Risk Factors Comparison 2024-03-05 to 2023-03-14 Form: 10-K

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Investing in our common stock involves a high degree of risk. Before making an investment ~~in our common stock~~ , you should carefully consider the following risks, as well as the other information contained in this Annual Report, including our " Financial Statements and Supplementary Data " and " Management' s Discussion and Analysis of Financial Condition and Results of Operations ". Any of the risk factors described below could significantly and adversely affect our business, financial condition, results of operations, cash flows, and prospects. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe are not material may also adversely affect our business, financial condition, results of operations, cash flows, and prospects. As a result of the risks and uncertainties described below **,** as well as such additional risks and uncertainties, the trading price of our common stock could decline, and you may lose all or part of your investment. Risks Related to Attracting and Retaining Students Our success and financial performance depend on the effectiveness of our ability to attract students who persist in our institutions' programs. Building awareness and reputation among potential students of our institutions and the programs they offer is critical to our institutions' ability to attract new students. In order to maintain and increase our revenue, profits, and cash flows, our institutions must continue to ~~attract~~ **enroll** new, qualified students in a cost- effective manner, and these students must remain active and **be** successful in our institutions' programs. In addition, because our institutions experience declines in their student populations as a result of graduation, transfers to other academic institutions, withdrawals, military deployments, and other reasons, in order to grow **,** we need to first attract sufficient students to replace those who have left. ~~Some of~~ **In addition to broader challenges with attracting qualified students, any negative effects resulting from** the **occurrence of risks set forth in this " Risk** ~~factors~~ **Factors** ~~that~~ **" section, from action or inaction by us, regulators or accrediting agencies, or events beyond our control** could prevent us from successfully advertising and marketing our institutions' programs and from successfully enrolling and retaining qualified students in those programs ~~include: • our institutions' failure to maintain accreditation, state authorization, eligibility for Title IV programs or other sources of financial aid, or other approvals; • the emergence of more, and more successful, competitors, and alternative education models, including from military services, as a greater number of schools pursue online education, and in the nursing education geographies we serve; • changes and revisions to policies of the DoD and the various military services; • challenges in maintaining strong relationships with military and military- affiliated communities; • factors related to our institutions' marketing, including the costs of internet advertising and multi- faceted interactive marketing campaigns; • challenges in designing initiatives that successfully attract students, including nursing students, who are likely to persist and succeed in our programs; • the reduced availability of, or higher interest rates and other costs associated with, Title IV loan funds or other sources of financial aid; • performance problems with our institutions' online systems; • increased regulation of online education, including in states in which we do not have a physical presence; • limitations on our ability to enroll nursing students or offer nursing education programs as a result of failure to satisfy NCLEX pass rate requirements; • investigations or litigation by government agencies, other regulators, or private parties that may limit our ability to operate or damage our reputation; • challenges in maintaining a positive reputation among students, employers, and other stakeholders; • student dissatisfaction with our institutions' services and programs; • a decrease in the perceived or actual economic benefits that students derive from our institutions' programs or programs provided by for- profit schools generally; • failure to develop, deliver and maintain a message or image that resonates well with our institutions' students; • adverse publicity regarding us, our institutions, our competitors, or online or for- profit education generally; • challenges related to RU' s transition from Collegis for marketing services to in- house marketing; • failure to maintain and improve our campuses; • challenges in maintaining, developing, and expanding GSUSA' s customer relationships with the federal government and its employees, including as a result of challenges in marketing to the federal government; and • a decline in the acceptance of or demand for online education generally, including as the COVID- 19 pandemic continues to abate~~ . If we are unable to continue to develop awareness and a positive reputation of our institutions and the programs we offer, and to recruit and enroll students that persist in our programs over time, our enrollments will suffer and there could be a material adverse effect on our financial condition and results of operations. If we are unable to effectively market our programs or expand into new markets, our results of operations would be negatively affected. Our marketing strategy for APUS traditionally focused on building long- term, mutually beneficial relationships with businesses, other organizations, and individuals in ~~the~~ military, military- affiliated, and public service communities. We must continue to develop and expand marketing channels that attract college- ready students unaffiliated with the military who may perform well at APUS, including given limitations on access to military students, as discussed further below under the Risk Factor that begins " If APUS does not have strong relationships with, and access to, various military installations... ", and a continued focus on efforts to attract students outside of the military, including in order to maintain compliance with the 90 / 10 Rule. However, we have experienced challenges attracting such students, and there is no assurance that we will be able to do so on a cost- effective basis or to prevent a further decline in non- military enrollments at APUS. Furthermore, because APUS' s tuition is generally lower than that of most of its competitors, it has fewer dollars to spend per student on marketing and advertising than ~~our~~ **its** competitors. Our pricing structure and margin profile may limit the availability of financial resources to be used for marketing and enrollment ~~generation purposes~~ **in general** . Nevertheless, we have tried to, and may in the future try to, implement new marketing tactics and channels, including those with which we have no experience, and there is no guarantee that our marketing and branding efforts will achieve ~~their~~ -- **the** desired results. If we are unable to develop and optimize marketing and advertising programs that are effective in developing awareness of our institutions and the

programs we offer and their value propositions and are unable to enroll and retain qualified students in military and non-military markets, our enrollments would suffer, and there could be a material adverse effect on our financial condition and results of operations. The success of RU and HCN ~~depend~~ **depends** , in part, on our ability to maintain and increase student enrollments in those institutions' programs. As part of our strategy to continue to build a national nursing platform, we intend to open new campuses and other operating locations **; however** , ~~similar~~ **as a result of disciplinary actions, RU is currently and may continue** to ~~the~~ **be limited in its ability to expand into** new **geographical markets. Accordingly, there is no assurance that we will be able to effectuate this expansion strategy at RU and** HCN ~~campus in Detroit~~ **or if such strategy will achieve desired results. For more on the limitations on our ability to expand our nursing programs into new geographical markets** , ~~Michigan~~ **see also the Risk Factors** that ~~started~~ **begin with the captions " If our institutions are unable to successfully adjust …, " " If we or our institutions fail to comply with the extensive regulatory …, " " Failure to improve certain of our programs' NCLEX pass rates..., " " RU' s planned closure of** its ~~first class in October 2022. Such~~ **Bloomington …, " and " RU is currently on provisional certification with ED …, " as well as " Regulatory Environment – Regulatory** ~~actions~~ **Actions and Restrictions on Operations " and " Regulatory Environment – Student Financing Sources and Related Regulations / Requirements " generally. Opening new campuses and locations** ~~require~~ **requires** us to obtain appropriate federal, state, and accrediting agency approvals and to comply with any **related** requirements from those agencies ~~related to a new location. We continue to work on identifying the appropriate balance of academic achievement requirements, admissions requirements, and attracting appropriate students, as well as identifying and remediating the factors impacting enrollments, but cannot predict whether our initiatives and efforts will be successful over the long term if at all~~ . In addition, with the opening of new campuses, we have been and will be marketing in geographic areas in which our institutions did not previously have a campus, and these marketing efforts may not be successful. If in the future we are unable to effectively market RU' s and HCN' s programs, we may not be able to successfully maintain and increase those institutions' enrollments, which would negatively affect our results of operations. If we are unable to, or suffer any delay in our ability to, obtain appropriate approvals and accreditations, open, and attract additional students to new campus locations, offer programs at new campuses in a cost- effective manner, identify appropriate clinical placements, or otherwise effectively manage the operations of newly established campuses, our results of operations and financial condition could be adversely affected. In addition, the inability to expand existing programs efficiently, or successfully, pursue new program initiatives, and add new campuses, including as a result of marketing failures, would harm our ability to grow our business and could have an adverse impact on our financial condition. If APUS does not have strong relationships with, and access to, various military installations and installation education centers, our