
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 10, 2018**

ASPEN GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware
*(State or Other Jurisdiction
of Incorporation)*

001-38175
*(Commission
File Number)*

27-1933597
*(I.R.S. Employer
Identification No.)*

276 Fifth Avenue, Suite 306, New York, New York 10001
(Address of Principal Executive Office) (Zip Code)

(212) 477-1210
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition

On December 10, 2018, Aspen Group, Inc. (the “Company”) issued a press release announcing the results of operations for the quarter ended October 31, 2018. A copy of the press release is furnished as Exhibit 99.1 to this report.

The information contained in this Item 2.02, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”), or otherwise subject to the liabilities of that section. Furthermore, the information contained in this Item 2.02 or Exhibit 99.1 shall not be deemed to be incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933 (the “Securities Act”), except as shall be expressly set forth by specific reference in such filing.

Item 7.01 Regulation FD Disclosure.

Starting on December 11, 2018, senior management of the Company will deliver presentations to certain potential investors. A copy of the presentation is furnished as Exhibit 99.2 to this report.

The information in Item 7.01 of this report, including the information in the presentation attached as Exhibit 99.2 to this report, is furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed “filed” for the purposes of Section 18 of the Exchange Act of 1934, or otherwise subject to the liabilities of that section. Furthermore, the information in Item 7.01 of this report, including the information in the presentation attached as Exhibit 99.2 to this report, shall not be deemed to be incorporated by reference in the filings of the registrant under the Securities Act.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit No.</u>	<u>Exhibit</u>
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99.1	Press Release dated December 10, 2018
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99.2	Investor Presentation dated December 2018
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ASPEN GROUP, INC.

Date: December 10, 2018

By: /s/ Michael Mathews
Name: Michael Mathews
Title: Chief Executive Officer



FOR IMMEDIATE RELEASE: December 10, 2018

Aspen Group Reports 67% Revenue Growth to \$8.1 Million in Second Quarter of Fiscal 2019, and 12% Growth Sequentially

Cash Used in Operations Declines by \$1.3 Million Sequentially, a 38% Improvement

NEW YORK, NY – December 10, 2018 - Aspen Group, Inc. (Nasdaq: ASPU) “AGI”, an education technology holding company, today announced financial results for its 2019 fiscal second quarter ended October 31, 2018, highlighted by revenue of \$8,095,344, an increase of 67% compared to the second quarter of fiscal year 2018. This revenue increase represented a 12% sequential improvement.

Michael Mathews, Chairman & CEO of Aspen Group, commented, “The Company is well under way in its effort to drive growth in its two new business units, United States University and our pre-licensure BSN program. As a result of the favorable unit economics of these new businesses, the Company expects to continue to drive leverage over the upcoming quarters.”

Fiscal Q2 2019 Highlights:

- Revenue totaled \$8,095,344, an increase of 67% as compared to the prior fiscal year second quarter;
- Gross Profit totaled \$4,083,951 or a 50% margin, a 43% increase as compared to the prior fiscal year second quarter;
- Net Loss applicable to shareholders of (\$2,475,079), as compared to Net Loss of (\$481,551) in the prior fiscal year second quarter; Diluted net loss per share was \$(0.13), as compared to a loss of \$(0.04) in the prior fiscal year second quarter;
- EBITDA, a non-GAAP financial measure, totaled a loss of \$(1,899,814);
- Adjusted EBITDA, a non-GAAP financial measure, totaled a loss of \$(1,304,543);
- Cash used in operations totaled \$2.1 million, as compared to \$3.4 million last quarter, a sequential improvement of \$1.3 million or 38%;
- AGI’s 1,565 enrollments up 50% as compared to 1,044 in the prior fiscal year second quarter;
- Total contractual value of AGI monthly payment plan students increased to over \$45 million;

In reviewing these comparisons, investors should note AGI acquired United States University (“USU”) and all its operating expenses on December 1, 2017. For the second quarter, revenues were \$8,095,344, an increase of 67% as compared to the prior fiscal year second quarter. USU revenues contributed approximately 19% of the quarterly revenues for the Company.

Fiscal 2019 Second Quarter Financial and Other Results:

AGI set a quarterly enrollment record in the second quarter with 1,565 new student enrollments, as compared to 1,044 new student enrollments in the prior year, an increase of 50% year-over-year. Aspen University accounted for 1,294 new student enrollments (includes 133 Doctoral enrollments and 57 Pre-licensure BSN AZ campus enrollments), while USU accounted for 271 new student enrollments (primarily Family Nurse Practitioner (“FNP”) enrollments).

In total, 5,588 active students or 70% of AGI’s total active student body of 7,950 are paying through a monthly payment method. Aspen University students paying tuition and fees through a monthly payment method grew by 35% year-over-year, from 3,752 to 5,074. Those 5,074 students paying through a monthly payment method represent 71% of Aspen University’s total active student body. USU students paying tuition and fees through a monthly payment method grew from 399 to 514 students sequentially. Those 514 students paying through a monthly payment method represent 61% of USU’s total active student body. The total contractual value of AGI’s monthly payment plan students, assuming each student completes the degree program in which he or she has enrolled, now exceeds \$45 million which currently delivers monthly recurring tuition cash payments exceeding \$1,300,000. Note that as of November 15, 2018, 441 Aspen University graduates remain on the monthly payment plan delivering cash receipts of approximately \$130,000.

Gross profit increased to \$4,083,951 or 50% gross margin. Aspen University gross profit represented 55% of Aspen University revenues for the second quarter, while USU gross profit equaled 44% of USU revenues during the second quarter. Both of these units saw 4 percentage point gross margin improvements sequentially. Aspen University instructional costs and services represented 17% of Aspen University revenues for the 2019 second quarter, while USU instructional costs and services equaled 29% of USU revenues during the 2019 second quarter. Aspen University marketing and promotional costs represented 25% of Aspen University revenues for the 2019 second quarter, while USU marketing and promotional costs equaled 27% of USU revenues during the 2019 second quarter.

