional 1,210,634 warrants with a value of $324,937; and

c. since the Mandatory Prepayment of $1.5 million was not made by January 31, 2024, but rather on February 8, 2024, on such date, New Warrants were issued to purchase 5% of the Company’s issued and outstanding on a fully diluted basis. The Company issued an additional 2,017,724 warrants with a value of $541,562.

The Second Amendment also provides that upon the first to occur of the (i) the 15% Debenture Maturity Date, (ii) after the occurrence and during the continuance of an event of default, or (iii) the repayment in full of the 15% Debentures, the Company shall, upon the written request, repurchase the May 2023 Warrants and the New Warrants for a purchase price of $100,000 in cash per one percentage point of ownership of the Company’s issued and outstanding common stock on a fully diluted basis as of the date of the Second Amendment, which is 14% (subject to adjustment for stock splits, stock dividends, stock combinations, reverse stock splits, recapitalizations and similar transactions) (collectively the "put warrants"). At July 31, 2025, the total number of such warrants issued under the 15% Debentures was 5,846,018, and the estimated fair value of these put warrants, which approximates the cash redemption value, was $1.4 million, which is included in "Warrant liabilities" in the accompanying consolidated balance sheet. See Note 2. Significant Accounting Policies.

As part of the Sixth Amendment to the 15% Debentures, which is discussed in Note 6. Debt, the Company issued additional warrants to purchase 1,296,461 shares of Common Stock, which is equal to 5% of the Company's outstanding shares on a fully diluted basis at October 31, 2024, exercisable for five years from the date of issuance at the exercise price of $0.01 per share. These warrants have no cash repayment put option in accordance with ASC 480. The relative fair value of the warrants was $12,965 and is being amortized over the term of the 15% Debentures.

2022 Convertible Notes - Warrants

On April 22, 2022, as consideration for amending the Intercreditor Agreement, the Company issued warrants to the each of the same two holders of the since exchanged $10 million Convertible Notes, to each purchase 100,000 shares of the Company’s common stock exercisable for five years from the date of issuance at the exercise price of $1.00 per share. These warrants had price protection so as a result of making the 15% Debentures convertible in Fiscal 2024, as discussed in Note 6. Debt, the exercise price automatically was reduced to $0.50. The fair value of the warrants of $118,000 was treated as deferred financing costs, a non-current asset, and was fully amortized in prior years.

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2018 Credit Facility Agreement - Warrants

On August 31, 2021, the Compensation Committee approved the issuance of warrants to the Leon and Toby Cooperman Family Foundation as an extension fee in connection with the extension of the 2018 Credit Facility Agreement. The warrants allow for the purchase of 50,000 shares of the Company’s common stock and have an exercise price of $5.85. These warrants had price protection, so as a result of making the 15% Debentures convertible in Fiscal 2024, as discussed in Note 6. Debt, the exercise price automatically was reduced to $0.50. In addition, for regulatory reasons, a 24.99% beneficial ownership limitation was inserted into the warrants. The warrants have an exercise period of five years from the August 31, 2021 issuance date and will terminate automatically and immediately upon the expiration of the exercise period. The fair value of the warrants is $137,500. In connection with repayment of the 2018 Credit Facility on May 12, 2023, the remaining fair value of these warrants of $23,897 was fully expensed.

Former Member of the Board of Directors - Warrants

On July 21, 2021, the Executive Committee approved the issuance of warrants to a former member of the Board of Directors for the purchase of 25,000 shares of the Company's common stock with an exercise price of $6.99 per share. The warrants have an exercise period of five years from the July 21, 2021 issuance date and vest annually over a three-year period subject to continued service on the Company's Advisory Board on each applicable vesting date. The warrants will terminate automatically and immediately upon the expiration of the exercise period. The fair value of the warrants is $84,000 and was amortized over the three-year vesting period. The remaining fair value of these warrants of $7,000 was fully expensed during the three months ended July 31, 2024, which is included in "interest expense" in the accompanying consolidated statement of operations.

**Stock Option Grants to Employees and Directors**

As of both July 31, 2025 and April 30, 2025, there were no stock options outstanding or exercisable. There is no unrecognized compensation expense related to stock options as of July 31, 2025.

**Stock-based compensation related to RSUs**

During the three months ended July 31, 2025 and 2024, the Company’s stock-based compensation expense was $32,180 and $151,341, respectively, which is included in "General and administrative" expense in the consolidated statement of operations.

**Note 8. Revenue**

Revenue consists primarily of tuition and fees derived from courses taught by the Company online. The fees for library and technology costs are recognized over the related service period and are not considered separate performance obligations. Other services and exam fees are recognized as services are provided or when goods are received by the student.

The following table represents the Company's revenue disaggregated by the nature and timing of services:

| | Three Months Ended July 31, | |
|---|---|---|
| | 2025 | 2024 |
| Tuition - *recognized over period of instruction* | $ 9,662,785 | $ 9,429,999 |
| Course fees - *recognized over period of instruction* | 1,296,168 | 1,518,224 |
| Exam fees - *recognized at a point in time* | 83,783 | 53,096 |
| Service fees - *recognized at a point in time* | 397,730 | 327,518 |
| Revenue | $ 11,440,466 | $ 11,328,837 |

**Contract Balances and Performance Obligations**

As the Company provides the performance obligation through the instruction of a course, revenue is recognized resulting in the creation of accounts receivable. The Company accounts for receivables in accordance with ASC 326, Financial Instruments - Credit Losses. The Company uses the portfolio approach.

**Cash Receipts**

The Company's students finance costs through a variety of funding sources, including, among others, monthly payment plans, installment plans, federal loan and grant programs (Title IV), employer reimbursement, and various veteran and military funding and grants, and cash payments. Most students elect to use the Company's monthly payment plan. This plan allows students to make fixed monthly payments over the length of the payment plan. Title IV and military funding typically arrive during the period of instruction. Both USU and AU are under Heightened Cash Monitoring 1 status due to AU's request to participate under the Zone Alternative option for Title IV program eligibility. See Note 11. Commitments and Contingencies for additional information. A school placed on HCM1 draws down financial aid funds to cover those disbursements in the same way as a school on the Advance Payment Method. Students who receive reimbursement from employers typically do so after completion of a course. Students who choose to pay cash for a class typically do so before beginning the class.

**Significant Judgment**

We analyze revenue recognition on a portfolio approach under ASC 606-10-10-4. Significant judgment is utilized in determining the appropriate portfolios to assess for meeting the criteria to recognize revenue under ASC Topic 606. We have determined that all of our students can be grouped into one portfolio. Students behave similarly, regardless of their payment method. Enrollment agreements and refund policies are similar for all of our students. We do not expect that revenue earned for the portfolio is significantly different as compared to revenue that would be earned if we were to assess each student contract separately.

The Company maintains institutional tuition refund policies, which provides for all or a portion of tuition to be refunded if a student withdraws during stated refund periods. Certain states in which students reside impose separate, mandatory refund policies, which override the Company's policy to the extent in conflict. If a student withdraws at a time when a portion or none of the tuition is refundable, then in accordance with its revenue recognition policy, the Company recognizes as revenue the tuition that was not refunded. Since the Company recognizes revenue pro-rata over the term of the course and because, under its institutional refund policy, the amount subject to refund is never greater than the amount recognized as advances on tuition, under the Company's accounting policies revenue is not recognized with respect to amounts that could potentially be refunded.

The Company had revenue from students outside the United States. For both of the three months ended July 31, 2025 and 2024, revenue earned from students outside of the United States was approximately 3%, respectively, of consolidated revenue.

**Note 9. Leases**

The Company determines if a contract contains a lease at inception. The Company entered into operating leases totaling approximately 157,321 square feet of office and classroom space in Phoenix, San Diego, Austin, Tampa, Nashville and Atlanta. These leases expire at various dates through April 2031, and the majority contain annual base rent escalation clauses. Most of these leases include options to extend for additional five-year periods. Since it is not reasonably certain that the leases would be renewed, the Company does not consider the renewal option in the lease term. As permitted by ASC 842, leases with an initial term of twelve months or less are not recorded on the accompanying consolidated balance sheet. The Company does not have any financing leases.

AU subleased a portion of its Austin campus, which commenced on February 1, 2024.

On August 2, 2024, AU entered into a sublease for a portion of its Phoenix campus, which commenced on January 1, 2025 and is subject to the subtenant obtaining regulatory approvals to conduct its operations from the space. The sublease runs through the remainder of the term left on its master lease, which expires in April 2028. AU also entered into a sublease for a separate portion of its Phoenix campus for one year, which commenced on September 11, 2024 and extended another year through August 2026.

All sublease income is included as an offset to lease expense in general and administrative expense in the statement of operations.

As of July 31, 2025, our longer-term operating leases are located in Tampa, Phoenix, Atlanta, Nashville and Austin and are set to expire in three to six years. These leases make up approximately 95% of the total future minimum lease payments.