ability to maintain enrollments from military students and our future growth may be impaired ~~. As of December 31, 2022, approximately 65 % of APUS' s students self- reported that they served in the military on active- duty at the time of initial enrollment, and students participating in TA constituted approximately 47 % of APUS' s adjusted net course registrations for 2022~~ . We are highly dependent on our relationship with the military and its members, and our ability to attract and retain military service members as students. Because APUS relies on referrals and personal relationships for recruiting, impediments to access can have an adverse effect on maintaining and generating registrations from military students. DoD requires us to meet certain criteria, including generally having at least 20 students on base, and to request access in writing, in order to access installations solely to provide counseling, and **generally** ~~the Air Force expressly~~ prohibits us from holding regular or recurring office hours on installations solely to provide counseling. This adversely affects our efforts to support existing students and serve new students. Furthermore, DoD MOUs, which specify terms and conditions of participation in TA and are discussed in more depth in " Regulatory Environment – Student Financing Sources and Related Regulations / Requirements – Department of Defense ", and the related increased focus by DoD on relationships with and oversight of educational providers, or additional DoD restrictions, could lead to adverse changes in the nature of our relationships with military installations and their education centers and our access to military service members. An inability to maintain strong relationships with installation education centers and with military service members would have an adverse effect on APUS' s ability to attract and retain qualified students, resulting in an adverse effect on our financial condition. Our student registrations, revenue, and...... results of operations and financial condition. Enrollments and course registrations by active- duty service members may be adversely affected by a variety of factors not directly related to education programs, including changes in military activity ~~and~~ **,** budgets **and government shutdowns** . Events not directly related to education programs could lead to a reduction in registrations from students on active ~~-~~ duty. For example, after experiencing an increase in net course registrations in 2020, which we believe may have been due in part to the impact of the COVID- 19 pandemic, registration and enrollments thereafter moderated, including as a result of broader education sector enrollment headwinds and, in certain periods, disruption resulting from the transition to ArmyIgnitED **discussed elsewhere in this Annual Report** . Large- scale personnel reductions or other significant drawdowns of U. S. active- duty military forces would also likely have a negative effect on enrollment and course registrations. Increased operations and overseas deployments ~~could also negatively impact the ability of certain active-duty military students to pursue higher education~~ , ~~including due to~~ increased demands on active- duty service members **,** and limited internet access associated with some deployments **could also negatively impact the ability of certain active- duty military students to pursue higher education** . ~~The United States is nearing~~ **Congressional inaction on budgetary matters has led to lapses in funding, resulting in government shutdowns, and subsequent policy changes that have affected federal student aid programs at DoD. A future government shutdown, particularly one that impacts DoD or includes suspension or resulting modification of TA programs, including in connection with congressional action or inaction relating to** the federal debt ceiling, **could have** ~~the Department of the Treasury has begun implementing measures to prevent~~ a ~~default~~ **material adverse effect** on **APUS' s enrollments** ~~the U. S. national debt,~~ and ~~certain members~~ **on our cash flows, results** of **operations, and financial condition** ~~Congress have called for negotiations to reduce federal spending in exchange for increasing the debt ceiling~~ . **In addition,** ~~Budget~~ **budget** cuts or constraints, including in connection with the failure to

increase or a delay in increasing the federal debt ceiling, could negatively affect us by leading to force reductions or cuts to services and tools that we or APUS’ s students rely upon for recruitment, enrollment, access, and TA. Even temporary changes to military activity and budgets may adversely affect operations. ~~For example, funding for the federal government or portions thereof, including the DoD, Department of Homeland Security, and Coast Guard, lapsed and resulted in partial shutdowns in 2018 and 2019. Any future government shutdown could have a material adverse effect on APUS’ s enrollments and on our cash flows, results of operations, and financial condition, and U. S. government default on its debt would have broad adverse macroeconomic effects that would materially affect our cash flow and results of operations.~~ We will remain subject to the risk of events that occur within and with respect to the military, even where they do not directly relate to the use of TA. Because of ~~our~~ **APUS’ s** dependence on active- duty military students, changes that occur within and with respect to the military could have a material adverse effect on our **results of** operations. ~~DoD~~ **Continued declines in enrollments at RU could materially adversely affect RU** ’ s ~~MOUs impose extensive~~ **and our profitability, financial condition, results of operations, and cash flows. RU has experienced continued declines in enrollments since the first quarter of 2022. We believe that unexpected leadership departures at RU during 2022 had a negative impact on the first half of 2023 and overall 2023 results of operations, including enrollments. Enrollments were further impacted by adverse findings by accrediting agencies and state** regulatory ~~requirements~~ **bodies as a result of failures to meet applicable NCLEX benchmarks, self- imposed enrollment caps, the pause** on ~~our institutions~~ **new enrollments, and the closure of the program,** with respect to ~~participation in DoD TA~~ **the Bloomington, Minnesota ADN** ~~programs~~ - **program** , **as discussed in greater detail** ~~and our revenue and number of students would decrease if our institutions are no longer able to receive funds under DoD TA programs or if TA is reduced, eliminated, or suspended. As described~~ in “ **Risks** ~~Regulatory Environment – Student Financing Sources and~~ Related **to the** ~~Regulations~~ - **Regulation** ~~/ Requirements – Department~~ of ~~Defense~~ **Our Industry** ” ~~and “ Regulatory Environment – Compliance with Regulatory Standards and the Effect of Regulatory Violations – Compliance Reviews ”, each institution participating in TA is party to an MOU in a similar form outlining certain commitments and agreements in connection with accepting funds from TA~~ . **If enrollments continue** ~~For example, the MOUs include an agreement~~ to **decline, RU** ~~participate in the ICP in order to participate in TA. An institution that is found noncompliant with DoD requirements through the ICP and demonstrates an unwillingness to resolve a finding may be subject to a range of penalties from a written warning to termination of the institution~~ ’ s ~~participation in TA. The DoD MOUs also provide that an~~ **and** institution may only participate in TA if...... institution to heightened compliance oversight, or **our reputation** ~~otherwise limiting an institution’ s ability to participate in TA. If we fail to comply with the requirements of an MOU~~ , **profitability** ~~it could result in sanctions~~ , ~~up to losing the ability to participate in TA, that could have a significant adverse effect on our results of operations and~~ financial condition ~~. Students participating in TA constituted approximately 47 % of APUS’ s adjusted net course registrations for 2022. We do not know the scale or nature of future actions that may be taken with respect to TA~~ , **results** ~~which could include eliminating those programs, reducing the funds, benefits, or level~~ of **operations** ~~reimbursement available thereunder~~ , ~~changing the eligibility criteria for beneficiaries, enacting new restrictions on institutional participation, or imposing other eligibility criteria on institutions, all of which could impact enrollments from service members. Other administrative changes to DoD programs could also have negative effects on our enrollments. Changes to eligibility requirements under TA have already occurred,~~ and ~~there~~ **cash flows** could be ~~additional changes~~ **materially adversely affected. While we have identified, and continue** to **work to identify, new marketing strategies and** ~~the~~ **other initiatives** ~~programs in the future. For example, as of October 2021, funding for Navy service members was limited due to the increase in number of years of service before Navy service members are eligible to receive funds. Additional changes to TA could occur due to Congressional action or DoD policy and funding changes. For example, the failure of Congress to pass appropriations legislation has limited the release of funds at times in the past, such as during a partial government shutdown~~ that **we believe** ~~began in December 2018 in which the Coast Guard suspended its TA program, and could do so in the future as well~~ **will attract and enroll quality students** , ~~including as a result of budget disputes related to the~~ **there can** ~~federal debt ceiling. Annual TA funding is limited and could~~ be **no assurance** ~~exhausted in any given year due to budget constraints or changes in demand or policy. For example, as a result of the expected exhaustion of annual TA benefits available to sailors, in May 2019, the Navy ceased approving TA funds for eligible sailors until the start of fiscal year 2020, which adversely impacted our results of operations for the third quarter of 2019. We are unable to predict whether and to what~~ **that** ~~extent the~~ **these efforts** ~~Navy or other services~~ will impose limitations on TA approvals in the......, revenue, and cash flow could be **successful** ~~significantly reduced, which would result in a material adverse effect on our results of operations and financial condition. See also “ Our student registrations, revenue, and cash flows have been adversely impacted and we could continue to experience adverse impacts as a result of the Army’ s transition to new systems for soldiers to request TA ” above~~ .