Net loss applicable to shareholders was (\$2,475,079) or diluted net loss per share of (\$0.13). Aspen University generated \$0.4 million of net income for the second quarter, while USU experienced a net loss of (\$1.1) million during the second quarter. Aspen Group corporate incurred \$1.8 million of expenses for the second quarter.

EBITDA, a non-GAAP financial measure, was a loss of (\$1,899,814) or (23%) as a percentage of revenue. Adjusted EBITDA, a non-GAAP financial measure, was a loss of (\$1,304,543) or (16%) as a percentage of revenue. Aspen University generated \$0.9 million of Adjusted EBITDA for the second quarter, while USU experienced an Adjusted EBITDA loss of (\$0.8) million during the second quarter. Aspen Group corporate contributed \$1.4 million toward the (\$1,304,543) Adjusted EBITDA loss for the second quarter.

The company used cash of \$2.1 million for operations in the second quarter, as compared to using \$3.4 million last quarter, a sequential improvement of \$1.3 million or 38% sequentially.

Conference Call:

Aspen Group, Inc. will host a conference call to discuss its fiscal year 2019 second quarter (ending October 31, 2018) financial results and business outlook on Monday, December 10, 2018, at 4:30 p.m. (ET). The conference call can be accessed by dialing toll-free (844) 452-6823 (U.S.) or (731) 256-5216 (international), passcode 4548797. Subsequent to the call, a transcript of the audiocast will be available from the Company's website at ir.aspen.edu. There will also be a 7 day dial-in replay which can be accessed by dialing toll-free (855) 859-2056 or (404) 537-3406 (international), passcode 4548797.

Non-GAAP – Financial Measures:

This press release 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 Aspen Group 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 Adjusted EBITDA and EBITDA, each of which are non-GAAP financial measures. We believe that both management and shareholders benefit from referring to the following non-GAAP financial measures in planning, forecasting and analyzing future periods. Our management uses these non-GAAP financial measures in evaluating its financial and operational decision making and as a means to evaluate period-to-period comparisons. Our management recognizes that the non-GAAP financial measures have inherent limitations because of the excluded items described below.

Aspen Group defines Adjusted EBITDA as earnings (or loss) from continuing operations before the items in the table below. Aspen Group excludes these expenses because they are non-cash or non-recurring in nature.

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 Aspen Group 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 under applicable SEC rules.

The following table presents a reconciliation of Adjusted EBITDA to net loss allocable to common shareholders, a GAAP financial measure:

	For the Three Months Ended	
	October 31,	
	2018	2017
Net loss	\$ (2,475,079)	\$ (481,551)
Interest expense	41,922	156,785
Taxes	9,276	—
Depreciation & amortization	524,067	145,355
EBITDA (loss)	(1,899,814)	(179,411)
Bad debt expense	171,084	22,500
Acquisition expense	—	99,065
Non-recurring charges	118,872	137,717
Stock-based compensation	305,315	144,624
Adjusted EBITDA (Loss)	<u>\$ (1,304,543)</u>	<u>\$ 224,495</u>

About Aspen Group, Inc.:

Aspen Group, Inc. is an education technology holding company that leverages its infrastructure and expertise to allow its two universities, Aspen University and United States University, to deliver on the vision of making college affordable again.

Forward-Looking Statements:

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including future growth of our new business units and collection of our accounts receivable. The words “believe,” “may,” “estimate,” “continue,” “anticipate,” “intend,” “should,” “plan,” “could,” “target,” “potential,” “is likely,” “will,” “expect” and similar expressions, as they relate to us, are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. Important factors that could cause actual results to differ from those in the forward-looking statements include the continued demand of nursing students for the new programs, potential student attrition and national and local economic factors. Other risks are included in our filings with the SEC including our Form S-3, our Prospectus Supplement filed April 19, 2018 and our Form 10-K for the year ended April 30, 2018. Any forward-looking statement made by us herein speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

Company Contact:

Aspen Group, Inc.
Michael Mathews, CEO
914-906-9159

ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	<u>October 31, 2018</u>	<u>April 30, 2018</u>
	<u>(Unaudited)</u>	
Assets		
Current assets		
Cash	\$ 7,723,808	\$ 14,612,559
Restricted cash	190,506	190,506
Accounts receivable, net of allowance of \$736,103 and \$468,174, respectively	10,040,398	6,802,723
Prepaid expenses	430,072	199,406
Other receivables	5,373	184,569
Total current assets	<u>18,390,157</u>	<u>21,989,763</u>
Property and equipment:		
Call center equipment	166,051	140,509
Computer and office equipment	294,419	230,810
Furniture and fixtures	1,271,536	932,454
Software	3,485,118	2,878,753
	<u>5,217,124</u>	<u>4,182,526</u>
Less accumulated depreciation and amortization	<u>(1,450,025)</u>	<u>(1,320,360)</u>
Total property and equipment, net	<u>3,767,099</u>	<u>2,862,166</u>
Goodwill	5,011,432	5,011,432
Intangible assets, net	9,091,667	9,641,667
Courseware, net	192,652	138,159
Accounts receivable, secured - net of allowance of \$625,963 and \$625,963, respectively	45,329	45,329
Long term contractual accounts receivable	1,812,629	1,315,050
Other assets	605,812	584,966
Total assets	<u>\$ 38,916,777</u>	<u>\$ 41,588,532</u>

(Continued)