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**(Unaudited)**

Operating lease ROU assets, represent the right to use an underlying asset for the lease term. Operating lease liabilities represent the obligation to make lease payments arising from the lease. Operating leases are included in "Operating lease right-of-use assets, net", "Operating lease obligations, current portion" and "Operating lease obligations, less current portion" in the consolidated balance sheets at July 31, 2025 and April 30, 2025. These assets and lease liabilities are recognized based on the present value of remaining lease payments over the lease term. Variable lease costs such as common area maintenance, property taxes and insurance are expensed as incurred. When the lease does not provide an implicit interest rate, the Company uses an incremental borrowing rate of 15% to determine the present value of the lease payments.

Lease incentives are deducted from the ROU assets. Incentives such as tenant improvement allowances are amortized as leasehold improvements, separately, over the life of the lease term. For the three months ended July 31, 2025 and 2024, the amortization expense for these tenant improvements was $0.1 million and $0.2 million, respectively.

Lease expense for operating leases is recognized on a straight-line basis over the lease term. Lease expense, net of sublease income, for the three months ended July 31, 2025 and 2024 was $0.5 million and $0.4 million, respectively, which is included in "General and administrative" expenses in the consolidated statements of operations.

ROU assets are summarized below:

| | July 31, 2025 | April 30, 2025 |
|---|---|---|
| ROU assets - Operating facility leases | $ 16,143,478 | $ 16,143,478 |
| Less: accumulated amortization | (9,260,607) | (8,893,071) |
| Total ROU assets | $ 6,882,871 | $ 7,250,407 |

Operating lease obligations, related to the ROU assets are summarized below:

| | July 31, 2025 | April 30, 2025 |
|---|---|---|
| Total lease liabilities | $ 26,058,494 | $ 26,058,494 |
| Reduction of lease liabilities | (11,501,259) | (10,848,345) |
| Total operating lease obligations | $ 14,557,235 | $ 15,210,149 |

The following is a schedule by future minimum lease payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of July 31, 2025 (by fiscal year).

| Maturity of Lease Obligations | Lease Payments |
|---|---|
| 2026 (remaining) | $ 3,522,419 |
| 2027 | 4,782,909 |
| 2028 | 4,809,323 |
| 2029 | 2,334,139 |
| 2030 | 1,518,860 |
| Thereafter | 1,064,970 |
| Total future minimum lease payments | 18,032,620 |
| Less: imputed interest | (3,475,385) |
| Present value of operating lease liabilities | $ 14,557,235 |

| Balance Sheet Classification | July 31, 2025 | April 30, 2025 |
|---|---|---|
| Operating lease obligations, current portion | $ 2,926,379 | $ 2,811,471 |
| Operating lease obligations, less current portion | 11,630,856 | 12,398,678 |
| Total operating lease obligations | $ 14,557,235 | $ 15,210,149 |

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| Other Information | July 31, 2025 | April 30, 2025 |
|---|---|---|
| Weighted average remaining lease term (in years) | 4.42 | 4.64 |
| Weighted average discount rate | 14 % | 14 % |

**Note 10. Income Taxes**

The Company determined that it has a permanent establishment in Canada, as defined by article V(2)(c) of the Convention between Canada and the United States of America with Respect to Taxes on Income and on Capital (the “Treaty”), which would be subject to Canadian taxation as levied under the Income Tax Act. The Company filed Canadian T2 Corporation Income Tax Returns and related information returns under the Voluntary Disclosure Program with the Canada Revenue Agency ("CRA") to cover the 2013 through 2023 tax years during which a permanent establishment was in place.

At July 31, 2025 and April 30, 2025, the Company recorded a reserve of approximately $0.5 million for the estimate of the 2013 through 2023 tax year foreign income tax liability during which a permanent establishment was in place in Canada. These reserves are included in "Accrued expenses" in the consolidated balance sheets. These amounts have not yet been remitted to the CRA.

**Note 11. Commitments and Contingencies**

**Operating Leases**

The Company leases space for its campus and corporate operations. (See Note 9. Leases)

**Employment Agreements**

From time to time, the Company enters into employment agreements with certain of its employees. These agreements typically include bonuses, some of which may or may not be performance-based in nature.

**Legal Matters**

From time to time, the Company may be involved in litigation relating to claims arising out of its operations in the normal course of business. As of the date of this Report, except as discussed below, we are not aware of any other pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of our operations, and there are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

**Regulatory Matters**

On October 1, 2025, the Department of Education published guidance in the form of an Electronic Announcement Entitled “Government Lapse in Appropriations – Federal Student Aid Processing and Customer Service Guidance (Genera; -25-42).” The Department states that during the Government Shutdown, federal offices, including regional cities, would be closed, but the majority of the Federal Student Aid (FSA) processors, contact centers, and websites would remain operational.

In July 2025, legislative changes were passed regarding the (a) Student Loan Program (effective July 2026), including the elimination of Grad PLUS loans, a cap on Parent PLUS loans at $65,000 per student (previously uncapped), a cap on graduate/professional direct loans at $100,000 for graduate students and $200,000 for professional students, (b) Repayment Plan Simplification, including the consolidation of repayment plans for future borrowers and elimination of certain deferments such as the sunset of economic hardship and unemployment deferments, (c) Pell Grant Changes, including projections of a possible funding shortfall in FY25 that would apply to the 2025-26 school year and that students cannot receive both regular Pell and Workforce Pell simultaneously, (d) Accountability with Risk-Sharing Framework, including universities must make annual payments to the DOE based on a calculation of the non-repayment of balances of their student loan cohorts, and (e) Limitation of Authority, including limits of the DOE to propose or issue regulations related to federal student aid programs.

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In April 2025, the following six executive orders were signed in relation to higher education: Restoring Equality of Opportunity and Meritocracy, Preparing Americans for High-Paying Skilled Trade jobs of the Future, White House Initiative to Promote Excellence and Innovation at Historically Black Colleges and Universities (HBCU), Transparency Regarding Foreign Influence at American Universities, Advancing Artificial Intelligence Education for American Youth, and Reforming Accreditation to Strengthen Higher Education. Also in April 2025, the Office of Federal Student Aid resumed collections on defaulted federal student loans.

In early March 2025, the DOE reportedly cut staff by approximately 50% and eliminated certain higher education administrative regions as part of the layoffs. A deregulatory environment and lack of staff resources could present risks such as delays in receipt of payments under the financial student aid (FSA) loan programs, as well as delays in providing administrative guidance. As of the date of this report, the universities have not experienced a delay in the timing of financial aid receipts.

AU and USU, are subject to extensive regulation by Federal and State governmental agencies and accrediting bodies. In particular, the HEA and the regulations promulgated thereunder by the DOE subject the subsidiaries to significant regulatory scrutiny on the basis of numerous standards that schools must satisfy to participate in the various types of federal student financial assistance programs authorized under Title IV of the HEA.

Several new Title IV-related regulations became effective July 1, 2024, with initial data or disclosure components required on July 1, 2024; August 1, 2024; October 1, 2024; and/or January 1, 2025. These include regulations on Financial Value Transparency and Gainful Employment (88 Fed. Reg. 70004) and Financial Responsibility, Certification Procedures for Title IV Participation, Standards of Administrative Capability, and State-defined Processes for Ability to Benefit (88 Fed. Reg. 74568; the “2024 Rule”). While there have been litigation challenges to the rules, both AU and USU reviewed the new regulations and implemented plans for timely compliance.

In compliance with the FR-A23, Financial Responsibility - Questions and Answers, FR-Q6 (May 17, 2024) related to the 2024 Rule, AU and USU submitted their required financial disclosures and documentation regarding events pre-dating the 2024 Rule. These events were not considered reportable prior to July 1, 2024, but were considered reportable under the new 2024 Rule, and were reported on July 19, 2024, by the required deadline.

The HEA requires accrediting agencies to review many aspects of an institution's operations in order to ensure that the education offered is of sufficiently high quality to achieve satisfactory outcomes and that the institution is complying with accrediting standards. Failure to demonstrate compliance with accrediting standards may result in the imposition of probation, the requirements to provide periodic reports, the loss of accreditation or other penalties if deficiencies are not remediated.

Several component parts of the telemarketing Consent Requirements related to the Federal Communications Commission’s Telephone Consumer Protection Act (TCPA) were amended, with sections effective May 16, 2024; October 15, 2024; and January 26, 2025. Additionally, updated Federal Trade Commission recordkeeping requirements related to telemarketing became effective in May 2024, with compliance required in October 2024. AU and USU reviewed the new regulations and implemented plans for timely compliance.

Because our subsidiaries operate in a highly regulated industry, each may be subject from time to time to audits, investigations, claims of noncompliance or lawsuits by governmental agencies or third parties, which allege statutory violations, regulatory infractions or common law causes of action.

**Aspen University Regulatory Matters**

**Federal Financial Aid**

AU is certified to participate under the Title IV and HEA Programs. On August 12, 2025, AU received a letter from the Department regarding its renewal of its PPA. On September 25, 2025, AU selected to participate under the Zone Alternative for Title IV program eligibility. On September 26, 2025, AU received a new PPA with an effective period until June 30, 2031. AU is under Heightened Cash Monitoring 1 status.

