	(Unaudited)	
Current assets:		
Cash and cash equivalents	$ 10,985,131	$ 12,472,082
Restricted cash	1,433,397	1,193,997
Accounts receivable, net of allowance of $3,345,182 and $3,289,816, respectively	21,309,982	16,724,744
Prepaid expenses	1,577,516	1,077,831
Other current assets	20,631	68,529
Total current assets	35,326,657	31,537,183
Property and equipment:		
Computer equipment and hardware	1,402,006	956,463
Furniture and fixtures	1,976,342	1,705,101
Leasehold improvements	7,057,859	5,729,324
Instructional equipment	608,894	421,039
Software	9,386,352	8,488,635
Construction in progress	900	247,767
	20,432,353	17,548,329
Less: accumulated depreciation and amortization	(6,672,208)	(4,892,987)
Total property and equipment, net	13,760,145	12,655,342
Goodwill	5,011,432	5,011,432
Intangible assets, net	7,907,503	7,908,360
Courseware, net	299,914	187,296
Accounts receivable, net of allowance of $— and $625,963, respectively	—	45,329
Long-term contractual accounts receivable	12,663,815	10,249,833
Deferred financing costs	117,857	18,056
Operating lease right of use assets, net	13,510,656	12,714,863
Deposits and other assets	515,569	479,212
	$ 89,113,548	$ 80,806,906

(Continued)

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

The interim consolidated financial statements included herein have been prepared by the Company, without audit, pursuant tol par Cax

On March 6, 2019, the Company amended and restated the Credit Facility Agreement (the “Amended and Restated Facility Agreement”) and the Revolving Note. The Amended and Restated Facility Agreement provides among other things that the Company’s obligations thereunder are secured by a first priority lien in certain deposit accounts of the Company, all current and future accounts receivable of Aspen University and USU, certain of the deposit accounts of Aspen University and USU and all of the outstanding capital stock of Aspen University and USU.

Pursuant to the Credit Facility Agreement, on November 5, 2018 the Company issued to the Foundation warrants to purchase 92,049 shares of the Company’s common stock exercisable for five years from the date of issuance at the exercise price of $5.85 per share which were deemed to have a relative fair value of $255,071 (the "2018 Cooperman Warrants"). These warrants were exercised on June 8, 2020. The fair value of the warrants along with the upfront Facility fee were treated as debt issue cost assets to be amortized over the term of the loan, as the facility has not been drawn on. As a result of the aforementioned note extension, the remainder of the unamortized costs of $9,722 were written off during the quarter ended October 31, 2021. Total unamortized costs at October 31, 2021 and April 30, 2021 were $0 and $18,056, respectively.

AGI maintains two stock-based incentive plans: the 2012 Equity Incentive Plan (the “2012 Plan”) and 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.

On December 30, 2020, the Company held its Annual Meeting of Shareholders at which the shareholders voted to amend the 2018 Plan to increase the number of shares of common stock available for issuance under the 2018 Plan from 1,100,000 to 1,600,000 shares.

As of October 31, 2021 and April 30, 2021 there were 171,459 and 549,739 shares remaining available for future issuance under the 2012 and the 2018 Plans, respectively.

As of October 31, 2021, there were 8,224 unvested shares of restricted common stock outstanding. During the six months ended October 31, 2021, there were no new restricted stock grants, forfeitures, vested stock or expirations. Total unrecognized compensation expense related to the unvested shares as of October 31, 2021 was $7,018, and is expected to be recognized over a weighted-average period of approximately 0.17 years.

A summary of the Company’s RSU activity during the six months ended October 31, 2021 is presented below:

Unvested balance outstanding, April 30, 2021	[illegible]	6.58
Granted	412,792	6.16
Forfeits	(28,941)	9.80
V e		

to the Company’s Chief Operating Officer and Chief Academic Officer. The grants have a total grant date fair value of $1.0 million based on a closing stock price of $6.48 per share.

The three executive grants discussed above are under the Company’s 2018 Equity Incentive Plan and are set to vest annually over a period of three years and are subject to continued employment as an officer of the Company on each applicable vesting date. The amortization expense related to these grants for the three months ended October 31, 2021 was $146,817 and is included in "general and administrative expense" in the accompanying consolidated statement of operations.