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

	<u>October 31,</u> <u>2018</u>	<u>April 30,</u> <u>2018</u>
	<u>(Unaudited)</u>	
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 1,625,989	\$ 2,227,214
Accrued expenses	731,591	658,854
Deferred revenue	3,445,306	1,814,136
Refunds due students	1,181,939	815,841
Deferred rent, current portion	12,247	8,160
Convertible notes payable, current portion	1,050,000	1,050,000
Other current liabilities	375,749	203,371
Total current liabilities	<u>8,422,821</u>	<u>6,777,576</u>
Convertible note	1,000,000	1,000,000
Deferred rent	527,158	77,365
Total liabilities	<u>9,949,979</u>	<u>7,854,941</u>
Commitments and contingencies - See Note 8		
Stockholders' equity:		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized, 0 issued and outstanding at October 31, 2018 and April 30, 2018	—	—
Common stock, \$0.001 par value; 250,000,000 shares authorized, 18,391,092 issued and 18,374,425 outstanding at October 31, 2018 18,333,521 issued and 18,316,854 outstanding at April 30, 2018	18,391	18,334
Additional paid-in capital	67,102,509	66,557,005
Treasury stock (16,667 shares)	(70,000)	(70,000)
Accumulated deficit	(38,084,102)	(32,771,748)
Total stockholders' equity	<u>28,966,798</u>	<u>33,733,591</u>
Total liabilities and stockholders' equity	<u>\$ 38,916,777</u>	<u>\$ 41,588,532</u>

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

	For the Three Months Ended October 31,		For the Six Months Ended October 31,	
	2018	2017	2018	2017
Revenues	\$ 8,095,344	\$ 4,851,639	\$ 15,316,649	\$ 9,094,525
Operating expenses				
Cost of revenues (exclusive of depreciation and amortization shown separately below)	3,835,515	1,864,659	7,587,907	3,617,150
General and administrative	6,210,411	3,166,391	12,034,543	6,297,725
Depreciation and amortization	524,067	145,355	1,022,172	284,074
Total operating expenses	<u>10,569,993</u>	<u>5,176,405</u>	<u>20,644,622</u>	<u>10,198,949</u>
Operating loss from operations	<u>(2,474,649)</u>	<u>(324,766)</u>	<u>(5,327,973)</u>	<u>(1,104,424)</u>
Other income (expense):				
Other income	41,492	23,111	97,894	41,888
Interest expense	<u>(41,922)</u>	<u>(179,896)</u>	<u>(82,275)</u>	<u>(186,093)</u>
Total other expense, net	<u>(430)</u>	<u>(156,785)</u>	<u>15,619</u>	<u>(144,205)</u>
Loss from operations before income taxes	(2,475,079)	(481,551)	(5,312,354)	(1,248,629)
Income tax expense (benefit)	—	—	—	—
Net loss	<u>\$ (2,475,079)</u>	<u>\$ (481,551)</u>	<u>\$ (5,312,354)</u>	<u>\$ (1,248,629)</u>
Net loss per share allocable to common stockholders: basic and diluted	<u>\$ (0.13)</u>	<u>\$ (0.04)</u>	<u>\$ (0.29)</u>	<u>\$ (0.09)</u>
Weighted average number of common shares outstanding: basic and diluted	<u>18,335,413</u>	<u>13,587,535</u>	<u>18,326,621</u>	<u>13,548,672</u>

ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED OCTOBER 31, 2018
(Unaudited)

	Common Stock		Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance at April 30, 2018	18,333,521	\$ 18,334	\$ 66,557,005	\$ (70,000)	\$(32,771,748)	\$ 33,733,591
Stock-based compensation	—	—	515,291	—	—	515,291
Common stock issued for cashless stock options exercised	30,764	31	(31)	—	—	—
Common stock issued for stock options exercised for cash	26,807	26	60,076	—	—	60,102
Purchase of treasury stock	—	—	—	(7,370,000)	—	(7,370,000)
Re-sale of treasury stock	—	—	—	7,370,000	—	7,370,000
Fees associated with equity raise	—	—	(29,832)	—	—	(29,832)
Net loss, for the six months ended October 31, 2018	—	—	—	—	(5,312,354)	(5,312,354)
Balance at October 31, 2018	18,391,092	\$ 18,391	\$ 67,102,509	\$ (70,000)	\$(38,084,101)	\$ 28,966,798

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

	For the	
	Six months ended October 31,	
	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Net loss	\$ (5,312,354)	\$ (1,248,629)
Adjustments to reconcile net loss to net cash used in operating activities:		
Bad debt expense (recovery)	292,889	85,500
Depreciation and amortization	1,022,172	284,074
Stock-based compensation	515,291	303,924
Amortization of prepaid shares for services	8,285	—
Changes in operating assets and liabilities:		
Accounts receivable	(4,028,143)	(2,137,055)
Accounts receivable, secured - related party	—	(388,585)
Prepaid expenses	(238,951)	(39,392)
Accrued interest receivable	—	(36,800)
Other receivables	179,196	(33,192)
Other assets	(20,846)	—
Accounts payable	(601,225)	177,666
Accrued expenses	72,737	(16,496)
Deferred rent	453,880	(7,609)
Refunds due students	366,098	424,362
Expiration of original issue discount	—	—
Deferred revenue	1,631,170	959,174
Other liabilities	172,378	—
Net cash provided by operating activities	<u>(5,487,423)</u>	<u>(1,673,058)</u>
Cash flows from investing activities:		
Purchases of courseware	(85,821)	(25,100)
Purchases of property and equipment	(1,345,777)	(540,873)
Net cash used in investing activities	<u>(1,431,598)</u>	<u>(565,973)</u>
Cash flows from financing activities:		
Disbursements for equity offering costs	(29,832)	(4,707)
Proceeds of stock options exercised	—	53,045
Proceeds of warrant exercise	60,102	33,598
Purchase of treasury stock	(7,370,000)	—
Re-sale of treasury stock	7,370,000	—
Senior secured loan	—	4,780,572
Net cash used in financing activities	<u>30,270</u>	<u>4,862,508</u>
Net decrease in cash and cash equivalents	(6,888,751)	2,623,477
Cash, restricted cash, and cash equivalents at beginning of period	14,803,065	2,756,217
Cash and cash equivalents at end of period	<u>\$ 7,914,314</u>	<u>\$ 5,379,694</u>