Changes our institutions may make to their operations to improve the student experience and enhance ~~their~~ **our institutions’** ability to identify and enroll students who are likely to succeed may adversely affect our institutions’ enrollment, profitability, financial condition, results of operations, and cash flows. We have identified, and continue to work to identify, potential changes and initiatives that we believe will more effectively attract and **lead to the** ~~enroll~~ **enrollment of** students who are ready for and who are likely to persist in our institutions’ programs, support those students, and help improve their educational outcomes, including through changes to admissions, initiatives to increase the level of engagement and collaboration in the classroom and ~~to~~ strengthen the bond with students, the establishment of a ~~center~~ **Council** for ~~nursing~~ **Nursing** ~~excellence~~ **Excellence** at RU, and changes to curriculum ~~and academic achievement~~ and course retake policies **at RU and HCN** . Additional initiatives **have included and** may **in the future** include the following: • **further** revising admissions standards and requirements; • **additional** updates to the admissions process and procedures; • implementing more stringent satisfactory academic progress standards; • changing tuition costs and payment options; and • altering our institutions’ marketing efforts to target the appropriate prospective students. These initiatives require significant time, energy, and resources, and may adversely impact our institutions’ business, financial condition, results of operations, and cash flows, particularly in the near term. We may not succeed in

achieving our objectives due to organizational, operational, regulatory, resource, or other constraints. If our efforts are not successful, we may experience reduced enrollment, increased expense, or other impacts on our business that materially and adversely impact our results of operations, cash flows, and financial condition. Even if these initiatives successfully lead to the identification and enrollment of students who are likely to succeed and to improvements in student experience, they could result in adverse impacts on enrollments. Due to the many factors that can impact enrollments, we may not appropriately identify the cause of any adverse impacts, and therefore may not be able to appropriately modify our initiatives **to address such impacts** . If our institutions are unable to successfully adjust to future market demands by updating and expanding the content of existing programs and developing new programs, specializations, and modes of teaching on a timely basis and in a cost- effective manner, our performance may be impaired. We believe that our institutions need to continuously update and expand the content of their existing programs and develop new programs, specializations, and modes of teaching in order to continue to attract and retain qualified students **and remain competitive in the postsecondary education market** . However, the updates and expansions of our institutions' existing programs and the development of new programs and specializations may not be accepted by accreditors, state and federal regulators such as ED, existing or prospective students, or employers. If we cannot respond to changes in market requirements, our business may be adversely affected. Even if our institutions are able to develop acceptable new programs, they may not be able to introduce these new programs as quickly as students require or as quickly as competitors introduce competing programs. To offer a new academic program, our institutions may be required to obtain appropriate federal, state, and accrediting agency approvals, which may be conditioned or delayed in a manner that could significantly affect our growth plans. In addition, growth restrictions may be imposed on our institutions in connection with changes in ownership or otherwise that adversely impact our ability to adjust to future market demands. For example **, including due to the change in control from APEI' s acquisition of RU** , RU is currently subject to ED- imposed restrictions on new programs and locations and on the number of students receiving Title IV who can be enrolled at RU ~~and to~~ **. Additionally,** state- imposed constraints **exist** on enrollment in Minnesota **,** ~~and admitted students in~~ Illinois **, and Kansas** . These restrictions ~~could~~ **will** limit or adversely affect RU' s growth opportunities, including restricting its ability to serve additional students, particularly additional nursing students, and limiting its ability to continue to evolve to address current needs by providing new or modified programs. If we are unable to respond adequately to changes in market requirements due to financial constraints, regulatory limitations, or other factors, our institutions' ability to attract and retain students could be impaired and our financial results could suffer. Establishing new academic programs, specializations, and modes of teaching or modifying or eliminating existing programs requires our institutions to make investments in management, academic resources including faculty, and capital expenditures, incur marketing expenses, and reallocate other resources. Our institutions may have limited experience providing courses in new fields of study or new modes of teaching (**including** ~~such as micro- credentials, or other~~ non- degree credentials) and may need to modify systems and strategies or enter into arrangements with other institutions and organizations to provide new programs effectively and profitably. If our institutions are unable to establish new academic programs, increase the number of students enrolling in new academic programs, offer programs in a cost- effective manner, **hire faculty to administer new programs or deliver specialized instruction,** or otherwise manage effectively the operations of those programs, our results of operations and financial condition could be adversely affected ~~. We have limited experience participating in the DoD' s credentialing assistance programs, and increased use of CA could have an adverse impact on our business strategy and results of operations. Students in the Army may use both TA and CA, subject to a combined cap on benefit amounts. Increased use of credentialing assistance in the Army could result in fewer funds being used or available for TA, which could adversely impact enrollments and our results of operations. We believe other service branches may also expand their credentialing programs or pursue other approaches to enhancing support for credentialing, such as the Coast Guard' s Credentialing Assistance Program, but there can be no assurance that they will do so or that we will benefit as a result. For example, the DoD and military branches could move increasingly toward credentialing assistance as a preferred choice for soldiers, which could reduce funds available for TA and adversely impact enrollments and our results of operations, particularly if we are unsuccessful in developing our credentialing assistance offerings. We have limited experience and few current offerings in CA. As a result, our ability to comply with related regulatory requirements and to enroll students in programs eligible for credentialing assistance remains uncertain, and we may not be as recognized as other providers in this area. Failure to comply with applicable regulatory requirements or to enroll students in credentialing assistance programs could have an adverse effect on our plans to be competitive in the area of credentialing assistance at APUS~~ . Continued strong competition in the postsecondary education market could decrease our institutions' market share and increase our cost of acquiring students. Within the postsecondary education market, our institutions compete primarily with not- for- profit public and private two- year and four- year colleges, as well as other for- profit schools. Public institutions receive substantial government subsidies, and public and private not- for- profit institutions have access to government and foundation grants, tax- deductible contributions, and other financial resources generally not available to for-profit schools. These institutions may have instructional and support resources, or course delivery tools, that are superior to those of our institutions and other for- profit schools. Many of these competitors, whether for- profit, not- for- profit, or public, may also be able to leverage their greater scale, size, name recognition, and financial and other resources to compete ~~more efficiently~~ for potential students, or to provide instructional and support resources that may be superior to those of our institutions and other for- profit schools. In addition, as indicated in the Risk Factor that begins " Strong competition in the military market... " below, the Armed Forces have established, and may in the future establish, their own postsecondary education programs. Within the nursing education market, we compete with other schools offering similar programs, including for- profit and not- for- profit public and private colleges, that may have greater resources or a greater market presence or reputation in the local areas we serve. In addition, because of the relatively local focus of RU' s and HCN' s nursing programs, our competitive environment is impacted by various factors that are specific to the particular areas where our campuses are located, including local supply and demand dynamics for **our programs,** nurses **,** and nursing schools. RU' s and HCN' s