**BSN Pre-licensure Nursing Program**

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AU is also subject to regulation by self-regulatory bodies such as accreditors and by state regulators in certain states including states where AU has a physical presence. AU's first-time pass rates for its BSN pre-licensure students taking the NCLEX-RN® test in Arizona fell from 80% in 2020 to 58% in 2021, which is below the minimum 80% standard set by the Arizona State Board of Nursing ("AZ BON"). As a result of the decline in NCLEX pass rates and other issues, and in alignment with a recommendation from the AZ BON, the university voluntarily suspended BSN pre-licensure enrollments and the formation of new cohorts at its two Phoenix pre-licensure locations, effective February 2022.

In March 2022, AU entered into a Consent Agreement ("Consent Agreement") with AZ BON. On September 20, 2022, AU and the AZ BON entered into a revised Consent Agreement under which AU agreed to voluntarily surrender its program approval for its pre-licensure nursing program in Phoenix, Arizona.

Having entered into the revised Consent Agreement with the AZ BON, AU suspended new enrollments to its pre-licensure nursing program in Florida, Georgia, Tennessee, and Texas, and it agreed to complete instruction for currently enrolled Core nursing students.

The Arizona-based students completed their teach-out in January 2024. As a result, AU concluded its required monthly reporting to the AZ BON as of February 2024. The Tennessee Board of Nursing was noticed of the program closure on May 24, 2024. Texas- and Florida-based students completed their teach-out in September 2024 as scheduled. On September 9, 2024, program closure notification was provided to the Texas Board of Nursing. On September 20, 2024, the AZ BON recognized the closure of all AU BSN Pre-licensure locations.

**Arizona State Board for Private Postsecondary Education**

On March 8, 2022, AU entered into a Stipulated Agreement with the Arizona State Board for Private Postsecondary Education (the "AZPPSE"), which required the AU to post a surety bond for $18.3 million in the fourth quarter of fiscal year 2022; which resulted in a cash collateral of $5.0 million. The Stipulated Agreement required the cessation of enrollment in both the pre-professional nursing and core components of the BSN pre-licensure program in Arizona, the submission of student records monthly, the removal of Arizona start date information from websites and catalogs, and monthly reporting to the Board staff.

AZPPSE held a series of meetings in 2022 and 2023 during which revised Stipulated Agreements were completed that incrementally lowered AU's surety bond requirement. As a result, cash collateral was returned to the Company reducing restricted cash. AZPPSE held a meeting on September 13, 2024, during which the AZPPSE Finance Committee lowered AU's surety bond requirement to $0.7 million. As a result, on October 3, 2024, $750,000 of cash collateral for the surety bond was returned to the Company. At its meeting on October 24, 2024, the AZPPSE lowered the bond requirement to $500,000. As a result, since April 30, 2025, the Company's restricted cash balance related to the AZPPSE surety bond requirement was $250,000.

**National Council of State Authorization Reciprocity Agreements**

AU's State Authorization Reciprocity Agreement ("SARA") annual approval through the Colorado SARA State Portal Entity, which is overseen by a National Council ("NC-SARA"), has to be renewed by January 30 each year. AU applied on January 18, 2022, and received its 2022 approval effective February 8, 2022. On February 23, 2022, AU received a Notification of Provisional SARA Status from the Colorado SARA State Portal Entity. On March 4, 2022, the DOE provided the final approval for AU's move from Colorado to Arizona. On March 29, 2022, AU received a Notification of Loss of Eligibility for SARA through Colorado, which permitted continued SARA coverage for students enrolled for courses until September 6, 2022.

AU has successfully secured full approval, exemption, or confirmed that authorization is not required in 47 states. In the remaining states where authorization has not been obtained or will not be pursued due to cost considerations, AU has received limited approval permitting currently enrolled students to complete their degree programs. Collectively, students in these states account for more than 99% of the current student body.

USU received State Authorization Reciprocity Approval on August 25, 2025, through the Georgia SARA State Portal Entity (GA-SARA), which is overseen by the National Council ("NC-SARA").

**DOE Program Review**

On January 6, 2023, AU received notice from the Department of Education, Office of the Multi-Regional and Foreign Schools Participation Division, that an off-site Program Review would begin on February 13, 2023. The review is designed to assess the University's administration of the Title IV, HEA programs in which it participates, covering the 2021-2022 and 2022-2023 award years. AU received notice on July 2, 2025, that the Department of Education issued the Expedited Determination Letter dated July 1, 2025, stating that the program review of the institution was closed.

**Show Cause Directive by DEAC**

On February 1, 2023, AGI received notification that AU had been issued a Show Cause Directive by DEAC requiring AU to prove why its current accreditation should not be withdrawn and to require AU to undergo a special visit by a team of DEAC evaluators. Show Cause is an enforcement action focused on specific areas of perceived non-compliance to which AU must respond through narrative, documentation, and other evidence within the specific remediation timeframe.

During the show cause remediation period, AU remained fully accredited.

On July 19, 2024, AU received notification from DEAC that on June 21, 2024, the Commission voted to vacate the show cause directive.

The Commission reviewed the additional reaccreditation documentation submitted by AU for consideration of its reaccreditation at its January 2025 meeting. On February 24, 2025, AU received notification from DEAC that the Commission renewed AUs accreditation for the full five years, through January 2029. They also approved the new Doctor of Public Health Program.

**Heightened Cash Monitoring 1 since August 16, 2024**

On February 8, 2023, AU received notification from the DOE that effective February 7, 2023 the DOE had placed AU on Heightened Cash Monitoring 2 ("HCM2"). HCM2 is a step that the DOE can take with institutions to provide additional oversight for a number of financial or federal compliance issues. The letter from the DOE stated that the DOE acted in response to the Show Cause Directive from DEAC. Under the HCM2 method of payment, AU obligated funds under the federal student financial assistance programs authorized by Title IV of HEA. A school placed on HCM2 no longer receives funds under the Advance Payment Method. After a school on HCM2 makes disbursements to students from its own institutional funds, a Reimbursement Payment Request must be submitted for those funds to the DOE.

By letter dated August 16, 2024, the DOE removed AU from HCM2 payment method and placed AU on HCM1. A school placed on HCM1 receives funds after a school makes disbursements to eligible students from institutional funds and submits disbursement records to the Common Origination and Disbursement System; it will then draw down financial aid funds to cover those disbursements in the same way as a school on the Advance Payment Method.

**United States University Regulatory Matters**

On August 21, 2024, the California Board of Registered Nursing agreed to the transition of USU's approved in-state MSN Family Nurse Practitioner program to an approved out-of-state MSN Family Nurse Practitioner program. The program was based in Texas, which the Texas Higher Education Coordinating Board had approved as of October 23, 2023. USU stopped enrolling in the Texas track in May 2025 due to authorization received for all programs by the State of Georgia.

On March 25, 2025, USU received a Certificate of Authorization issued for all programs for the Georgia location by the Georgia Non-Public Postsecondary Education Commission. The institution met the requirements set forth by the Nonpublic Postsecondary Educational Institution Act of 1990 of O.C.G.A. § 20-3-250. The University's main/home campus and degree-granting authority is now based in the state of Georgia.

On May 20, 2025, all USU's programs were registered as an out-of-state Bureau for Private Postsecondary Education (BPPE) approved institution. The Letter of Registration from BPPE indicates that the institution has met the qualifications for registration under the Act, pursuant to California Education Code (CEC) section 94801.5. (Out-of-state approval).

On March 27, 2023, USU received a request for information from its institutional accreditor, WSCUC, regarding information on the current financial and operational status of the university due to both AGI's voluntary delisting from NASDAQ and AU's Show Cause Directive from DEAC. USU provided the required information timely on April 4, 2023. WSCUC subsequently requested quarterly updates for the remainder of 2023 and a final update in mid-2024. Updates were sent on June 30, 2023, September 29, 2023, and December 15, 2023. WSCUC received a final update on June 18, 2024.

On May 14, 2019, USU was granted temporary provisional certification to participate in the Title IV Programs due to its acquisition by AGI. The provisional certification expired on December 31, 2020. The institution submitted its recertification application in October 2020, and received full certification on May 6, 2022. A new PPA was issued with an effective period until December 31, 2025. On September 30, 2025, USU was placed on HCM1 status due to AU's request to participate under the Zone Alternative option for Title IV program eligibility.

**Title IV Funding and Other Federal Funds - AU and USU**

AU and USU derive a portion of their revenue from financial aid received by students under programs authorized by Title IV of the HEA, which are administered by the DOE. When students seek funding from the federal government, they receive loans and grants to fund their education under the following Title IV Programs: (1) the Federal Direct Loan program, or Direct Loan; (2) the Federal Pell Grant program, or Pell; (3) Federal Work Study and (4) Federal Supplemental Opportunity Grants. For the fiscal year ended April 30, 2025, 18.00% of Aspen University's and 25.22% of United States University's cash-basis revenue for eligible tuition and fees was derived from Federal Fund Programs, which includes Student Title IV Revenue and Other Federal Funds.