(Continued)

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

	For the Six months ended October 31,	
	2018	2017
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ —	\$ 135,323
Cash paid for income taxes	\$ —	\$ —

Supplemental disclosure of non-cash investing and financing activities		
Warrants issued as part of senior secured loan	\$ —	\$ 478,428

The following table provides a reconciliation of cash and restricted cash reported within the consolidated balance sheet that sum to the total of the same such amounts shown in the consolidated statement of cash flows:

	For the Six months ended October 31,	
	2018	2017
Cash	\$ 7,723,808	\$ 6,213,569
Restricted cash	190,506	—
Total cash and restricted cash	\$ 7,914,314	\$ 6,213,569



Investor Presentation

December, 2018
Nasdaq: ASPU

Aspen Group, Inc. is an education technology holding company that leverages its infrastructure and expertise to allow its two universities, Aspen University and United States University, to deliver on the vision of making college affordable again.

Safe Harbor Statement

Certain statements in this presentation and responses to various questions include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding continued growth in nursing opportunities, projected monthly cash receipts, expected increase in our market share, expected efficiency of our marketing efforts, and our expectations and plans regarding our hybrid pre-licensure program and future related partnerships. In the words "believe," "may," "estimate," "continue," "anticipate," "intend," "should," "plan," "could," "target," "potential," "is likely," "will," "expect" and similar expressions, as they relate to us, are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs.

Important factors that could cause actual results to differ from those in the forward-looking statements include the continued demand for nurses, continued effectiveness of our online marketing, how students react to our hybrid pre-licensure BSN program over time, and the Company's ability to enter into and maintain partnerships with health care organizations to establish new campuses and/or finance those campuses.

Further information on our risk factors is contained in our press release issued on December 10, 2018 and our filings with the SEC, including our Form S-3, our Prospectus Supplement filed on April 19, 2018 and the Form 10-K for the fiscal year ended April 30, 2018. Any forward-looking statement made by us herein speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

Regulation G - Non-GAAP Financial Measures This presentation includes a discussion of Adjusted EBITDA, a non-GAAP financial measure. Certain information regarding these non-GAAP financial measures (including reconciliations to GAAP) is provided in the Appendix to this presentation and on the Investor Relations section of the Aspen website at www.aspu.com.

ASPU: Our path from EdTech company to largest nursing school in the U.S.

1

Strong demand for nurses is being fueled by the aging baby boomer population

2

Growing complexity of the healthcare industry is driving demand for highly educated nurses; moreover, pursuing higher levels of education has a high ROI for nurses

3

New degree programs have dramatically increased Aspen's TAM; now estimated at >\$4bn

4

EdTech competitive advantage allows Aspen to offer lower tuition rates while maintaining gross margin profile

5

Attractive unit economics puts Aspen in position to be a true compounder; ARPU increasing with new programs

ASPU: Our path from EdTech company to largest nursing school in the U.S.

6

Revolutionary Monthly Payment Plan reduces the reliance on Title IV funding

7

Innovative hybrid Pre-Licensure program offers BSN at 40% tuition discount to traditional campus learning model

8

Proven Management Team

9

Potential to exploit Aspen's EdTech advantage beyond nursing

10

ASPU is trading at a discount to industry peers while possessing a cost advantage and higher growth

Targeting the High Growth Nursing Profession

The aging population is fueling strong demand for nurses

The Bureau of Labor Statistics (BLS) estimated in 2016 that the demand for RNs will grow by 15% over the next decade to ~3.4mm; this situation is exacerbated by the high percentage of RNs who are approaching retirement age (>30% over 50)

In addition to Baby Boomers' higher demand for health care services as they live longer, BLS cites an increased emphasis on preventive care and growing rates of chronic conditions like diabetes and obesity as core reasons that are fueling the nursing industry's growth

A recent study by HR consulting firm Mercer found that the U.S. needs to hire 2.3 million new health care workers by 2025 to aid the country's aging population

The aging population is fueling strong demand for nurses

“It may very well be the best time to be a nurse in the U.S. The job’s strong demand, relatively high pay, rewarding nature and low-risk of automation are all compelling incentives to pursue the career.”

–Yahoo Finance (August 2018)

The aging population is fueling strong demand for nurses

“If you look at the employment projections, health care occupations in general are going to be in high demand over the next decade. Nurses do appear to be really satisfied with their jobs.”

–Martha Gimbel, Research Director at Indeed’s Hiring Lab

The aging population is fueling strong demand for nurses

“ Montana State University nursing economist Peter Buerhaus estimates a shortage of about 130,000 nurses nationwide by 2025, not as acute as once feared but still a significant staffing challenge.”

–WSJ (March 2016)

Highly educated nurses are in demand – with salaries to match

Further education in the nursing industry is highly regarded by employers and is seen as a reliable way for RNs to improve their career prospects

“The marketplace recognizes the value of additional education.”