results are therefore more susceptible to the actions of single competitors than the results of an institution that draws from a broader geographical area. For example, a particularly effective or ineffective marketing approach by another school, or the opening or closing of another school, could have unanticipated detriments or benefits to RU' s and HCN' s competitive position. Within the postsecondary education market generally, we have experienced increased competition from new market entrants providing both online and non- traditional programs, including providers partnering with Online Program Management, and a shift of for- profit institutions to not- for- profit status. We operate 30 on- ground campuses in approximately 20 markets where we compete with a mix of local career colleges and two- and four- year colleges. Because of the relatively local focus of these programs, our competitive environment is impacted by various factors that are specific not only to states where campuses are located but also to the particular areas where the campuses are located, including local supply and demand for nurses and nursing schools. ~~Title IV postsecondary degree~~ **In the fall of 2023, there was an industry** - ~~granting institutions generally and private~~ **wide increase of approximately 2. 1 % in undergraduate enrollment** for ~~- profit institutions specifically have experienced recent declines in enrollment. Although primarily online institutions saw an increase in enrollment in~~ the ~~fall~~ **first time since the beginning** of ~~2022~~ **the pandemic,** as compared to **an overall industry- wide enrollment decline of 0. 7 % in** the fall ~~of 2021~~ **2022** ~~, they saw a decline as compared to the fall of 2020~~ . Longer term projections suggest that previous growth in enrollment in postsecondary degree- granting institutions is slowing. The combination of reduced growth or declines in the postsecondary student population and the entrance of additional providers in the online postsecondary education market will further intensify competition, and any **resulting** decline in the number of enrollments could have an adverse effect on our results of operations. In addition, increased competition for college- ready students has led to an increase in the cost of advertising in certain marketing channels. Continued increases in the cost of advertising may adversely impact our ability to attract college- ready students and / or increase our student acquisition costs. We expect to continue to face greater competition from non- traditional offerings, provided by both educational institutions and non- traditional providers. Competing institutions and others provide non- traditional education programs without charge or at low costs, including CBE programs, coding bootcamps, micro- credentialing, massive open online courses, and other flexible and individualized programs. We believe that our institutions will continue to face new competition from non- traditional programs, including lower cost programs. We offer or are working to develop our own alternatives in some of these areas. ~~For example, RU has offered CBE programs since 2017 and CBE options are available in most of RU' s programs.~~ However, these efforts may not be successful. Other institutions have programs that are more fully developed, and our offerings may not be as successful **, broad or large enough** or receive market acceptance. Our institutions may not be able to compete successfully against current or future competitors and may face competitive pressures that could adversely affect their business or results of operations. Increased availability of federal student financial aid for CBE programs could create additional competition and drive additional students toward non- traditional education programs. These factors could cause our institutions' enrollments, revenue, and profitability to decrease significantly. Strong competition in the military market could decrease our institutions' market share and increase our cost of acquiring students. We anticipate that APUS will continue to see strong competition within the military market, which continues to be a primary market for APUS. There are a number of for- profit schools and not- for- profit institutions that focus on the military market because of the size of the market and the availability of funding, and some for- profit schools seek to attract students eligible for TA, VA education benefits, or both ~~, which has historically been at least in part as a strategy of those institutions to satisfy the 90 / 10 Rule~~ . Some of these institutions may develop relationships with the military and education service officers that are stronger than APUS' s, which could have an adverse effect on APUS' s ability to attract and retain qualified students, and ultimately, on our financial condition. In addition, the Armed Forces have established, and may in the future establish, their own postsecondary education programs. For example, **in January 2022,** the Department of the Navy, in cooperation with the U. S. Marine Corps, Coast Guard, and Coast Guard Reservists, ~~in January 2022~~ expanded a pilot program for online courses at the United States Naval Community College **, or the USNCC** , a community college supporting naval education for enlisted service members, with over 1, 100 students enrolled into targeted associate' s degree and certificate programs with partner colleges and universities. **The pilot program was completed on September 30, 2023 and a published report on the outcome is scheduled to be reported in early 2024. The USNCC has now entered the initial operating phase with approximately 2, 600 students and anticipate being fully operational in 2028.** While a number of schools with which APUS competes participate in this program, APUS **as a for- profit institution,** is not an eligible partner. Other Armed Forces branches may also begin offering distance learning through their own institutions. ~~Risks Related to the Regulation~~ **Tuition and fee increases at RU, APUS, and HCN have had, and could have an adverse impact on enrollment, our financial condition and our results** of ~~Our Industry~~ **operations. RU implemented tuition increases, effective January 2023, for select programs, APUS implemented tuition and fee increases for its non- military and veteran students in the second and third quarters of 2023, and HCN implemented a 5 % increase in tuition and fees effective in the second quarter of 2023 across all programs. These increases were implemented to help offset the increased cost of delivering a quality, competitive education. However, higher tuition and fees could cause potential students to be unwilling, or unable, to enroll at our institutions and / or in affected programs, and existing students may be unwilling, or unable, to remained enrolled, which would result in lower enrollments at our institutions and adverse impacts on our financial condition and results of operations.** If we or our institutions fail to comply with the extensive regulatory requirements for the operation of postsecondary education institutions, we and our institutions could face penalties and significant restrictions on operations, including loss of federal student loans and grants and access to DoD TA programs. We and our institutions are regulated by (i) accrediting agencies, (ii) state regulatory bodies, and (iii) the federal government through ED. Our institutions are also subject to DoD and VA oversight because our institutions participate in TA and veterans' education benefits programs administered by the VA. Regulations, standards, and policies of these agencies ~~address~~ **affect** the vast majority of our operations, including our educational programs, facilities, instructional and administrative staff, administrative procedures, marketing, recruiting, and financial operations and condition. These regulatory requirements

can also affect our ability to acquire new institutions, open new locations, add new or expand existing educational programs, change our corporate structure or ownership, and make other substantive changes **related to our Company** . Compliance with these requirements increases our cost of operations. Findings of noncompliance with these laws, regulations, standards, and policies could result in any of the ~~relevant~~ **respective** regulatory agencies taking **certain** ~~action~~ **actions ,** including: imposing monetary fines, penalties, or injunctions; limiting operations, including restricting our institutions' ability to offer new programs of study or to open new locations, or imposing limits on our growth; limiting or terminating our ability to grant degrees; restricting or revoking our institutions' accreditation, licensure, or other approval **required** to operate; limiting, suspending, or terminating our institutions' eligibility to participate in Title IV programs, TA, or VA education benefit programs; requiring us to repay funds, post a letter of credit, or become subject to payment methods for Title IV programs that are not the advance payment system; subjecting us to civil or criminal penalties; or other actions that could have a material adverse effect on our business **. See also the Risk Factor that begins " Government and regulatory agencies and third parties … " below** . If one of our institutions were to lose its eligibility to participate in Title IV, TA, or VA education benefit programs, or if the amount of available funds under these programs were reduced, we could seek to arrange or provide alternative sources of revenue or financial aid for students. Although we believe that one or more private organizations would be willing to provide financial assistance to students attending our institutions, there is no assurance that this would be the case, and the terms of such financial aid might not be as favorable as those for funds under the Title IV, TA, or VA education benefit programs. We may be required to guarantee all or part of such alternative assistance or might incur other additional costs in connection with securing alternative sources of financial aid. Accordingly, the loss of our eligibility to participate in these programs, or a reduction in the amount of available federal student financial aid, would be expected to have a material adverse effect on our financial condition and results of operations **,** even if we could arrange or provide alternative sources of revenue or student financial aid. The regulations, standards, and policies of ED, state regulatory bodies, and our institutions' accrediting agencies change frequently and are subject to interpretive ambiguities. Recent and pending changes in, or new interpretations of, applicable laws, regulations, standards, or policies, or our noncompliance with any applicable laws, regulations, standards, or policies, could have a material adverse effect on our accreditation, authorization to operate in various states, permissible activities, receipt of funds under TA, ability to participate in Title IV programs, ability to participate in VA education benefit programs, or costs of doing business. We cannot predict with certainty how these regulatory requirements will be applied or whether we will be able to comply, or will be deemed by others to have complied, with all of the requirements. In addition, in some circumstances of noncompliance or alleged noncompliance, we may be subject to lawsuits under the federal False Claims Act, similar state false claim statutes, or various " whistleblower " statutes. These lawsuits in some cases can be prosecuted by a private plaintiff in respect of some action taken by us, even if ED or another regulatory body does not agree with the plaintiff' s theory of liability, or the government can intervene and become a party to the lawsuit. These lawsuits have the potential to generate significant financial liability linked to our receipt of government funds, including Title IV funds and TA funds. **Noncompliance or alleged noncompliance may also result in derivative litigation or litigation involving other stakeholders. Any such litigation could result in substantial costs and a diversion of our management' s attention and resources.