**Return of Title IV Funds - AU and USU**

An institution participating in Title IV Programs must correctly calculate the amount of unearned Title IV Program funds that have been disbursed to students who withdraw from their educational programs before completion and must return those unearned funds in a timely manner, no later than 45 days of the date the school determines that the student has withdrawn. Under the DOE regulations, failure to make timely returns of Title IV Program funds for 5% or more of students sampled on the institution's annual compliance audit in either of its two most recently completed fiscal years can result in the institution having to post a letter of credit in an amount equal to 25% of its required Title IV returns during its most recently completed fiscal year. If unearned funds are not properly calculated and returned in a timely manner, an institution is also subject to monetary liabilities or an action to impose a fine or to limit, suspend or terminate its participation in Title IV Programs.

Resulting from a compliance audit for Fiscal Year 2023, AU had not fully complied with all requirements for calculating and making timely returns of Title IV funds (R2T4) and was required to produce a letter of credit in the amount of $88,002 as a result of this finding. On April 19, 2024, the letter of credit was provided to the Department of Education by AU and the $88,002 is included in "Restricted cash" in the consolidated balance sheets at July 31, 2025 and April 30, 2025.

**Approval to Confer Degrees - AU and USU**

AU is a Delaware corporation and is authorized by the AZPPSE to operate as a degree-granting institution for all degrees.

USU is a Delaware corporation and is authorized by the Georgia Non-Public Postsecondary Education Commission to operate as a degree-granting institution for all degrees.

**Note 12. Subsequent Events**

In preparing these financial statements, the Company evaluated subsequent events through October 30, 2025, the date the consolidated financial statements were available to be issued.

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In September 2025, AGI, the parent company of Aspen University (AU) and United States University (USU) commenced the process to merge AU with USU (the "Merger"), with USU as the surviving entity. This Merger is a strategic move to enhance institutional long-term sustainability and brings together the unique strengths and rich legacies of both institutions.

AU and USU are required to obtain regulatory approval for this merger, including with the U.S. Department of Education. During the regulatory approval process over the following months, each university will continue to serve its students as separate and autonomous universities. Once regulatory approval for the merger is obtained, AU students will automatically become USU students from that date forward.

See Note 7. Stockholders’ Equity for additional share issuances subsequent to April 30, 2025.

## Item 4. Management's discussion and analysis or plan of operation.

You should read the following discussion in conjunction with our unaudited consolidated financial statements, which are included elsewhere in this Quarterly Report. This Quarterly Report contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. See "Cautionary Note Regarding Forward Looking Statements" for more information.

### Key Terms

In connection with the management of our businesses, we identify, measure and assess a variety of operating metrics. The principal metrics we use in managing our businesses are set forth below:

**Operating Metrics**

- **Lifetime Value ("LTV")** - is 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** - defined by multiplying LTV by new student enrollments for each operating unit.

- **Average Revenue per Enrollment ("ARPU")** - defined by dividing total Bookings by total enrollments for each operating unit.

**Operating costs and expenses**

- **Cost of revenue** - consists of instructional costs and services and marketing and promotional costs.

    - **Instructional costs and services** - consist primarily of costs related to the administration and delivery of the Company's educational programs. This expense category includes compensation costs associated with online faculty, technology license costs and costs associated with other support groups that provide services directly to the students and are included in cost of revenue.

    - **Marketing and promotional costs** - include costs associated with producing marketing materials and advertising, and outside sales costs. Such costs are generally affected by the cost of advertising media, the efficiency of the Company's marketing efforts, and expenditures on advertising initiatives for new and existing academic programs. We engage non-direct response advertising activities, which are expensed as incurred, or the first time the advertising takes place, depending on the type of advertising activity. These are included in cost of revenue.

- **General and administrative expense -** consists primarily of compensation expense (including stock-based compensation expense) and other employee-related costs for personnel engaged in executive and academic management and operations, finance, legal, tax, information technology, human resources, recruiting, fees for professional services, financial aid processing costs, non-capitalizable courseware and software costs, certain taxes, and facilities costs.

**Non-GAAP financial measures:**

- **Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") -** is a non-GAAP financial measure. See "Non-GAAP Financial Measures" for a reconciliation of net income (loss) to EBITDA for Q1 Fiscal 2026 and Q1 Fiscal 2025.

- **Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") -** is a non-GAAP financial measure. See "Non-GAAP Financial Measures" for the definition of Adjusted EBITDA and a reconciliation of net income (loss) to Adjusted EBITDA for Q1 Fiscal 2026 and Q1 Fiscal 2025.

- **Adjusted EBITDA Margin** - is a non-GAAP financial measure.

- **Adjusted Gross Profit** - is a non-GAPP financial measure.

### Company Overview

Aspen Group, Inc. ("AGI") is an education technology holding company. AGI has two subsidiaries, Aspen University Inc. ("Aspen University" or "AU"), organized in 1987, and United States University, Inc. ("United States University" or "USU").

All references to the “Company”, “AGI”, “Aspen Group”, “we”, “our” and “us” refer to Aspen Group, Inc. and its subsidiaries, unless the context otherwise indicates.

AGI leverages its education technology infrastructure and expertise to allow its two universities, Aspen University and United States University, to deliver on the vision of making college affordable again. Because we believe higher education should be a catalyst to our students’ long-term economic success, we exert financial prudence by offering affordable tuition that is one of the greatest values in higher education. AGI’s primary focus relative to future growth is to target the high growth nursing profession.

Since 1993, AU has been institutionally accredited by the Distance Education Accrediting Commission (“DEAC”), an accrediting agency recognized by the United States Department of Education (the “DOE”), and AU is accredited through January 2029.

Since 2009, USU has been institutionally accredited by WASC Senior College and University Commission (“WSCUC”), an accrediting agency recognized by the DOE, and USU is accredited through 2030.

Both universities are qualified to participate under the Higher Education Act of 1965, as amended ("HEA") and the Federal student financial assistance programs (Title IV, HEA programs). USU received full certification on May 6, 2022, and a new Program Participation Agreement ("PPA") was issued with an effective period until December 31, 2025. Aspen University is also certified to participate under the Title IV and HEA Programs. AU applied for recertification on August 16, 2023, and provisional certification will continue until the receipt of a final certification from the DOE. Certification continues month to month until a final decision is made by the DOE.

Aspen Group's common stock is traded under the ticker symbol "ASPU" on the OTCQB market.

Following consideration and approval by the Universities' boards, in September 2025, we commenced the process to merge AU with USU, with USU as the surviving entity. This merger is a strategic move to enhance institutional long-term sustainability and brings together the unique strengths and rich legacies of both institutions. By combining our resources, faculty, and academic programs, we will be able to provide students with a wider array of courses, new research opportunities, and expanded career pathways.

AU and USU are required to obtain regulatory approval for this merger, including with the U.S. Department of Education. During the regulatory approval process over the following months, each university will continue to serve its students as separate and autonomous universities. Once regulatory approval for the merger is obtained, AU students will automatically become USU students from that date forward.

Effective September 12, 2025, the CAO resigned. As provided in her Employment Agreement, she will receive severance over a twelve-month period and accelerated vesting of any remaining unvested restricted stock units.

**AGI Student Population Overview**

AGI’s active degree-seeking student body for the past five quarters, including AU and USU, is shown below:

| | Q1'25 | Q2'25 | Q3'25 | Q4'25 | Q1'26 |
|---|---|---|---|---|---|
| Aspen University | 4,145 | 3,827 | 3,564 | 3,375 | 3,140 |
| USU | 2,477 | 2,560 | 2,475 | 2,434 | 2,369 |
| Total | 6,622 | 6,387 | 6,039 | 5,809 | 5,509 |

**AGI Nursing Student Population**

AGI's nursing student body for the past five quarters is shown below:

| | Q1'25 | Q2'25 | Q3'25 | Q4'25 | Q1'26 |
|---|---|---|---|---|---|
| Aspen University | 3,198 | 2,948 | 2,745 | 2,606 | 2,418 |
| USU | 2,254 | 2,300 | 2,297 | 2,254 | 2,210 |
| Total | 5,452 | 5,248 | 5,042 | 4,860 | 4,628 |

**AGI New Student Enrollments**

On a Company-wide basis, new student enrollments increased 6% year-over-year. Sequentially, new student enrollments 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 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 in the second half of Fiscal 2026 at a level necessary to provide enrollments needed to grow the student body and allow for the generation of positive operating cash flow assuming we are able to refinance the 15% Debentures.