–Peter Buerhaus, Jean Vallance Lecture in Nursing Innovation (March 2017)

Highly educated nurses are in demand – with salaries to match

Degree	Avg. Salary***	Purpose	# Students*
Associate	\$67,463	Minimum qualification required to become an RN	n/a
Pre-Licensure BSN	\$77,249	Undergraduate degree for those with no experience	201,517
RN to BSN	\$77,249	Designed for RNs to upskill and meet new industry standards	137,285
MSN	\$93,509	Designed for RNs looking to move into leadership positions	128,644
DNP	\$98,826	For RNs seeking a terminal degree in nursing practice	25,289
MSN - FNP	\$104,610	Designed to bridge the gap between an RN and a Physician	50,000**

*Source: American Association of Colleges of Nursing, 2017 annual report (89.2% of schools reported, student counts are actuals, not projections)

**FNP specialization is a subset of the 128,644 total MSN students, actuals not available by specialization, therefore this is a company projection

Higher salaries and demonstrated ROI incentivize higher graduation rates

By approaching the development of their degree programs from the perspective of the student, Aspen has ensured that there is an expedient ROI following graduation

“At Aspen, our philosophy is simple. We believe if we put students’ best interests ahead of all others, success will follow.”

–Michael Mathews, CEO (2014)

Higher salaries and demonstrated ROI incentivize higher graduation rates

Degree Program	Tuition (\$)	Salary Uplift (\$)*	Payback (yrs)
RN to BSN	9,750	9,786	1.00
MSN	11,700	16,260	0.72
DNP	18,900	21,577	0.88
MSN-FNP (USU)	27,000	27,361	0.98

These short payback periods demonstrate how by completing a low-cost degree program students can materially improve their financial position

Source: Payscale.com

With the addition of two new nursing programs, ASPU dramatically expanded TAM to more than \$4bn

As the company has evolved, Aspen has looked to expand within the nursing vertical via the creation of new degree programs that offer attractive ROI characteristics to students

Increasing the total addressable market and offering alumni further opportunities to continue their studies

With the addition of two new nursing programs, ASPU dramatically expanded TAM to more than \$4bn

Launched	CCNE Accredited	Degree Program	Market Size (\$)
2011 Q4 2013	2012 Q4 2014	Master of Science in Nursing (MSN) Bachelor of Science in Nursing (RN to BSN)	478mm
2017	In Progress	Doctor of Nursing Practice (DNP)	100mm
USU Acquired – December 2017	2014	Master of Science in Nursing – Family Nurse Practitioner (MSN - FNP)	535mm
July, 2018	Q4 2014	Pre-Licensure Bachelor of Science in Nursing (BSN)	3.0bn<

Increased offerings and gains in market share driving revenue growth



Disruptive Business Model

Making College Affordable with Outstanding Student Outcomes

ASPU's monthly payment plans are a revolutionary concept in for-profit education

The monthly payment plan "MPP" allows students to essentially pay as they go, reducing the reliance on Title IV government funding

Aspen's low tuition fees are the key enabler of the MPP; when the cost of the degree is divided over the expected time to graduate, the monthly payment equates to an amount an RN could reasonably be expected to cover given their level of discretionary income

These plans have also proved popular with healthcare providers looking to upskill their employees

ASPU's monthly payment plans are a revolutionary concept in for-profit education

Degree Program	Monthly Payment (\$)	# of Months (tuition)*	Tuition (\$)
RN to BSN (AU, USU)	250	39 (AU) or 47 (USU)	9,750 (AU) or 11,700 (USU)
MSN (AU, USU)	325	36 (AU) or 38/40 (USU)	11,700 (AU) or 12,350/13,000 (USU)
DNP (AU)	375	51	18,900
MSN-FNP (USU)	375	62	23,250

Aspen has developed ~100 strategic relationships with healthcare providers, many of whom are subsidizing their employees' tuition

*Monthly payment duration for tuition only, additional monthly payments are added for any miscellaneous fees incurred

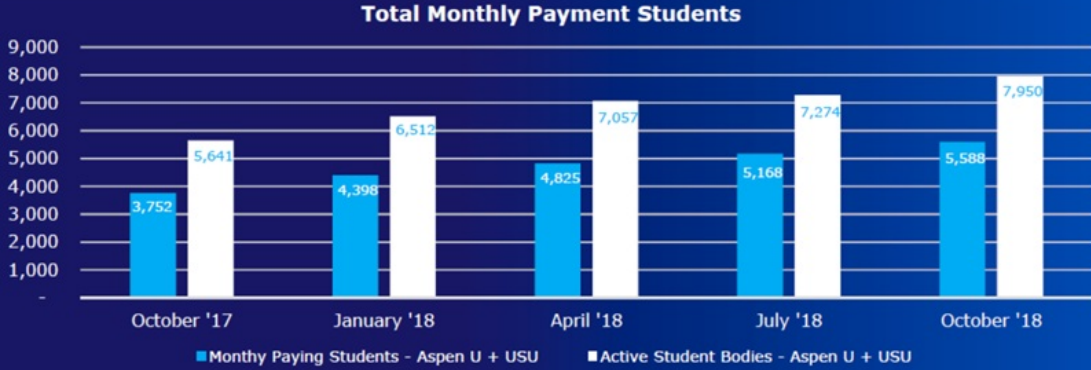
70% of active students pay monthly, for a total Contractual Value >\$45mm

Recurring revenue model delivering ~\$1.3 million of monthly cash receipts (Aspen U + USU)

An additional 441 Aspen U graduates remain on monthly payment plans (monthly cash receipts of ~\$130,000)*

*As of 11/15/18

70% of active students pay monthly, for a total Contractual Value >\$45mm



Aspen's low tuition model is predicated on two factors: cost/enrollment and graduation rate

Instructional costs are largely variable meaning the major profitability driver of an online educator is minimizing the marketing spend per dollar of revenue



This becomes a virtuous cycle as both tuition and graduation rates are major selling points; in effect helping to further lower the cost of enrollment

Aspen's low cost of enrollment is driven by its in-house internet advertising and CRM system

The traditional marketing approach of an online educator has been to purchase leads from third party providers; whereas Aspen has differentiated itself from the outset by building an in-house internet advertising platform

The CRM is then designed to take those leads and achieve best in class conversion rates via the use of an algorithm that recommends to enrollment advisors which potential students to engage with at the right time