** If our institutions fail to maintain their institutional accreditation, they would lose the ability to participate in Title IV and DoD TA programs and our student enrollments would decline. Accreditation at the institutional level by an accrediting agency recognized by ED is necessary to participate in Title IV and TA programs. Our institutions' accrediting agencies may impose restrictions on their accreditation or may terminate their accreditation. To remain accredited, our institutions must continuously meet certain criteria and standards relating to, among other things, performance, governance, institutional integrity, educational quality, faculty, administrative capability, resources, and financial stability. Our institutions also must comply with accrediting agency policies and requirements, such as the requirements to apply and wait for approval before making certain changes. For example, as it did with the Rasmussen Acquisition, HLC requires approval before the closing of a transaction in order for an institution to maintain accredited status after closing. Failure to meet accreditation criteria or standards or to comply with accreditation policies and requirements could result in the loss of accreditation at the discretion of the accrediting agency. The complete loss of institutional accreditation at one of our institutions would, among other things, render the institution and its students ineligible to participate in Title IV and TA programs, and have a material adverse effect on our enrollments, revenue, and results of operations. In addition, loss of Title IV participation would result in loss of **TA and** VA participation. The standards of accrediting agencies that accredit our institutions and programs can and do vary, and accreditation agencies may prescribe more rigorous standards than are currently in place. Complying with more rigorous accreditation standards could require significant changes to the way we operate our business and increase our administrative and other costs. No assurances can be given that our institutions or programs would be able to comply with more rigorous accreditation standards in a timely manner or at all. If one of our institutions or programs does not meet its accreditation requirements, its accreditation could be limited, modified, suspended, or terminated. Failure to maintain institutional accreditation would make our institutions ineligible to participate in Title IV and TA programs, which could have a material adverse effect on the institution' s student enrollment and revenue. In addition, accrediting bodies may adopt new or revised criteria, standards, and policies that are intended to monitor, regulate, or limit the growth of our programs or for- profit institutions like ours. Colleges and universities depend, in part, on accreditation in evaluating transfers of credit and applications to graduate schools. Many institutions will only accept transfer credit from institutions with certain institutional accreditation. Students and sponsors of tuition reimbursement programs look to accreditation for quality assurance, and employers rely on institutions' accredited status when evaluating a candidate' s credentials. In addition, certain of our programs are accredited by programmatic accrediting agencies or recognized by professional organizations. If our institutions fail to satisfy the standards of these programmatic accrediting agencies and professional organizations, the relevant programs could lose the programmatic accreditation or professional recognition, which could result in materially reduced student enrollments in those programs and have a material adverse effect on us. In addition, in

certain cases, professional licensure will not be granted if an applicant for licensure earned the relevant educational credential from an institution or educational program that lacks institutional or programmatic accreditation. Failure to obtain or maintain programmatic accreditation or professional recognition for certain programs could prevent our students from seeking and obtaining licensure or employment, result in materially reduced student enrollments in affected programs, and have a material adverse effect on us. **If one** ~~Recent ED negotiated rulemakings could result in regulations that materially and adversely affect our~~ - **or more of our institutions does not comply with** ~~business. In March 2022, ED completed negotiated rulemaking processes intended to develop regulations related to Title IV participation. Topics addressed included modifications to~~ the 90 / 10 Rule **for two consecutive years** , ~~gainful employment requirements, public service~~ **it or they will lose eligibility to participate in federal** student ~~loan forgiveness~~ **financial aid** programs ~~, BDTR, mandatory pre~~ **. The HEA requires all for** - **profit education institutions** ~~dispute arbitration, prohibition of class- action lawsuits, closed school discharges, ability~~ to **comply with** ~~benefit provisions, certification procedures for participation in Title IV programs, change in ownership and change in control rules and procedures, financial responsibility standards, and standards of administrative capability, among others. In October 2022, ED announced final regulations relating to some topics that~~ **what is commonly referred to** ~~were addressed as part of negotiated rulemaking, such~~ as the 90 / 10 Rule, ~~BDTR, arbitration proceedings, closed school discharges,~~ **which imposes sanctions on institutions that derive more than 90 % of their total revenue on a cash accounting basis from Title IV programs** and **other federal educational assistance funds** ~~change in ownership and change in control rules~~ , as **calculated under ED** ~~well as the public service loan forgiveness program, interest capitalization, total and permanent disability discharges, and false certification of a student~~ ' s ~~eligibility for Title IV loans. More information about these final~~ regulations ~~is~~ **. As more fully** described in " Regulatory Environment – Student Financing Sources and Related Regulations / Requirements **– Department of Education – Regulation of Title IV Financial Aid Programs – The ' 90 / 10 Rule,'** " **for fiscal years beginning on or after January 1, 2023, which for our institutions means the year ended December 31, 2023, federal educational assistance funds used to calculate the " 90 % " side of the ratio include Title IV funds and any other educational assistance funds provided by a federal agency directly to** ~~and~~ - ~~limit or condition the participation of for- profit schools or distance education programs in TA or in Title IV programs~~ ,or that further limit or condition the amount of TA for which for- profit schools or distance education programs are eligible to receive,our financial condition and results of operations could be materially and adversely affected.For the past three years,RU has derived less than 80 % and HCN has derived more than 80 % of its total revenue on a cash accounting basis from Title IV programs ~~and,as applicable,other federal educational assistance funds~~ as calculated under ED' s ~~modified~~ regulations.If ~~our institutions~~ **RU and HCN** are unable to attract students who do not depend on Title IV program aid or **through** TA or VA benefits,such as students who finance their own education or receive full or partial tuition reimbursement from non- government employers,their 90 / 10 Rule percentage may increase. ~~While each~~ **If any** of our institutions **fails to satisfy** ~~was in compliance with~~ the 90 / 10 Rule **and loses eligibility to participate in Title IV programs,it would also lose the ability to participate in the TA because DoD requires institutions to participate in the Title IV programs in order to participate in TA,and ineligibility of either** ~~for~~ - **or both of our institutions to participate in Title IV programs and** ~~2023,we expect continued challenges with compliance with the 90 / 10 Rule,particularly at APUS.Enrollments at APUS from students who use~~ TA ~~funds~~ **would** have ~~been~~ **a material adverse effect** " Regulatory Environment – **Student Financing Sources and Related Regulations / Requirements – Department of Defense " and "** Regulatory **Environment** ~~Actions and Restrictions on Operations~~ – ~~Changes in Ownership Resulting in a Change~~ **Compliance with Regulatory Standards and the Effect** of ~~Control~~ **Regulatory Violations** – **Compliance Reviews** ~~U. S. Department of Education~~ " ~~. We cannot~~ **, each institution participating in TA is party to an MOU in a similar form outlining** ~~ascertain~~ -- **certain** ~~whether final regulations yet~~ **commitments and agreements in connection with accepting funds