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

| | Q1'25 | Q2'25 | Q3'25 | Q4'25 | Q1'26 |
|---|---|---|---|---|---|
| Aspen University | 413 | 508 | 359 | 350 | 533 |
| USU | 410 | 442 | 196 | 258 | 338 |
| Total | 823 | 950 | 555 | 608 | 871 |

**Bookings Analysis and ARPU**

On a year-over-year basis, Q1 Fiscal 2026 Bookings decreased 3%, to $11.6 million from $12.0 million in the prior year. The Bookings decrease was the results of lower new student enrollments at USU driven primarily from the continued maintenance level of marketing spend.

| | First Quarter Bookings and ARPU | | | | |
|---|---|---|---|---|---|
| | Q1'25 Enrollments | Q1'25 Bookings | Q1'26 Enrollments | Q1'26 Bookings | Percent Change Total Bookings & ARPU |
| Aspen University | 413 | $ 3,825,151 | 533 | $ 4,859,472 | 27 % |
| USU | 410 | 8,212,846 | 338 | 6,770,590 | (18)% |
| Total | 823 | $ 12,037,997 | 871 | $ 11,630,062 | (3)% |
| ARPU | | $ 14,627 | | $ 13,353 | (9)% |

**Accounts Receivable – Monthly Payment Plan**

The Company offers several payment options to its students including a monthly payment plan ("MPP"), installment plans and financial aid. Our current and long-term accounts receivable balances are predominantly the result of students taking advantage of our groundbreaking monthly payment plan, which we introduced in Fiscal Year 2014 at AU and subsequently in Fiscal Year 2018 at USU. On July 31, 2025, gross MPP accounts receivable was 93% of total gross accounts receivable. Of gross AU and USU accounts receivable, approximately 86% and 97%, respectively, relates to MPP balances.

The MPP is a private education loan in the form of a retail installment contract with a 0% fixed rate of interest (0% APR) and no down payment. Each month the student will make one payment of $325, $375, $399, $415 or $450 (depending on the program) until the program tuition is paid in full. The attractive aspect of being able to pay for a degree over a fixed period of time with 0% interest fueled the growth of the MPP plan which also resulted in growth of our short-term and long-term accounts receivable. The MPP is designed so students can build the cost of their degree into their monthly budget.

***Long-Term Accounts Receivable***

When a student signs up for the monthly payment plan, there is a contractual amount that the Company can expect to earn over the life of the student's program. This full contractual amount cannot be recorded as accounts receivable upon enrollment. As a student takes a class, revenue and the associated accounts receivable are earned over that eight-week class. Some students accelerate their program, taking two classes every eight-week period, and that increases the student's accounts receivable balance. If any portion of the accounts receivable balance will be paid in a period of greater than 12 months, that portion is classified as long-term accounts receivable.

As a result of the growing acceptance of our monthly payment plans, our long-term accounts receivable balance grew from $19.8 million at April 30, 2025 to $21.1 million at July 31, 2025. Generally, students in the USU MSN-FNP program make payments over a 72-month period, and as a result, a portion of USU's 76-month payment plan becomes long-term accounts receivable.

Accounts receivable is considered short-term to the extent the remaining payments are 12 months or less. Payments due in greater than 12 months are considered long-term. Here is a graphic of both short-term and long-term receivables, as well as contractual value:

| A | B | C |
|---|---|---|
| The portion of remaining payments owed for classes taken under a monthly payment plan due in 12 months or less | The portion of remaining payments owed for classes taken under a monthly payment plan due in greater than 12 months | Expected future classes to be taken over balance of program. |
| Short-Term Accounts Receivable | Long-term Accounts Receivable | Not recorded in financial statements |

The Sum of A, B and C will equal the total cost of the program.

**Results of Operations**

Set forth below is the discussion of the results of operations of the Company for the three months ended July 31, 2025 ("Q1 Fiscal 2026") compared to the three months ended July 31, 2024 ("Q1 Fiscal 2025").

**Restructuring Plan**

In late Q1 Fiscal 2023, we implemented an initial restructuring plan that resulted in significant cash benefits for the Company starting in Q2 Fiscal 2023 and continuing for the remainder of the fiscal year. The restructuring resulted in the elimination of approximately 70 positions mostly within the general and administrative functions at AU and AGI. The resulting on-going quarterly compensation-related savings are approximately $1.0 million. Additionally, the Q2 Fiscal 2023 restructuring program temporarily decreased marketing advertising spend across all programs to maintenance levels. Further details are included in the following discussion of operating results.

In late Q4 Fiscal 2023, we implemented a second restructuring plan that resulted in additional significant cash benefits for the Company starting in Q1 Fiscal 2024. The restructuring resulted in the elimination of approximately 17 positions within AU and AGI, including our Chief Accounting Officer. The resulting additional on-going quarterly compensation-related savings are approximately $0.5 million effective Q1 Fiscal 2024.

In Q1 Fiscal 2025, we implemented a third restructuring plan that resulted in additional significant cash benefits for the Company starting in Q1 Fiscal 2025. The restructuring resulted in the elimination of approximately 12 positions within AU and AGI. The resulting additional on-going quarterly compensation-related savings are approximately $0.3 million effective late Q1 Fiscal 2025.

In Q2 Fiscal 2025, we implemented a fourth restructuring plan that result in additional cash benefits for the Company starting in Q3 Fiscal 2025, which reduced annual operating expenses by over $1.5 million in Q4 Fiscal 2025. The restructuring resulted in the elimination of approximately 27 positions within AU, USU and AGI.

On September 15, 2025, we implemented a fifth restructuring plan, that will result in additional cash benefits for the Company starting in late Q2 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 effective late Q2 Fiscal 2026.

As a result of the additional savings from the fifth restructuring, in addition to the benefits of prior restructurings, which resulted in positive net income and operating cash flow in Q4 Fiscal 2025, we believe we can pay our outstanding 15% Debentures due in May 2026. However, we may not be accurate in our assumptions. Further AU owes approximately $16 million in leases, net of sublease income, primarily from its former campus locations. Accordingly, we are seeking to raise capital in a combination of debt and equity. That capital will permit us to manage the lease liabilities and provide working capital for growth.

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.

**Other Matters**

On March 23, 2023, AU and the Arizona State Board of Nursing signed an Amendment to the September 2022 Consent Agreement (the "Consent Agreement") that permits the teach-out of the pre-licensure program to continue with heightened oversight and reporting. The signed Consent Agreement means that the Arizona-based students were permitted to be taught out through January 2024 (completed), Nashville-based students through May 2024 (completed), and Texas- and Florida-based students through September 2024 (completed).

In Q4 Fiscal 2024, the Company assessed whether an alternate future use exists for its remaining right-of-use assets relating to the pre-licensure campus leases in Arizona and Austin. As a result, the Company recorded impairments of right-of-use assets and tenant leasehold improvements of $1.4 million in Q4 Fiscal 2024.

In Q2 Fiscal 2025, the Company assessed whether an alternate future use exists for its remaining right-of-use assets relating to the pre-licensure campus lease in Tampa. As a result, the Company recorded impairments of right-of-use assets and tenant leasehold improvements of $1.8 million in Q2 Fiscal 2025.

At the end of Q2 Fiscal 2024, the Company resumed limited marketing spend, which is expected to increase to a rate of $0.5 million per quarter in late Fiscal 2026.

**Revenue**

The following table presents the consolidated statement of operations as a percentage of revenue (differences due to rounding):

| | Three Months Ended July 31, | |
|---|---|---|
| | 2025 | 2024 |
| Revenue | 100 % | 100 % |
| Operating expenses: | | |
| Cost of revenue (exclusive of depreciation and amortization shown separately below) | | |
| Instructional costs and services | 23 % | 28 % |
| Marketing and promotional costs | — % | 1 % |
| Total cost of revenue (exclusive of depreciation and amortization shown separately below) | 23 % | 30 % |
| General and administrative | 60 % | 65 % |
| Provision for credit losses | 4 % | 4 % |
| Depreciation and amortization | 6 % | 7 % |
| Total operating expenses | 94 % | 105 % |
| Operating income (loss) | 6 % | (5)% |
| Other income (expense): | | |
| Interest expense | (3)% | (3)% |
| Change in fair value of put warrant liability | — % | 7 % |
| Other income, net | — % | — % |
| Total other (expense) income, net | (3)% | 4 % |
| Income (loss) before income taxes | 4 % | (1)% |
| Income tax expense (benefit) | — % | — % |
| Net income (loss) | 4 % | (1)% |

The following table presents our revenue, both per-subsidiary and total:

| | Three Months Ended July 31, | | | |
|---|---|---|---|---|
| | 2025 | $ Change | % Change | 2024 |
| AU | $ 4,285,868 | $ (506,036) | (11)% | $ 4,791,904 |
| USU | 7,154,598 | 617,665 | 9% | 6,536,933 |
| Revenue | $11,440,466 | $ 111,629 | 1% | $11,328,837 |

AU and USU combined revenue increased 1% in Q1 Fiscal 2026 compared to Q1 Fiscal 2025.

The AU revenue decline year-over-year reflects lower post-licensure enrollments from the effect of decreased marketing spend initiated late in Q1 Fiscal 2023. As a result of the decreased enrollments, the student body decreased from 3,198 at the end of Q1 Fiscal 2025 to 2,418 at the end of Q1 Fiscal 2026.

USU revenue increased year-over-year due to a stable student body year-over-year due to 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 by tuition increases.

Overall, revenue increased $0.1 million in Q1 FY 2026 as compared to Q1 FY 2025. As previously discussed, the increase in revenue at USU was offset by a decline in revenue at AU due to a decline in the AU student body. The trend of a decreasing student body at AU was expected given the effect of the reduction of marketing spend initiated late in Q1 Fiscal 2023 associated with the teach out of the AU pre-licensure program. We believe the resumption of marketing spend of $0.5 million per quarter late in Fiscal 2026, and the continued effect of annual pricing increases, which started in Fiscal 2024, will result in sustained revenue growth by the end of Fiscal 2026.