ASPEN ONLINE NURSING UNIT

~\$150

Average Cost of Lead

*12.5%

Conversion Rate

\$1,317*

Cost/Enrollment

The durability of this competitive advantage can be seen in the industry-leading conversion rate

*As of October 2018, six-month rolling averages

Student outcomes are key to our success

ASPEN UNIVERSITY ALUMNI SURVEY

92.4%

Student Satisfaction

Upon completing their studies, % of alumni that responded they achieved the goals they had when they started the course or program

REPORTED TO DEAC FOR CY 2017

76.0%

Graduation Rate—RN to BSN

Compared to the national average of 60% of students who began a bachelor's degree at a 4-year institution in fall 2010 (completion within 6 years)

https://nces.ed.gov/programs/coe/indicator_ctr.asp

FINANCIAL PRUDENCE

84.3%

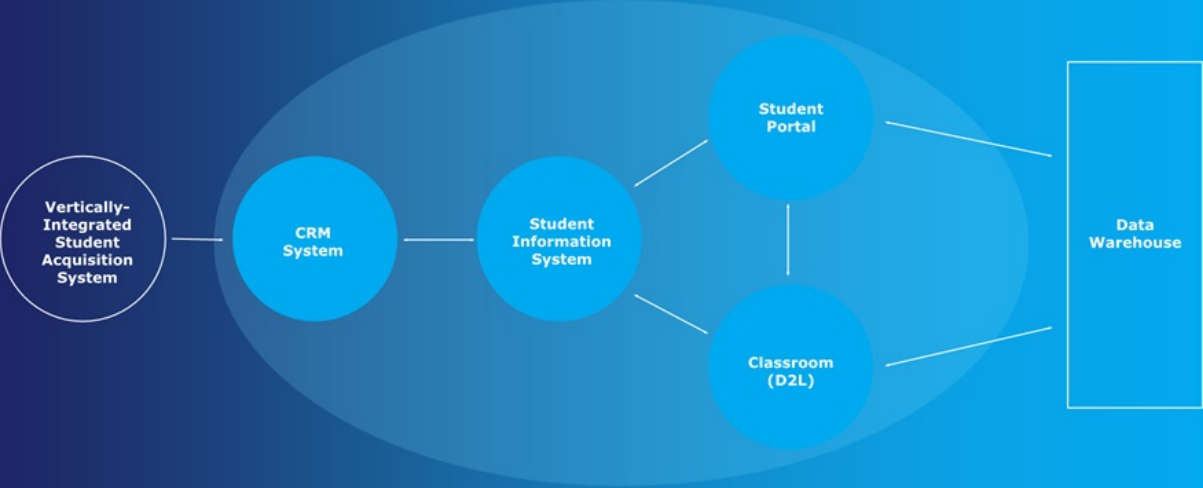
Financial Prudence*

% of alumni that graduated without taking a federal loan while attending Aspen University

*Based on 1,564 Aspen University graduates between 2017-2018

EdTech Infrastructure Driving Industry Leading Operational Efficiency

Best-in-class EdTech stack designed to drive better student outcomes



EdTech advantage allows Aspen to offer among the lowest tuition rates in the industry

“ Looking closer at the AACN data, the survey found little variation in the average rate of job offers at the time of graduation by institutional type.”

-AACN (December 2017)

EdTech advantage allows Aspen to offer among the lowest tuition rates in the industry

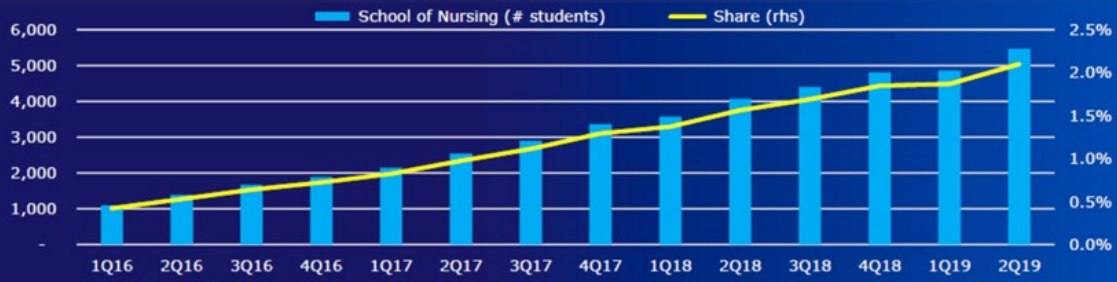
Given the strength of demand for highly qualified nurses and the industry's own self regulation of education providers (AACN), price should be a big factor in the student's ultimate purchasing decision

Degree Program	Aspen / USU	Chamberlain	WGU	Walden	Capella
RN to BSN (AU)	9,750	28,870	14,180	17,785	18,000
MSN (AU)	11,700	27,480	15,780	25,320	21,000
DNP (AU)	18,900	39,660	N/A	40,790	41,080
MSN – FNP (USU)	23,250	39,435	N/A	42,980	N/A

Highlighted quadrant represents the University with the leading market share across that degree program

Aspen U quickly gained market share since BSN program achieved CCNE accreditation in FY'15

Aspen Group's Market Share of the Post-Licensure Nursing Education Market



ASPU is well positioned to continue to increase share. The annual number of new students is estimated to be around 100,000 meaning in the TTMs Aspen's run rate share of new students was ~4%.