from TA. For example, the MOUs include an agreement** to **participate in the ICP in order to participate in TA. An institution that is found noncompliant with DoD requirements through the ICP and demonstrates an unwillingness to resolve a finding may** be ~~adopted~~ **subject to a range of penalties from a written warning to termination of the institution' s participation in TA. The DoD MOUs also provide that an institution may only participate in TA if it is accredited by an accrediting agency recognized** by ED ~~regulations~~ **, approved for VA funding, and a participant in Title IV programs. Failure to comply with an MOU** could ~~harm Forces will~~ impose limitations on TA approvals in the future as a result of limited funding.Furthermore,we expect each military branch and the DoD to continually evaluate their approaches to education,including by launching or expanding their own institutions,as discussed in further detail in the Risk Factor that begins " Strong competition in the military market..." below,and such actions could have an impact on the funds available to service members to pursue their education at our institutions.Changes in funding allocations could have a material adverse effect on APUS' s enrollments.If we are no longer able to receive funds from TA,or if those programs are modified,reduced,eliminated,or temporarily suspended,our enrollments,revenue,and cash **flow could** ~~our~~ **four** ~~business~~ **of its ten- year accreditation cycle instead of a panel review. HLC will conduct a focused visit at APUS in March 2024 after HLC raised potential concerns regarding APUS' s compliance with standards related to program development oversight and program assessment processes as a result of certain courses not being available** ~~or~~ **for students in one program. Pursuant to HLC policy, APUS has transitioned from the Open Pathway to the Standard Pathway because of the decision to conduct a focused visit. As a result of this transition, APUS will be subject to a comprehensive site- visit for the year four mid- cycle review under the Standard Pathway, currently scheduled in the spring of 2025. The reaffirmation of accreditation site visit date remains unchanged and will take place 2030- 2031. HLC' s focused visit will result in a written report addressing the topics of concern identified in the letter calling for the focused visit. The focused visit team report will include a recommendation to accept the report or may call for additional monitoring, sanction, show- cause order, or withdrawal of accreditation. Although APUS would have the opportunity to respond prior to any HLC action on the report, we cannot be sure that the HLC team will not identify deficiencies at APUS during the focused visit or call for negative**

accreditation- related action against APUS as a result. ED' s recently finalized new gainful employment requirements could materially and adversely affect our **business after they take effect** ~~financial conditions and results of operations~~ . **Pursuant to new** ~~The negotiated rulemaking committee focused on draft~~ gainful employment **, or GE,** regulations ~~did not reach consensus. However~~ , ~~in connection with the negotiated rulemaking process~~ **that will take effect July 1, 2024** , ED **will** ~~released information rates data that it calculated for the two metrics that ED is contemplating using for purposes of determining~~ **determine the** Title IV eligibility of **GE** ~~gainful employment~~ programs ~~. Those~~ **based in part on satisfaction of specified performance levels of** two ~~metrics are referred to as~~ **measures defined by the GE regulations:** the debt- to- earnings rates (which ~~involve~~ **include** two rates, ~~namely~~ the discretionary **debt- to-** earnings rate and the annual **debt- to-** earnings rate) and the earnings ~~threshold~~ **premium** measure. ~~In a memorandum accompanying the informational rates and~~ ED ~~' s assessments~~ **previously released a data set, referred to as the program performance data, or the PPD, that includes calculations** of ~~whether~~ **the two metrics for certain** programs **. The methodology** ~~would fail on either of the proposed measures based on those rates,~~ ED ~~explained~~ **used to produce the PPD differs from the methodology** that **will be** ~~the methodology it~~ used **under the final GE regulations, primarily due** to ~~produce this~~ data **limitations** ~~differed from ED' s proposed methodology from the negotiated rulemaking sessions, that any final regulation' s methodology may change, and that the outcomes depicted in the informational rates for particular programs may differ from those generated by a future gainful employment rule~~ . **However, out** ~~ED also made certain assumptions that may not prove to be accurate. Out~~ of the 30 RU programs, 47 APUS programs, and three HCN programs **(including one no longer offered at HCN)** that ED assessed in the **PPD** ~~informational rates for which gainful employment data was available and subject to the qualifications set forth in ED' s related memorandum~~ , ~~eight~~ **six current** RU programs and three APUS programs failed one or both **of the new** measures **. The six RU programs failing in the PPD represent 8. 5 % of total student enrollment for the three months ended December 31, 2023. The three APUS programs failing in the PPD represent 2. 1 % of total net course registrations for the three months ended December 31, 2023. Programs that fail to satisfy the specified performance levels of the GE measures in two of any three successive years for which the debt- to- earnings rates or the earnings premium measure are calculated would lose access to Title IV funding. Under the GE regulations, the failure of any of our institutions' programs to satisfy the required specified performance levels could adversely impact those institutions and programs. We expect that the earliest a program could lose eligibility is July 1, 2026. In addition, programs that fail any of the metrics in a year will be required to warn enrolled and prospective students that the program risks losing access to Title IV funding** . At this time, ~~the outcome of any future gainful employment rulemaking is uncertain, and~~ it is difficult to predict whether our institutions' programs will satisfy ~~any~~ **performance levels of** future **GE** ~~gainful employment~~ metrics, including whether ~~any~~ **the** programs identified as failing in the **PPD** ~~informational rates~~ will in fact fail or whether other programs will fail or pass ~~. The failure of any of our institutions' programs to meet the required metrics could adversely impact those institutions and programs. ED' s Spring 2022 Agency Rule List indicates a target date of April 2023 for publication of the gainful employment proposed regulations, which would mean any changes would be effective no earlier than July 1, 2024. ED' s Spring 2022 Agency Rule List also indicated a target date of April 2023 for publication of proposed regulations relating to ability to benefit, financial responsibility, administrative capability, and certification procedures~~ . Failure to improve certain of our programs' NCLEX pass rates and to more generally satisfy NCLEX requirements could reduce our enrollments, revenue, and cash flow, lead to adverse actions taken by state boards of nursing, and limit our ability to offer educational programs. The majority of RU' s graduates, HCN graduates, and certain APUS graduates seek professional licensure, employment or other outcomes in their chosen fields following graduation, particularly in nursing. Their success in obtaining these outcomes depends on numerous factors, including individual merits of the graduate, whether the institution and the program were approved by the state in which the graduate seeks licensure, or by a professional association, whether the program meets all state requirements for professional licensure, and the accreditation of the institution and the specific program. As discussed more fully in " Regulatory Environment – State Authorization / Licensure ", failure to satisfy NCLEX pass rate requirements imposed by state boards of nursing can result in the state boards of nursing and other regulators taking certain adverse actions, including placement of a program on provisional approval status or withdrawal of approval pursuant to an adjudication proceeding, and NCLEX exam pass rate requirements could limit our institutions' ability to expand into new geographies. A number of programs at certain RU campuses and in certain states, including its Bloomington and Moorhead, Minnesota, ~~Illinois, Kansas, and~~ Fort Myers, Florida **, Ocala, Florida, Tampa / Brandon, Florida, and Illinois, and Kansas** ADN programs and its Moorhead, Minnesota PN program, as well as HCN' s Ohio ADN program, have ~~experienced~~ **not met state- established** first- time NCLEX **benchmarks** ~~pass rates below applicable thresholds~~ for consecutive years. As described more fully in " Regulatory Environment – State Authorization / Licensure – State Authorization / Licensure of Our Institutions ", as a result, regulators and accreditors have in some cases placed these programs on probationary or similar status or required them to take corrective action, including limiting, or taking action that has the effect of limiting, enrollment. We believe that low pass rates may be the result of a number of factors, including without limitation the academic preparedness of our students, curriculum gaps, changes in the mode of course delivery including the use of virtual courses, testing failures and inconsistencies, imbalances in enrollment and resources, and changes in admission standards. We are taking action aimed at improving NCLEX pass rates and meeting related standards, but there can be no assurance that we have accurately identified the underlying reasons for low pass rates or that our efforts to improve these pass rates will succeed in a timely fashion **,** if at all. Significant changes to the NCLEX **were** effective **in** April 2023 ~~may initially result~~ **. While the average scores at RU and HCN both increased, there were also increases nationwide, and the ultimate impact of the change** in **the** ~~lower first- time~~ NCLEX ~~pass rates and~~ **is still uncertain, including because NCLEX regulatory thresholds** could **change** ~~decrease or delay the effectiveness of our efforts to timely improve pass rates for programs subject to adverse regulator or accreditor action~~ . In addition, merely being subject to disciplinary, probationary, or similar status or requirements could make it more difficult to improve NCLEX pass rates or meet other applicable standards, such as by damaging our