On July 21, 2021, as part of a new employment agreement, the Compensation Committee approved a 125,000 RSU grant to the Company's Chief Executive Officer under the Company's 2018 Equity Incentive Plan. The grant has a grant date fair value of $873,750 based on a closing stock price of $6.99 per share. As stipulated in the grant, vesting is subject to continued employment with the Company and will occur in full on the date the Company files with the SEC a quarterly or annual report on Forms 10-Q or 10-K, as applicable, which reflects the Company's reported net income on a GAAP basis. The Company expects this condition to be met in the fourth quarter of Fiscal 2022 and is amortizing the expense over one year through July 2022 (the filing date of the Form 10-K for Fiscal Year 2022). The Company will continue to assess the perb mparconditiis

the three year vesting period. The Company has recognized $9,125 and $18,250 of amortization expense in connection with the fair value of the warrants for thethree and six months ending October 31, 2021 and 2020, respectively, which is included in “general and administrative” expense in the accompanying consolidated statement of operations.

The Company estimates the fair value of share-based compensation utilizing the Black-Scholes option pricing model, which is dependent upon several variables such as the expected option term, expected volatility of the Company’s stock price over the expected term, expected risk-free interest rate over the expected option term and expected dividend yield rate over the expected option term. The Company believes this valuation methodology is appropriate for estimating the fair value of stock options granted to employees and directors 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 compensation on a straight-line basis over the requisite service period for each award.

The Company utilizes the simplified method to estimate the expected life for stock options granted to employees. The simplified method was used as the Company does not have sufficient historical data regarding stock option exercises. The expected volatility is based on historical volatility. The risk-free interest rate is based on the U.S. Treasury yields with terms equivalent to the expected life of the related option at the time of the grant. Dividend yield is based on historical trends. While the Company believes these estimates are reasonable, the compensation expense recorded would increase if the expected life was increased, a higher expected volatility was used, or if the expected dividend yield increased.

A summary of the Company’s stock option activity for employees and directors during the six months ended October 31, 2021, is presented below:

The following table represents our revenue disaggregated by the nature and timing of services:

We determine if a contract contains a lease at inception. We have entered into operating leases totaling approximately174,528 square feet of office and classroom space in Phoenix, San Diego, New York City, Denver, Austin, Tampa, Nashville and New Brunswick Province in Canada. These leases expire at various dates through April 2031, the majority contain annual base rent escalation clauses. Most of these leases incl scalatio Rsof thes

The following is a schedule by fiscal years of future minimum lease payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of October 31, 2021 [(a)] (by fiscal year).

2022 (remaining)	$	2,179,605
2023		4,142,637
2024		4,018,977
2025		3,802,959
2026		3,908,722
Thereafter		11,963,225
Total future minimum lease payments		30,016,125
Less: imputed interest		(10,138,211)
Present value of operating lease liabilities	$	19,877,914

(a) Lease payments exclude $3.7 million of legally binding minimum lease payments for the new BSN Pre-Licensure campus location in a Tier 1 metropolitan area lease signed but not yet commenced.

Operating lease obligations, current portion	$	2,145,431	$	2,029,821
Operating lease obligations, less current portion		17,732,483		16,298,808
Total operating lease liabilities	$	19,877,914	$	18,328,629

Weighted average remaining lease term (in years)	7.29
Weighted average discount rate	12 %

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 has 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 2021 tax years during which a permanent establishment may have been in place. As of October 31, 2021, the CRA has not yet responded to the voluntary disclosure. The Company will also file an annual Canadian T2 Corporation Income Tax return to report the ongoing activity of the permanent establishment for the 2022 and future taxation years.

As of October 31, 2021, the Company recorded a reserve of approximately $150,000 for the estimate of a multi-year foreign income tax liability.

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.

Aspen Group, Inc. is an education technology holding company. It operates two universities, Aspen University Inc. ("Aspen University") 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., 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.