Aspen has ample opportunity to invest in its business at very attractive ROIs

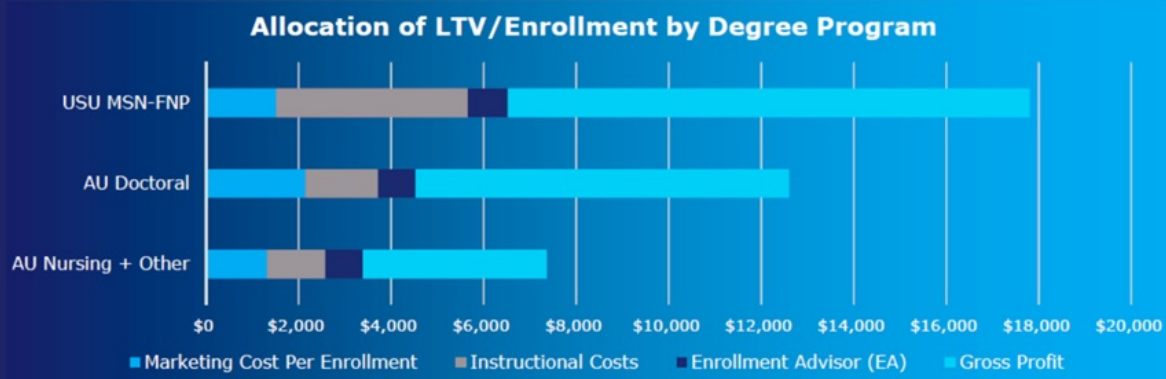
Student enrollment drives revenue which in turn is driven by marketing spend; for every marketing dollar spent the company expects to receive >5.6x in revenue and >3.0x in contribution margin. These characteristics resemble a best in class SaaS company, not a traditional online educator.

	RN to BSN / MSN	DNP	MSN-FNP (USU)
Revenue / Enrollment*	7,350	12,600	17,800
Marketing Cost / Enrollment*	(1,317)	(2,143)	(1,517)
Enrollment Advisor*	(811)	(811)	(870)
Instructional Costs**	(1,260)	(1,575)	(4,140)
Contribution Margin / Enrollment	3,972	8,071	11,273
Contribution Margin / Marketing \$	3.0x	3.8x	7.4x
Marketing Efficiency Ratio	5.6X	5.9X	11.7X

*As of 10/31/18 (assumes \$6,000/month/EA)

**Assumes \$150/course completion for Aspen U, \$345/course completion for USU MSN-FNP

Total student costs are front-loaded with gross profit/student turning profitable after 3 courses



By offering a hybrid BSN P-L degree, Aspen has created an affordable offering in a >\$3bn market

The AACN has estimated that there are 190,000 qualified entry level nursing students in the United States annually; however, there is only capacity amongst US nursing schools to accept 70% of worthy applicants

In 2016 64,067 qualified applicants were turned away due to budget constraints and an insufficient number of faculty, clinical sites, classroom space and clinical preceptors

Aspen accepted its first cohort of pre-licensure nursing students at its inaugural Phoenix campus in July 2018 and will offer an additional evening/weekend program from January 2019, doubling the number of potential students

By offering a hybrid BSN P-L degree, Aspen has created an affordable offering in a >\$3bn market

Given the dual use of the Phoenix campus the facility could feasibly educate >700 students, representing a >\$14mm revenue opportunity per campus

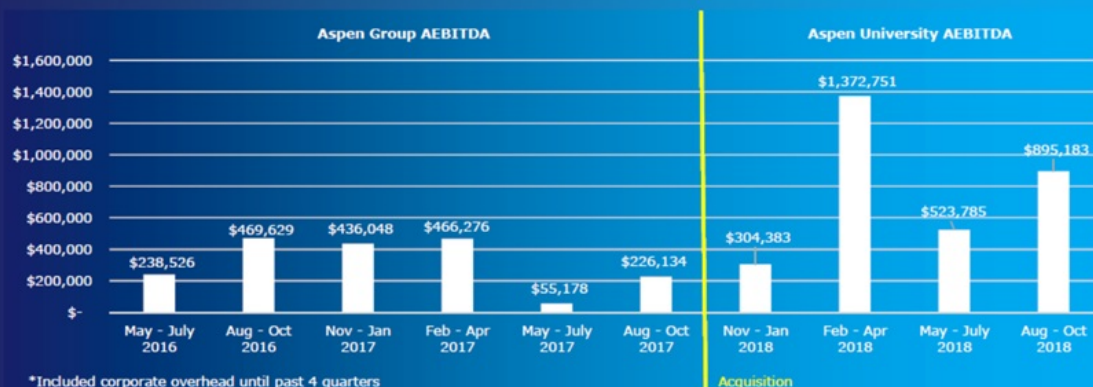
In October 2018, Aspen announced the signing of a memorandum of understanding with HonorHealth (5 hospital system in Arizona) to establish a nursing education center to provide qualified HonorHealth employees and general population applicants with an on-site accredited pre-licensure BSN program from Aspen University

HonorHealth will provide the "clinical home" and capex building improvements will be shared

Aspen has the ability to replicate the Phoenix campus model in a number of metros across the United States and is already exploring future development and partnership opportunities

Proven Business Model – Aspen University* AEBITDA Profitable for Past 10 Quarters

Aspen Group AEBITDA profitable from July 2016 (Q1 FY'17) to October 2017 (Q2 FY'18). Following acquisition of USU in December 2017, Aspen University remains AEBITDA profitable



Proven Management Team

Michael Mathews

Chairman & Chief Executive Officer

- Former CEO of Interclick (Nasdaq: ICLK, 2007-2011), sold to Yahoo! in 2011 for \$270mm
- Former Operating Exec of CKS Partners (Nasdaq: CKSG, 1994-1998), sold to USWeb in 1998 for \$344mm

Dr. Cheri St. Arnauld

Chief Academic Officer

- Former CAO of Grand Canyon University (Nasdaq: LOPE, 2007-2012)

Joseph Sevely

Chief Financial Officer

- Former CFO of Cutwater Asset Management (2010-2015), \$22 billion AUM, sold to BNY Mellon