reputation and making it more difficult to recruit students who are likely to succeed ~~or at all~~ . Any voluntary, required, or other reduction in enrollment will have an adverse impact on our revenue. **In February 2023, the Florida Board of Nursing, or FBN, placed RU' s Fort Myers, Florida ADN program on probation until its pass rate reaches the applicable threshold for a calendar year. RU is required to disclose this status to active and prospective students. If the program fails to achieve the required NCLEX pass rate within two years following placement on probation, FBN may extend the program' s status for a year if the program is demonstrating progress toward achievement. However, absent further extension or achievement of the required rate by the end of the extension, Florida law provides that FBN shall terminate the program. In February 2024 FBN also placed RU' s Ocala, Florida and Tampa / Brandon, Florida ADN programs on probation – a status that must be disclosed to active and prospective students – until the programs' pass rates reach the applicable threshold for a calendar year. RU was required to present an action plan to FBN on February 7, 2024, detailing benchmarks to measure progress toward achieving the required NCLEX pass rate. In January 2024, legislation that would significantly overhaul the regulation of Florida nursing programs in ways that could materially adversely impact RU' s Florida ADN and PN programs was introduced in the Florida senate, but at this time there can be no assurance that the legislation will be enacted as drafted or at all.** Although variability in regulator and accreditor approach to and use of discretion in enforcement of NCLEX pass rate standards makes it difficult to predict consequences, failure to abide by the terms of any restrictive status placed on these programs, take appropriate corrective action, or reach applicable threshold rates within ~~an established~~ **a required** timeframe could subject impacted programs to additional adverse action, including withdrawal of approval, and we could take voluntary action to curtail or terminate affected programs, any of which would have an adverse effect on our results of operations, cash flows, and financial condition. Even if the affected programs have long- term success in complying with NCLEX pass rate standards, the actions we take to comply could result in increased costs or decreased enrollments, and impairment of RU or HCN goodwill. **Recently introduced Florida legislation, if enacted, could have a material adverse impact on** RU' s **Florida ADN and PN programs. In January 2024, legislation was introduced in the Florida senate that would significantly overhaul the regulation of Florida nursing programs. If enacted, this legislation could materially adversely impact RU' s Florida ADN and PN programs. At this time, it is uncertain whether the legislation will be attached to another bill, enacted as drafted, or enacted at all. RU' s planned closure of the** Bloomington, Minnesota ADN program ~~has been~~ **effective June 2024 may** adversely ~~impacted by regulatory action and heightened scrutiny as a result of the failure to meet applicable NCLEX pass rates, and further action by regulators and accreditors could result in additional adverse impacts~~ - **impact** ~~or cause~~ **RU and** us ~~to have to close the program~~ . RU' s Bloomington, Minnesota ADN program has been subject to adverse action and heightened scrutiny from regulators as a result of **a** continued failure to meet applicable ~~NCLEX pass rates, and further action by such regulators~~ **regulatory** ~~, which we believe to be reasonably possible, could adversely impact our ability to continue the Bloomington, Minnesota ADN program or potentially the ADN programs at all of RU' s Minnesota campuses, which would have an~~ **and accreditor** adverse effect on our results of operations, cash flows, and financial condition. A stipulation and consent order with the MBN requires~~ **requirements** ~~the Bloomington, Minnesota ADN program to among other things reach applicable NCLEX pass rate standards by the end of 2023 and maintain a specified student to faculty ratio in 2023, with a potential penalty up to and including withdrawal of program approval~~ . **In** ~~The student to faculty ratio limit constrains our ability to enroll students based on our ability to attract and retain qualified faculty. RU has voluntarily further reduced enrollments in the Bloomington, Minnesota ADN program new cohorts starting in January 2023, but there can be no assurance that these or other efforts will improve NCLEX scores above the applicable threshold or by the required deadline, if at all, or that the program will be found to be in compliance with the order. As a result of the order, the Minnesota Office of Higher Education, or MOHE, informed RU that it expects RU to identify a clinical site for each student within 50 miles from the student' s home, disclose to potential students that RU may not be able to satisfy the MBN' s order, and provide options for students unable to complete the program if the MBN were to withdraw program approval, including a refund option. The MBN order and MOHE' s related scrutiny could have an adverse impact on our reputation and ability to enroll students. Additionally, in~~ September 2021, ACEN placed conditions on the Bloomington, Minnesota ADN program' s continued accreditation, requiring it to demonstrate compliance with all applicable accreditation criteria within two years. **In June 2023,** ACEN ~~may determine~~ **' s site visit team recommended denial of continuing accreditation for the program based on the team' s findings that the program did not demonstrate compliance with certain accreditation criteria related to student outcomes despite RU' s belief that good cause existed not** to deny continuing accreditation ~~absent~~ **. ACEN notified RU in October 2023 that the ACEN board had granted continuing accreditation for** good cause **until September** ~~because the program did not meet the applicable pass rate requirement in 2022~~ **2024** . ACEN ~~accreditation,~~ **also requested a follow- up report** ~~or for~~ ~~accreditation or candidacy status~~ **good cause be submitted in advance of a follow- up visit in spring 2024 related to student outcomes criteria. In addition** with ~~another national nursing accrediting body~~ **the planned spring 2024 follow- up visit** , ~~is required under~~ **the ACEN board notified RU that it plans to conduct a focused visit due to a complaint received by ACEN related to student clinical preparation and graduate clinical performance. In August 2023, RU decided to voluntarily pause new enrollments beginning in November 2023. On December 29, 2023, RU informed the** MBN **that it intends** ~~nursing program approval rules. If ACEN denies continuing accreditation and RU is unable~~ to **voluntarily** ~~obtain accreditation or candidacy status with another national nursing accrediting body, RU would likely have to~~ close the Bloomington, Minnesota ADN program **, effective June 15, 2024. The MBN approved the voluntary closure of the Bloomington, Minnesota ADN program at its February 1, 2024 meeting. For all students enrolled in the Bloomington, Minnesota ADN program graduating after June 2024, their enrollment record will be transferred to RU' s St. Cloud, Minnesota ADN. However, there can be no assurance that any or all remaining students in the program will find the St. Cloud transfer suitable. Due to previous self- imposed enrollment caps and the pause on new enrollments, enrollment in this program currently represents less than 2 % of RU' s current**

total enrollment. As RU evaluates its other campuses and programs, it could make similar closure decisions about other programs or campuses. The closure of the Bloomington, Minnesota ADN program, or any closure of other programs or campuses, may have an adverse impact on RU’ s enrollments and reputation, which could further impact RU’ s enrollments operations, cash flows, and financial condition . RU’ s Illinois ADN program has been adversely impacted by regulatory action, including as a result of the failure to meet applicable NCLEX pass rates, and further action by regulators and accreditors could result in additional adverse impacts. RU’ s Illinois ADN program has not met state- established first- time NCLEX benchmarks for three consecutive years. In February 2022, RU’ s Illinois ADN program was placed on probationary status by the **Illinois Department of Financial and Professional Regulation, or** IDFPR, as a result of which RU is required to temporarily reduce admitted students in the program by 25 % and has two years to demonstrate evidence of implementing strategies to correct deficiencies and satisfy the required NCLEX pass rate. ~~If after~~ **In August 2023, the State of Illinois enacted legislation, which took effect January 1, 2024, that provides programs with additional time** ~~two~~ - **to** ~~years~~ **improve NCLEX pass rates. The legislation changed** the **Illinois NCLEX** pass rate **requirements from** ~~does not satisfy the required standard, the program will be reevaluated by the IDFPR for~~ a **one- year measurement based** ~~determination as to whether the program will be allowed to continue~~ on **first attempts only** ~~probation or whether it should be disapproved. Although RU has two~~ - **to a three-** ~~years~~ - **year average that includes all test attempts and removed all** ~~to demonstrate improved pass rates, RU is also scheduled to appear before the IDFPR’ s Board of Nursing~~ **nursing** ~~in May 2023, at which point IDFPR is similarly expected to consider