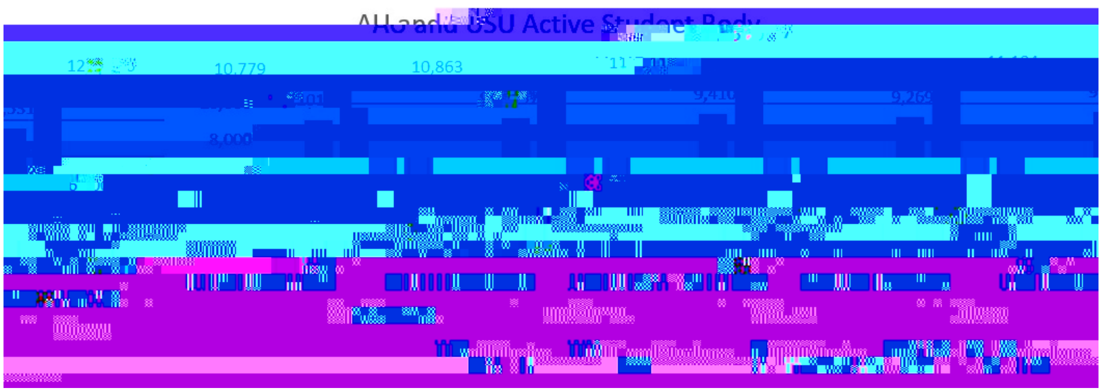
In March 2014, Aspen University began offering monthly payment plans available to all students across every online degree program offered by Aspen University. The monthly payment plan is designed so that students will make one payment per month, and that monthly payment is applied towards the total cost of attendance (tuition and fees, excluding textbooks). The monthly payment plan offers online undergraduate students the opportunity to pay their tuition and fees at $250/month, online master students $325/month, and online doctoral students $375/month, interest free, thereby giving students a monthly payment option versus taking out a federal financial aid loan.

USU began offering monthly payment plans in the summer of 2017. Today, monthly payment plans are available for the online RN to BSN program ($250/month), online MBA/MAEd/MSN programs ($325/month), online hybrid Bachelor of Arts in Liberal Studies, Teacher Credentialing tracks approved by the California Commission on Teacher Credentialing ($350/month), and the MSN-FNP program ($375/month).

Since 1993, Aspen University has been nationally accredited by the DEAC, a national accrediting agency recognized by the Department of Education and the Council for Higher Education Accreditation. On February 25, 2019, the DEAC informed Aspen University that it had renewed its accreditation for five years to January 2024.

Since 200[illegible], USU has been regionally accredited by WSCUC.

Both universities are qualified to participate under the Higher Education Act and the Federal student financial assistance program [illegible]



New student enrollments at AU grew sequentially by 9% primarily as a result of rising enrollments in the three new pre-licensure metros (Austin, Nashvilbvi ك

The Company offers several payment options to its students including monthly payment plan (MPP), installment plans and financial aid. Our growth in accounts receivable over the last several years has predominantly been a result of students taking advantage of our groundbreaking monthly payment plan which we introduced in 2014 at Aspen University and subsequently in Fiscal Year 2018 at USU. At October 31, 2021, Gross MPP accounts receivable was 86% of total gross accounts receivable. Of the Gross MPP accounts receivable, 50% was generated at each AU and USU.

The Monthly Payment Plan, offered by both Aspen University and United State University, is a private education loan with a 0% fixed rate of interest (0% APR) and no down payment. Each month the student will make one payment of $250, $325, $350 or $375 (depending on the program) until the program is paid for. The attractive aspect of being able to pay for a degree over a fixed period of time has fueled the growth of this plan. MPP is designed so students can build the cost of their degree into their monthly budget.

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 an account receivable upon enrollment. As a student takes a class, revenue is 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 that balance will be paid in a period greater than 12 months, that portion is reflected as long-term accounts receivable.

As a result of the growing acceptance of our monthly payment plans, our long-term accounts receivable balance has grown from $10,249,833 at April 30, 2021 to $12,663,815 at October 31, 2021. These are MPP students who make monthly payments over 36, 3g я

We cannot be certain what impact the Delta variant and other variants will have on the Company’s results as we progress through the second half of fiscal 2022.

Although COVID has had an impact on the Company’s short-term growth rate, we continue to execute the Aspen 2.0 business plan, which der fha [illegible]

AU	$ 12,758,851	$ 705,141	6%	$ 12,053,710	$ 26,008,502	$ 3,234,150	14%	$ 22,774,352
USU	6,181,360	1,264,025	26%	4,917,335	12,362,704	3,000,449	32%	9,362,255
Revenue	$ 18,940,211	$ 1,969,166	12%	$ 16,971,045	$ 38,371,206	$ 6,234,599	19%	$ 32,136,607

Q2 Fiscal 2022 compared to Q2 Fiscal 2021

AU revenue increased 6% in Q2 Fiscal 2022 compared to Q2 Fiscal 2021 due primarily to Aspen's BSN Pre-Licensure program, the AU degree program with the highest LTV.

USU revenue increased 26% in Q2 Fiscal 2022 compared to Q2 Fiscal 2021 due primarily to USU's MSN-FNP program, the USU degree program with the highest LTV.