During Q1 Fiscal 2026 and Q1 Fiscal 2025, AU and USU offered opportunities for graduates/alumni still making payments under the MPP, and all other payment types including financial aid, to make a one-time payment of between 25% and 100% of their outstanding accounts receivable balance. The graduates/alumni would then receive a 25% reduction of the amount paid. Approximately $1.0 million and $1.3 million was collected under the program in each of Q1 Fiscal 2026 and Q1 Fiscal 2025, respectively. $0.2 million and $0.6 million of accounts receivable was written off under the program and recorded as a reduction of revenue in the Q1 Fiscal 2026 and Q1 Fiscal 2025 Consolidated Statement of Operations, respectively.

During Q1 Fiscal 2026 and Q1 Fiscal 2025, excluding the impact of the 25% discount program opportunity, consolidated revenue would have been $11.7 million and $11.9 million, respectively.

**Cost of revenue (exclusive of depreciation and amortization shown separately below)**

| | Three Months Ended July 31, | | | |
|---|---|---|---|---|
| | **2025** | **$ Change** | **% Change** | **2024** |
| Instructional costs and services | $2,637,280 | $ (542,400) | (17)% | $3,179,680 |
| Marketing and promotional | 47,772 | (119,773) | (71)% | 167,545 |
| Cost of Revenue (exclusive of depreciation and amortization shown separately below) | $2,685,052 | $ (662,173) | (20)% | $3,347,225 |

**Instructional Costs and Services**

Consolidated instructional costs and services for Q1 Fiscal 2026 were 23% of revenue, which decreased from 28% of revenue for Q1 Fiscal 2025, as described below.

AU instructional costs and services were 25% and 31% of AU revenue for Q1 Fiscal 2026 and Q1 Fiscal 2025, respectively. As a percentage of revenue, instructional costs and services decreased due primarily to the enrollment stoppage in the pre-licensure program and increased efficiencies in the usage of faculty.

USU instructional costs and services were 22% and 26% of USU revenue for Q1 Fiscal 2026 and Q1 Fiscal 2025, respectively. As a percentage of revenue, instructional costs and services decreased due to increased efficiencies in the usage of faculty.

**Marketing and Promotional**

Consolidated marketing and promotional costs in Q1 Fiscal 2026 were less than $0.1 million or 1% of revenue compared to $0.2 million or 1% of revenue in Q1 Fiscal 2025. In Q1 Fiscal 2023, the Company decreased advertising spend across all programs to maintenance levels and is anticipated to increase to a quarterly target spend rate of $0.5 million in the second half of Fiscal 2026. A break-down of marketing expense by unit is as follows:

AU marketing and promotional costs represented 1% and 2% of AU revenue for Q1 Fiscal 2026 and Q1 Fiscal 2025, respectively.

USU marketing and promotional costs represented 0% and 1% of USU revenue for Q1 Fiscal 2026 and Q1 Fiscal 2025, respectively.

There are no marketing and promotional costs at AGI.

**Costs and Expenses**

**General and administrative**

| | Three Months Ended July 31, | | | |
|---|---|---|---|---|
| | **2025** | **$ Change** | **% Change** | **2024** |
| General and administrative | $ 6,911,137 | $ (416,197) | (6)% | $ 7,327,334 |

Consolidated general and administrative expense for Q1 Fiscal 2026 was $6.9 million or 60% of revenue compared to $7.3 million or 65% of revenue for Q1 Fiscal 2025, a decrease of $0.4 million or 6%. The decrease in general and administrative expense is primarily due to the effect of the restructuring plan initiated in late Q1 Fiscal 2023. See Restructuring discussion above. A break-down of general and administrative expense by unit is as follows:

AU general and administrative expense decreased $0.3 million year-over-year and was 51% of AU revenue for both Q1 Fiscal 2026 and Q1 Fiscal 2025. The decrease was primarily due to restructurings and other cost controls implemented by management, partially offset by higher facilities cost. Facilities costs increased due to the resumption of contractual rent payments from the prior year's temporary rent abatement agreement effective in Q1 Fiscal 2025, offset by increased sublease income of $0.3 million for properties sublet to USU in Austin, Texas and Atlanta, Georgia.

USU general and administrative expense increased by $0.3 million year-over-year and was 37% and 36% of USU revenue for Q1 Fiscal 2026 and Q1 Fiscal 2025, respectively. The increase is due primarily to accounts receivable collection fees from a new outsourced service provider, which began in Q3 Fiscal 2025, and higher rent expense due to the sublease of campus space from AU in Austin, Texas and Atlanta, Georgia.

AGI general and administrative expense was $2.1 million and $2.5 million in Q1 Fiscal 2026 and Q1 Fiscal 2025, respectively. The decrease was primarily due to lower employee-related compensation due to restructurings and other cost controls implemented by management.

**Provision for credit losses**

| | Three Months Ended July 31, | | | |
|---|---|---|---|---|
| | 2025 | $ Change | % Change | 2024 |
| Provision for credit losses | $450,000 | $ — | —% | $450,000 |

Based on our review of student accounts associated with current period revenue and previously existing student accounts receivable and historical write-off trends, the Company evaluated its reserve methodology and adjusted reserves for AU and USU accordingly.

**Depreciation and amortization**

| | Three Months Ended July 31, | | | |
|---|---|---|---|---|
| | 2025 | $ Change | % Change | 2024 |
| Depreciation and amortization | $669,662 | $ (150,342) | (18)% | $820,004 |

The decrease in depreciation and amortization is primarily due to the impairment of tenant leasehold improvements at AU, which were impaired during 1H Fiscal 2025 since AU is no longer able to utilize space for BSN Pre-licensure operations due to the completion of the teach-out and fully depreciated assets, partially offset by an increase in amortization related to internally developed capitalized software placed into service to support the Company's instructional services.

**Interest expense**

| | Three Months Ended July 31, | | | |
|---|---|---|---|---|
| | 2025 | $ Change | % Change | 2024 |
| Interest expense | $ 310,391 | $ (36,779) | (11)% | $ 347,170 |

Interest expense relates to the 15% Debentures. The year-over-year decrease in interest expense is due to the quarterly principal payments of $0.5 million.

**Change in fair value of put warrant liability**

| | Three Months Ended July 31, | | | |
|---|---|---|---|---|
| | 2025 | $ Change | % Change | 2024 |
| Change in fair value of put warrant liability | $ — | $ (820,987) | NM | $820,987 |

NM – Not meaningful

In connection with the Second Amendment to the 15% Debentures, the Company recorded the fair value of associated put warrants as a liability.

**Other income, net**

| | Three Months Ended July 31, | | | |
|---|---|---|---|---|
| | 2025 | $ Change | % Change | 2024 |
| Other income, net | $— | $ (13,837) | NM | $13,837 |

**Income tax expense (benefit)**

| | Three Months Ended July 31, | | | |
|---|---|---|---|---|
| | 2025 | $ Change | % Change | 2024 |
| Income tax expense (benefit) | $7,419 | $ 7,627 | (3667)% | $(208) |

Income tax expense (benefit) in Q1 Fiscal 2026 and Q1 Fiscal 2025 primarily relates to estimated quarterly domestic tax payments/refunds.

**Non-GAAP Financial Measures**

This discussion and analysis 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, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Gross Profit, 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.

EBITDA and Adjusted EBITDA

AGI defines Adjusted EBITDA as EBITDA excluding: (1) provision for credit losses; (2) stock-based compensation; (3) severance; (4) impairments of right-of-use assets and tenant leasehold improvements and (5) non-recurring charges (income). The following table presents a reconciliation of net loss to EBITDA and Adjusted EBITDA and of net loss margin to Adjusted EBITDA Margin.

| | Three Months Ended July 31, | |
|---|---|---|
| | 2025 | 2024 |
| Net income (loss) | $ 406,805 | $ (127,864) |
| Interest expense, net | 310,391 | 347,170 |
| Tax expense (benefit) | 7,419 | (208) |
| Depreciation and amortization | 669,662 | 820,004 |
| EBITDA | 1,394,277 | 1,039,102 |
| Provision for credit losses | 450,000 | 450,000 |
| Stock-based compensation | 32,180 | 210,091 |
| Severance | — | 50,707 |
| Lease modifications | — | (523,298) |
| Change in fair value of put warrant liability | — | (820,987) |
| Non-recurring charges - Other | — | 42,000 |
| Adjusted EBITDA | $ 1,876,457 | $ 447,615 |
| | | |
| Net income (loss) Margin | 4% | (1)% |
| EBITDA Margin | 12% | 9% |
| Adjusted EBITDA Margin | 16% | 4% |

The increase in Adjusted EBITDA was due to increased revenue at USU driven by higher revenue per student, the reduction in instructional costs and services related to the completion of the AU BSN Pre-licensure program teach-out, the increased efficiencies in the usage of faculty at AU and USU and a decrease in general and administrative costs attributed to the four restructurings and planned cost control, partially offset by lower revenue at AU due to decreased AU online enrollments related to a maintenance marketing spend level.