Gerard Wendolowski

Chief Operating Officer

- Former VP, Marketing of Atrinsic (Nasdaq: ATRN, 2008 -2011)

Dr. Anne McNamara

Chief Nursing Officer (Aspen University)

- Former CNO of Grand Canyon University (Nasdaq: LOPE, 2007-2014)
- History of 90%+ NCLEX scores at GCU under Dr. McNamara's leadership

ASPU trades at a sizeable discount vs. comps¹ despite EdTech advantage and higher growth

Metric	ASPU	For-Profit Universities			Education Technology		
		ATGE	STRA	LOPE	PS	TWOU	CHGG
LTM Revenue Growth ²	58.9%	4.3%	12.2%	-0.8%	38.0%	48.9%	22.2%
NTM Revenue Growth ²	44.3%	3.8%	³ 78.6%	-29.6%	21.5%	24.1%	14.4%
LTM Price / Sales ²	4.6x	2.7x	5.3x	6.3x	7.1x	9.1x	11.2x
NTM Price / Sales ²	3.2x	2.6x	3.0x	8.9x	5.8x	7.3x	9.8x
LTM Price / Earnings ²	N/M	40.3x	N/M	26.4x	N/M	N/M	N/M
NTM Price / Earnings ²	N/M	19.7x	25.4x	24.6x	N/M	N/M	57.5x

¹ Data as of 12/4/2018

² As of 9/30/2018

³ Includes acquisition of Capella Education Company

Source: Capital IQ

Equity Snapshot

Closed \$5mm credit facility with Leon Cooperman on 11/5/18

As of 12/7/18	
Ticker on Nasdaq:	ASPU
Share Price:	\$5.82
52 Week Range:	\$5.01 - \$9.61
Market Cap:	\$107 Million
Shares Outstanding:	18.4 Million
Mgmt & BOD Ownership:	19%

Appendix

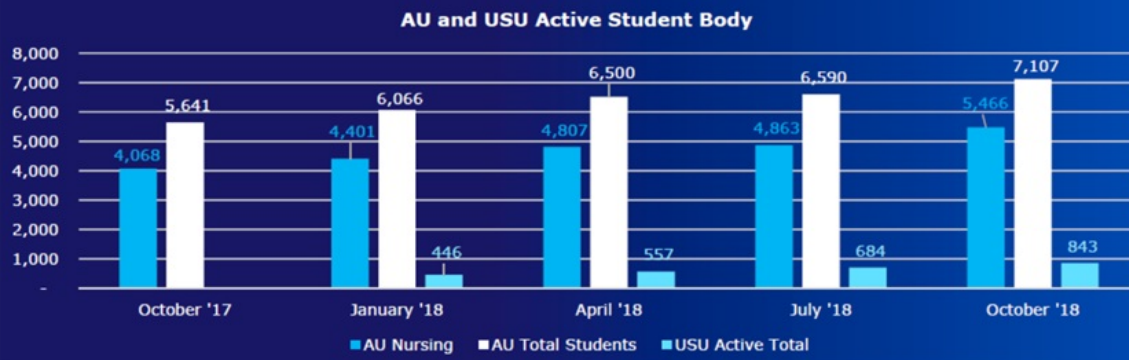
Q2 FY'19 KPI Results—Enrollments

	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	EAs	Enrolls/Month/EA
Aspen (Nursing + Other)	1,044*	972*	980	882	1,104	50	7.4
Aspen (Doctoral)			116	118	133	6	7.4
USU (FNP + Other)			177	221	271	13	6.9
Aspen (Pre-Licensure BSN, AZ Campus)				93	57**	3	6.3
Total	1,044	972	1,273	1,314	1,565	72	

*Included doctoral enrollments

**New enrollments in this program were intentionally limited due to the current wait list

KPI Results—Student Body



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

Q2 Fiscal Year 2019 Results

For the Quarter Ended October 31, 2018

Revenues		\$ 8,095,344
Operating expenses		
	Cost of revenues	3,835,515
	General and administrative	6,210,411
	Depreciation and amortization	524,067
		10,569,993
Operating loss from operations		(2,474,649)
Other income (expense):		
	Other income	41,492
	Interest expense	(41,922)
		-
		430
Loss from operations before income taxes		(2,475,079)
Income tax expense (benefit)		-
Net loss		\$ (2,475,079)
Adjusted EBITDA		\$ (1,304,543)

Net (Loss)/Income, Adjusted EBITDA and EPS

	Consolidated	AGI	AU	USU
Net (Loss)/Income	\$ (2,475,079)	\$ (1.79M)	\$ 0.43M	\$(1.12M)
Adjusted EBITDA	\$ (1,304,543)	\$ (1.44M)	\$ 0.90M	\$(0.76M)
Net Loss Per Share	(\$0.13)			

Subsidiary KPIs—Q2 FY'19 Ratios

		Consolidated	AU	USU
Revenues	\$8,095,344	67% YOY		
		Ratios as a Percentage of Total AGI Revenue	Ratios as a Percentage of AU Revenue	Ratios as a Percentage of USU Revenue
Instructional costs	\$1,586,904	20%	17%	29%
Marketing costs	\$2,248,611	28%	25%	27%
Operational Amortization	\$175,878	2%	3%	--
GAAP Gross Profit	\$4,083,951	50%	55%	44%
General & Administrative expenses, excluding Operational Amortization	\$6,034,533	75%	45%	101%

Net Loss to Adjusted EBITDA Reconciliation (Q2 FY'19)

Net Loss	(\$2,475,079)
Interest Expense	41,922
Taxes	9,276
Depreciation & Amortization	524,067
EBITDA	(1,899,814)
Bad Debt Expense	171,084
Stock-Based Compensation	305,315
Non-recurring Charges	118,872
Adjusted EBITDA (Loss)	(\$1,304,543)