The Company expects the majority of its revenue growth in future periods to be derived from these two degree programs as we continue prioritizing our highest LTV degree programs to achieve our long-term growth plans.

1H Fiscal 2022 compared to 1H Fiscal 2021

AU and USU revenue increased 14% and 32% in 1H Fiscal 2022 compared to 1H Fiscal 2021, respectively, primarily due to the factors described above in the three month discussion.

Cost of Revenue (exclusive of depreciation and amortization shown separately below)	$8,789,201	$1,464,421	20%	$7,324,780	$17,382,769	$4,210,466	32%	$13,172,303

Q2 Fiscal 2022 compared to Q2 Fiscal 2021

Consolidated instructional costs and services for Q2 Fiscal 2022 increased to $4,836,461 or 26% of revenue from $3,726,248 or 22% of revenue for Q2 Fiscal 2021, an increase of $1,110,213 or 30%.

AU instructional costs and services was 26% and 20% of AU revenue for Q2 Fiscal 2022 and Q2 Fiscal 2021, respectively. As a percentage of revenue, instructional costs and services increased due primarily to an increase in faculty compensation costs related to the faculty hiring in the BSN Pre-Licensure campus locations in Phoenix, Austin, Tampa and Nashville, and increases in books and other educational materials.

USU instructional costs and services was 25% and 26% of USU revenue for Q2 Fiscal 2022 and Q2 Fiscal 2021, respectively.

Consolidated marketing and promotional costs for Q2 Fiscal 2022 were $3,952,740 or 21% of revenue compared to $3,598,532 or 21% of revenue for Q2 Fiscal 2021, an increase of $354,208 or 10%. Consolidated marketing and promotional costs remained at 21% of revenue in Q2 Fiscal 2022 and Q2 Fiscal 2021.

AU marketing and promotional costs represented 20% of AU revenue for both Q2 Fiscal 2022 and Q2 Fiscal 2021, respectively.

USU marketing and promotional costs was 16% and 18% of USU revenue for Q2 Fiscal 2022 and Q2 Fiscal 2021, respectively.

USU general and administrative expense was 40% and 42% of USU r

Other expense, net in 1H Fiscal 2021 of $2,115,503 primarily includes: interest expense of (i) a non-cash charge of $1.4 million of accelerated amortization expense related to the conversion of the Convertible Notes which occurred on September 14, 2020 and (ii) $0.5 million for the Convertible Notes issued on January 22, 2020 as well as the commitment fee on the Credit Facility; as well as an adjustment of $0.3 million related to the previously reported earned revenue fee calculation deemed immaterial to our Fiscal 2019 revenue and a non-cash modification and accelerated amortization charges of $0.2 million related to the exercise of the 2018 and 2019 Cooperman Warrants on June 5, 2020; partially offset by $0.3 million of other income.

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Adjusted gross profit as a percentage of revenue decreased due primarily to the factors described above in the three months discussion.

Aspen University GAAP Gross Profit represented 52% of Aspen University revenue for 1H Fiscal Year 2022, and USU GAAP Gross Profit represented 59% of USU revenue for 1H Fiscal Year 2022.

For a detailed description of long-term debt, see “Note 6—Long-term Debt” to the consolidated financial statements included in “Item 1. Consolidated Financial Statements.”

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

From time-to-time, we may be involved in litigation relating to claims arising out of our operations in the normal course of business. Other than the previously disclosed receipt of payment of $498,120 as a final distribution by the bankruptcy trustee in HEMG bankruptcy proceedings, during the period covered by this report, there were no material changes to the description of legal proceedings set forth in our Annual Report on Form 10-K for the fiscal year ended April 30, 2021.

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.

December 14, 2021	By:	/s/ Michael Mathews Michael Mathews Chief Executive Officer (Principal Executive Officer)
December 14, 2021	By:	/s/ Matthew LaVay Matthew LaVay Chief Financial Officer (Principal Financial Officer)
December 14, 2021	By:	/s/ Robert Alessi Robert Alessi Chief Accounting Officer (Principal Accounting Officer)

I, Michael Mathews, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Aspen Group, Inc.;

2. Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 14, 2021

/s/ Michael Mathews

Michael Mathews
Chief Executive Officer
(Principal Executive Officer)

In connection with the quarterly report of Aspen Group, Inc. (the “Company”) on Form 10-Q for the quarter ended October 31, 2021, as filed with the S yn