The following tables present a reconciliation of Net income (loss) to EBITDA and Adjusted EBITDA and of Net income (loss) margin to Adjusted EBITDA margin by subsidiary:

| | Three Months Ended July 31, 2025 | | | |
|---|---|---|---|---|
| | Consolidated | AGI Corporate | AU | USU |
| Net income (loss) | $ 406,805 | $ (2,457,170) | $ 323,725 | $ 2,540,250 |
| Interest expense, net | 310,391 | 310,391 | — | — |
| Taxes | 7,419 | 83 | 7,336 | — |
| Depreciation and amortization | 669,662 | 68,023 | 446,894 | 154,745 |
| EBITDA | 1,394,277 | (2,078,673) | 777,955 | 2,694,995 |
| Provision for credit losses | 450,000 | — | 225,000 | 225,000 |
| Stock-based compensation | 32,180 | 31,233 | — | 947 |
| Adjusted EBITDA | $ 1,876,457 | $ (2,047,440) | $ 1,002,955 | $ 2,920,942 |
| | | | | |
| Net income Margin | 4 % | NM | 8 % | 36 % |
| Adjusted EBITDA Margin | 16 % | NM | 23 % | 41 % |

NM – Not meaningful

| | Three Months Ended July 31, 2024 | | | |
|---|---|---|---|---|
| | Consolidated | AGI Corporate | AU | USU |
| Net income (loss) | $ (127,864) | $ (2,131,705) | $ (74,782) | $ 2,078,623 |
| Interest expense, net | 347,170 | 347,170 | — | — |
| Taxes | (208) | 92 | — | (300) |
| Depreciation and amortization | 820,004 | 77,556 | 603,836 | 138,612 |
| EBITDA | 1,039,102 | (1,706,887) | 529,054 | 2,216,935 |
| Provision for credit losses | 450,000 | — | 225,000 | 225,000 |
| Stock-based compensation | 210,091 | 201,754 | 6,865 | 1,472 |
| Severance | 50,707 | 3,125 | 36,825 | 10,757 |
| Lease modifications | (523,298) | — | (523,298) | — |
| Change in fair value of put warrant liability | (820,987) | (820,987) | — | — |
| Non-recurring charges - Other | 42,000 | — | 42,000 | — |
| Adjusted EBITDA | $ 447,615 | $ (2,322,995) | $ 316,446 | $ 2,454,164 |
| Net income (loss) Margin | (1)% | NM | (2)% | 32 % |
| Adjusted EBITDA Margin | 4 % | NM | 7 % | 38 % |

Adjusted Gross Profit

GAAP Gross Profit is revenue less cost of revenue less amortization expense. The Company defines Adjusted Gross Profit as GAAP Gross Profit adjusted to exclude amortization expense. The following table presents a reconciliation of GAAP Gross Profit to Adjusted Gross Profit:

| | Three Months Ended July 31, | |
|---|---|---|
| | 2025 | 2024 |
| Revenue | $11,440,466 | $11,328,837 |
| Cost of Revenue | 2,685,052 | 3,347,225 |
| Adjusted Gross Profit | 8,755,414 | 7,981,612 |
| Less amortization expense included in cost of revenue: | | |
| Intangible asset amortization | 30,708 | 31,490 |
| Call center software/website amortization | 369,821 | 434,728 |
| Total amortization expense included in cost of revenue | 400,529 | 466,218 |
| GAAP Gross Profit | $8,354,885 | $7,515,394 |
| GAAP Gross Profit as a percentage of revenue | 73 % | 66 % |
| Adjusted Gross Profit as a percentage of revenue | 77 % | 70 % |

GAAP gross margin improved primarily due to higher revenue at USU due to increased revenue per student combined with lower cost of revenue associated with the year-over-year decrease of instructional costs from completing the AU BSN Pre-licensure program teach-out and the increased efficiencies in the usage of faculty at both AU and USU.

**Liquidity and Capital Resources**

**Cash flow information**

A summary of the Company's cash flows is as follows:

| | Three Months Ended July 31, | |
|---|---|---|
| | 2025 | 2024 |
| Net cash provided by (used in) | | |
| Operating activities | $ 436,608 | $ 237,904 |
| Investing activities | (192,898) | (310,486) |
| Financing activities | (500,000) | (150,000) |
| Net decrease in cash | $ (256,290) | $ (222,582) |

**Net Cash Provided by Operating Activities**

Net cash provided by operating activities was $0.4 million in Q1 Fiscal 2026 compared to $0.2 million in Q1 Fiscal 2025. Our net income for Q1 Fiscal 2026 adjusted for non-cash activities was $1.4 million. This was offset by approximately $0.9 million of cash used in operations relating to decreased working capital, which is attributed to increases in short-term and long-term monthly payment plan accounts receivable and a decrease in advances on tuition and deferred tuition, partially offset by the increase in accounts payable and accrued expenses. Further discussion follows.

The decrease in cash from changes in working capital primarily consists of the following: 1) the increase in accounts receivable due to strong enrollments and revenue per student in USU's MSN-FNP program, and 2) the decrease in advances on tuition and deferred tuition associated with the timing of student class starts, offset by 3) the net increase in accounts payable and accrued expenses due to cash management.

The increase in non-cash adjustments relates to prior period change in fair value of put warrants issued in connection with the second amendment of the Debentures; offset by lower depreciation and amortization from the impairment of tenant leasehold improvements at AU during 1H Fiscal 2025 and fully depreciated assets, and a decrease in stock-based compensation expense.

There may be working capital volatility from quarter to quarter due to the timing of financial aid payments, the timing and size of student course starts that impact advances on tuition and deferred tuition and the timing of increased marketing spend, which could result in increased accounts receivable balances.

**Net Cash Used in Investing Activities**

Net cash used in investing activities in Q1 Fiscal 2026 decreased from Q1 Fiscal 2025 by 38% and was primarily related to fewer capitalized software expenditures.

**Net Cash Used in Financing Activities**

Net cash used in financing activities increased from Q1 Fiscal 2025 to Q1 Fiscal 2026 due to the start of required quarterly 15% Debenture principal payments of $0.5 million in connection with the Sixth Amendment, which was effective Q3 Fiscal 2025. Q1 Fiscal 2025 principal payments were reduced to $0.2 million in connection with the Third Amendment.

**Liquidity**

The Company's cash balance is kept liquid and concentrated in a large financial institution.

**Financing Arrangements**

**15% Senior Secured Debentures**

On May 12, 2023, Aspen Group, Inc. completed a private offering of approximately $12.4 million aggregate principal amount of the 15% Debentures due May 2026 of which $10.5 million was funded and the remainder recorded as debt discount. A portion of the proceeds from these Debentures was used to repay the outstanding borrowings under the $5 million Credit Facility and to pay expenses associated with this offering; the remaining proceeds were used for working capital needs and to fund a $2.0 million restricted cash reserve required by the agreement. The Company also reimbursed the investors $90,000 for legal, due diligence and investment documentation expenses. The Debentures mature on May 12, 2026 unless earlier redeemed. After the discount, fees, expenses, repayment of the 2018 Revolving Credit Facility, and the funding of a $2.0 million reserve,

$3.4 million was made available to the Company as unrestricted cash. The $2.0 million restricted cash deposit was subsequently used to prepay the outstanding balances through the amendments discussed below.

The investors also received warrants to purchase 2.2 million shares of common stock, representing 6% of the outstanding common stock at closing, at an exercise price of $0.01 per share. These warrants have a three-year term and contain anti-dilution protection.

The Company has the option to prepay the Debentures any time after May 12, 2024 at 105%; but has not had the available cash to do so. The Debentures accrue interest at a rate of 15% per annum, payable monthly, subject to increase to 20% upon the occurrence of an event of default. The 15% Debentures contain covenants that require the Company to maintain $2.0 million of restricted cash (subsequently amended as discussed in the Second and Third Amendments below), maintain at least $20.0 million of accounts receivable at all times, and maintain enumerated quarterly revenue and quarterly Adjusted EBITDA amounts, which is defined as EBITDA excluding: (1) stock-based compensation; and (2) non-recurring charges (subsequently amended as discussed in the Third Amendment below).

*First Amendment*

On August 1, 2023, the Company entered into an amendment with the purchasers pursuant to the 15% Debentures to unrestrict $750,000 of the $2.0 million restricted cash, required to be maintained as part of the covenants, until the earlier of August 22, 2023 or next HCM2 funding. On August 9, 2023, the Company replenished the restricted cash balance to $2 million and paid $100,000 of principal along with a $5,000 fee.

*Second Amendment*

On October 31, 2023, the Company entered into a Second Amendment with the purchasers pursuant to the 15% Debentures to unrestrict $1.5 million of the $2.0 million restricted cash. Upon receipt of $1.5 million of payments under the fifth HCM2 reimbursement payment, the Company was required to prepay $1.5 million of the outstanding principal of the 15% Debentures (“Mandatory Prepayment”). Additionally, the Company paid a prepayment premium of $250,000. Monthly redemptions which began in November 2023 were reduced by 10% following the Mandatory Prepayment.

As part of the Second Amendment to the 15% Debentures, which is discussed in Item 3. Interim financial statements. - Note 7. Stockholders' Equity, the Company also issued warrants to purchase Common Stock at an exercise price of $0.01 based on the outstanding principal balances of the Debentures, which are the same term as the warrants issued in May 2023 with the 15% Debenture Agreement (collectively, the “New Warrants”):

(i) on the effective date of the Second Amendment, New Warrants to purchase 403,545 shares of Common Stock, which is equal to 1% of the Company’s outstanding shares on a fully diluted basis, with a value of $91,280;

(ii) since the Mandatory Prepayment of $1.5 million was not made by December 30, 2023, on such date, New Warrants were issued to purchase 3% of the Company’s issued and outstanding on a fully diluted basis. The Company issued an additional 1,210,634 warrants with a value of $324,937; and

(iii) since the Mandatory Prepayment of $1.5 million was not made by January 31, 2024, but rather on February 8, 2024, on such date, New Warrants were issued to purchase 5% of the Company’s issued and outstanding on a fully diluted basis. The Company issued an additional 2,017,724 warrants with a value of $541,562.

The Second Amendment also provides that upon the first to occur of the (i) the 15% Debenture Maturity Date, (ii) after the occurrence and during the continuance of an event of default, or (iii) the repayment in full of the 15% Debentures, the Company shall, upon the written request, repurchase the warrants issued in May 2023 and the New Warrants for a purchase price of $100,000 in cash per one percentage point of ownership of the Company’s issued and outstanding common stock on a fully diluted basis as of the date of the Second Amendment (subject to adjustment for stock splits, stock dividends, stock combinations, reverse stock splits, recapitalizations and similar transactions) (collectively the "put warrants"). At July 31, 2025, the fair value of these put warrants was $1.4 million, which is included in "Put Warrants liability" in the accompanying consolidated balance sheet.

*Third Amendment*

On April 16, 2024, the Company entered into a Third Amendment with the holders of its outstanding 15% Debentures to:

(i) utilize the remaining $500,000 of restricted cash to prepay outstanding principal on April 18, 2024;

(ii) pay an exit fee of $250,000 on or prior to the earlier of the maturity date and repayment in full of the outstanding balance of the 15% Debentures which was accrued in "Other long-term liabilities" in the accompanying consolidated balance sheets;

(iii) reduce the monthly principal payments to $50,000 for the calendar months of March, April, May, June, July, and August 2024;

(iv) reduce the required minimum Revenue and Adjust EBITDA covenants; and

(v) include a voluntary $0.50 conversion feature to common stock of AGI.

*Fourth Amendment*

On April 29, 2024, the Company entered into a Fourth Amendment with the holders of its outstanding 15% Debentures to:

(i) approve the exchange of the 2022 Convertible Notes held by the holders in exchange for the Series A Convertible Preferred Stock ("Series A") pursuant to the Exchange Agreement and the terms of the Series A set forth in the Certificate of Designation;

(ii) revise certain negative covenants in the 15% Debentures to permit the issuance of the Dividend Shares (see Item 12. Financial information for the issuer's most recent fiscal period - Note 7. Stockholders' Equity) and carve-out the issuance of the Dividend Shares from triggering any adjustments pursuant to negative covenants in the Debentures;

(iii) clarify that the issuance of the Dividend Shares is an "Exempt Issuance" under the 15% Debentures;

(iv) agree that if the Series A are exchanged for new convertible notes on similar terms as the original 2022 Convertible Notes (other than a $0.50 per share conversion price), such notes would be "Permitted Indebtedness" (as defined in the 15% Debentures); and

(v) enter into an agreement to terminate the subordination agreement.

*Fifth Amendment*

On July 19, 2024, the Company entered into a Fifth Amendment to amend certain prior events of default.

*Sixth Amendment*

On October 31, 2024, the Company entered into a Sixth Amendment with the holders of its outstanding 15% Debentures. The Amendment provides that effective Q3 Fiscal 2025, required monthly loan principal payments will be converted to quarterly payments of $500,000. The first quarterly principal payment was made on January 31, 2025, with subsequent payments due each 90 days thereafter. As part of the Sixth Amendment, the Company issued additional warrants to purchase common stock equal to 5% of outstanding shares of common stock on the Sixth Amendment effective date of October 31, 2024. These warrants have no cash repayment put option in accordance with ASC 480.

**Preferred Stock**

On April 29, 2024, the Company and the holders of its outstanding $10 million of 2022 Convertible Notes entered into an Exchange Agreement where they exchanged the Convertible Notes for 10,000 shares of Series A with a total stated value of $10 million, which is equal to the total principal of the Convertible Notes. Dividends are settled with shares of common stock. Refer to Item 3. Interim financial statements. - Note 7. Stockholders' Equity.

Dividends issued were as follows:

| Issuance Date | Number of Common Stock Issued | Fair Value of Dividend (1) | |
|---|---|---|---|
| Activity during the three months ended July 31, 2025: | | | |
| 'May 1, 2025 (2) | 682,744 | $ | 102,412 |
| | | | |
| Activity subsequent to July 31, 2025 | | | |
| August 1, 2025 (3) | 705,758 | $ | 141,152 |

(1) Based on the quoted marketed price on the dividend settlement date.
(2) Accrued at April 30, 2025 and (3) Accrued at July 31, 2025. Since the Company does not have retained earnings, the fair value of the dividend is recorded as both a debit and credit to additional-paid-in capital resulting in no net effect in stockholders equity.

**Sufficiency of Working Capital**

AU and USU are certified to participate under the Title IV and HEA Programs. USU received a Program Participation Agreement ("PPA") with an effective period until December 31, 2025. In September 2025, USU submitted its request to renew the PPA. On September 26, 2025, AU received a new PPA with an effective period until June 30, 2031.

Both USU and AU are under Heightened Cash Monitoring 1 status due to AU's request to participate under the Zone Alternative option for Title IV program eligibility. A school placed on HCM1 receives funds after a school makes disbursements to eligible students from institutional funds and submits disbursement records to the Common Origination and Disbursement System; it will then draw down financial aid funds to cover those disbursements in the same way as a school on the Advance Payment Method. On July 31, 2025, $0.3 million of HCM1 payments were due from the DOE. See Item 3. Interim financial statements. - Note 11. Commitments and Contingencies for additional information.

As of October 24, 2025, the Company had $0.6 million of unrestricted cash on hand. We believe cost reductions associated with the five 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.

**Capital and other expenditures**

The Company anticipates that it will need to make capital and other expenditures in connection with on-going operations.

**Cautionary Note Regarding Forward Looking Statements.**

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the impact from and cost savings resulting from the fifth restructuring, our future marketing spend and the success of our future marketing efforts, our achieving sustained revenue growth by the end of Fiscal 2026, our future liquidity including our ability to achieve cash savings and/or raise new funding to enable us to pay our debentures due in May 2026, and the impact of our bookings.

All statements other than statements of historical facts contained in this report, including statements regarding our future financial position, liquidity, business strategy and plans and objectives of management for future operations, are forward-looking statements. 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.

The results anticipated by any or all of these forward-looking statements might not occur. Important factors, uncertainties and risks that may cause actual results to differ materially from these forward-looking statements include, without limitation, the accuracy of our estimates relating to our fifth restructuring plan , the effectiveness of our increased marketing, our ability to refinance our 15% Debentures, our ability to sublease our remaining leases other than our executive offices and necessary space used by AU and USU, the continued high demand for nurses for our new programs and in general, student attrition, national and local economic factors including the labor market shortages and the possibility of an economic recession, competition from other online universities including the competitive impact from the trend of major non-profit universities using online education and consolidation among our competitors, , our ability to obtain and maintain the necessary regulatory approvals, the impact of any Federal Reserve interest rate changes on the economy, unfavorable regulatory changes, and our failure to continue obtaining enrollments at low acquisition costs and keeping teaching and administrative costs down. We undertake no obligation to publicly update or revise any forward-looking statements, whether as the result of new information, future events or otherwise.

**Item 5. Legal proceedings.**

None.

**Item 6. Defaults upon senior securities.**

None.

**Item 7. Other information.**

None.

**Item 8. Exhibits.**

Our articles of incorporation and bylaws were filed as Exhibit H and Exhibit I, respectively, to our Annual Report for the year ended April 30, 2023. Information regarding purchases of equity securities by the issuer and affiliated purchasers appears in Item 19 of our Annual Report for the year ended April 30, 2024.

Our Third Amendment to the Bylaws for Aspen Group, Inc. were filed as Supplemental Information to the Quarterly Report for the nine months ended January 31, 2025.

**Item 9. Certifications.**

I, Michael Mathews, certify that:

1. I have reviewed this quarterly disclosure statement of Aspen Group, Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: October 30, 2025

/s/ Michael Mathews
Chief Executive Officer

I, Matt LaVay, certify that:

1. I have reviewed this quarterly disclosure statement of Aspen Group, Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: October 30, 2025

/s/ Matt LaVay
Chief Financial Officer