whether the program~~ **programs , including** ~~will be allowed to continue on probation. We could fail to improve~~ RU’ s Illinois ADN program ~~’ s first- time NCLEX passing rates~~ , **from** ~~and IDFPR could require us to continue on~~ probationary status **for a period of three years. However** , **there can be no assurance that they will not seek to** impose **different or** additional ~~restrictions on~~ **requirements in connection with this change in legislation. Furthermore, there can be no assurance that any resulting removal from probationary status of** RU’ s Illinois ADN program ~~,~~ **will be viewed favorably by ACEN** or **another nursing** ~~determine that the~~ program **accreditor or** ~~should be disapproved, which~~ would ~~have an adverse effect on our results~~ - **result** ~~of operations, cash flows, and financial condition~~ **in RU’ s Illinois ADN program obtaining ACEN accreditation following the February 2024 site visit** . An Illinois statute also requires nursing programs in the state to have achieved accreditation by the end of 2022 in order to meet state approval requirements. RU’ s Illinois ADN program has been in candidacy status for initial accreditation with ACEN since July 2020. Although the IDFPR has indicated that candidacy status satisfies this requirement, the IDFPR could change its position. ACEN will not grant accreditation to a program on probationary status with the ~~Illinois Department of Financial and Professional Regulation, or~~ IDFPR, as RU’ s Illinois ADN program is. The current candidacy is set to expire in July 2024. If ACEN ultimately denies ~~continuing~~ **initial** accreditation and RU is unable to obtain accreditation or candidacy status with another national nursing accrediting body, RU would likely have to close the Illinois ADN program. **Removal from probationary status pursuant to the newly enacted Illinois legislation described above may be viewed favorably by ACEN or another nursing program accreditor and may result in RU’ s Illinois ADN program obtaining ACEN accreditation following a site visit in February 2024. However, there is no assurance that this legislation will benefit RU’ s Illinois ADN program as anticipated or that the program will meet the new NCLEX pass rate requirements.** The inability of our institutions’ graduates to obtain professional licensure, employment or other outcomes in their chosen fields of study, particularly in nursing, could reduce our enrollments and revenue, limit our ability to offer educational programs, and potentially lead to litigation that could be costly to us. As explained in the Risk Factor that begins with the caption “ Failure to improve certain of our programs’ NCLEX pass rates... ”, the majority of RU’ s graduates, HCN graduates and certain APUS graduates seek professional licensure, employment or other outcomes in their chosen fields following graduation, particularly in nursing. State requirements for licensure are subject to change, as are professional certification standards, and we may not become aware of changes that may impact our students in certain instances **. In addition, as further discussed in “ Regulatory Environment – State Licensure / Authorization- Federal Requirements for State Authorization / Licensure- State Authorization and Professional Licensure ”, new ED regulations will require institutions that offer postsecondary education programs leading to employment in an occupation that requires licensure or certification to meet certain additional requirements in order for those programs to maintain eligibility to participate in Title IV programs. In each state in which the institution is located, in which students enrolled in distance education are located, or where a student enrolled after July 1, 2024 attests that they intend to seek employment, the program must satisfy the applicable state education requirements for professional licensure or certification so that a student seeking employment may qualify to take any licensure or certification exam needed to practice or find employment in the state** . In the event that one or more states refuse to recognize our institutions’ students for professional licensure based on factors relating to our institutions or programs, the potential **and actual** growth of our institutions’ programs would be negatively impacted, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows. **Further** ~~In addition~~ , requirements for employment vary from employer to employer and from field to field. To the extent our graduates fail to satisfy requirements for employment by particular employers or in a particular profession based on characteristics of our programs, the ability to maintain enrollments, as well as the potential for growth of our institutions’ programs would be negatively impacted, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows. In addition, if our institutions’ graduates fail to obtain professional licensure, employment, or other outcomes in their chosen fields of study, we and our institutions could be exposed to litigation, including class- action litigation, claiming that we are at fault for such failure, which would force us to incur legal and other expenses that could have a material adverse effect on our business, financial condition, results of operations, and cash flows. A failure of HCN to satisfy ABHES accreditation standards, including specific student achievement indicators, could have a material adverse impact on HCN’ s student enrollment **,** ~~and our and HCN’ s~~ revenue, results of operations, and cash flows. ABHES annually reviews student achievement indicators, including retention

rate, placement rate, and licensing and credentialing examination pass rate. Under ABHES policy, ABHES may withdraw accreditation at any time if it determines that an institution fails to demonstrate at least a 70 % retention rate for each program, a 70 % placement rate for each program, and a 70 % first- time pass rate on mandatory licensing and credentialing examinations or fails to meet the state- mandated results for credentialing or licensure. Alternatively, ABHES may in its discretion provide an opportunity for a program to come into compliance within a period of time specified by ABHES, and ABHES may extend the period for achieving compliance if a program demonstrates improvement over time or **for** other good cause. In prior years, several HCN programs at certain HCN campuses have failed to satisfy ABHES' ~~s~~ student achievement measures, and as a result **,** ABHES has placed certain locations and programs on **program- specific warning or** outcomes reporting status and required action plans. ~~For~~ **As a result of retention rates being below** the **70 % benchmark for the 2021- 2022** reporting year ~~ended June 30~~ , ~~2022,~~ **which was** the **second consecutive full** ~~PN program at the Akron, Cincinnati, Cleveland, Columbus, Dayton, and Toledo campuses, and the ADN program at the Akron campus, were below the benchmark for retention. ABHES previously asked HCN to provide updated rates for 2020- 2021~~ reporting year ~~and an updated action plan to address any rate that remains below 70 % in that period. HCN expects that ABHES will require programs below benchmark to provide similar reports based on the retention rate from the period between July 1, 2022 through March 31, 2023. The PN program at the Cincinnati, Cleveland, Columbus, and Dayton campuses were below benchmark for each of the last two reporting years. As a result, in February 2023~~ , ABHES placed the PN ~~program~~ **programs** at ~~each of these~~ -- **the Cincinnati, Cleveland, Columbus, and Dayton** campuses on program- specific warning status **in January 2023. Toledo PN and Akron ADN program retention rates fell below the 70 % benchmark for the 2021- 2022 reporting year** , which ~~directs~~ **was the first full reporting year. As a result of failing to meet the threshold benchmark, ABHES required** HCN to **submit reports for** ~~justify why approval of~~ each **of these programs demonstrating their retention rate through the first three quarters of the 2022- 2023 reporting year by May 2023. The reports submitted in response to this requirement demonstrated that the PN programs at the Cincinnati, Cleveland, Columbus, and Dayton campuses and the ADN** program ~~should not be withdrawn, which~~ at **the Akron campus were above the 70 % retention benchmark through the first three quarters of the 2022- 2023 reporting year. As** a ~~minimum will require~~ **result, the Cincinnati, Cleveland, Columbus, and Dayton PN programs were removed from program- specific warning status, and ABHES informed** HCN ~~to demonstrate~~ that ~~it has developed~~ **no additional information was required for the ADN program at the Akron campus. However, HCN reported that the retention rate for the PN program at the Toledo campus was below the 70 % benchmark through the first three quarters of the 2022- 2023 reporting year. Consequently, the Toledo PN program was placed on outcomes reporting status, and required to provide** ~~and~~ - **an** ~~implemented a corrective~~ **additional report and** action plan **in October 2023, which HCN submitted. For the reporting year ended June 30, 2023, the PN program at the Cleveland, Columbus, Dayton, and Toledo campuses, as well as the ADN program at the Akron and Dayton campuses, were below the 70 % benchmark for retention. As a result, ABHES continued the Toledo PN program on outcomes reporting status, due to its retention rate falling below the 70 % benchmark. ABHES is also requiring additional reporting for the Cleveland PN, Columbus PN, Dayton PN, and Akron ADN programs. In conjunction with these actions, ABHES is requiring HCN to submit reports for each of these programs demonstrating their retention rate through the first three quarters of the 2023- 2024 reporting year by May 2024** . If **the Cleveland PN, Columbus PN, Dayton PN, Dayton ADN, and Akron ADN programs do not meet the 70 % retention benchmark by the third quarter of the 2023- 2024 reporting year, ABHES will likely place these programs on outcomes reporting status. If the Toledo PN program does not meet the 70 % retention benchmark by the third quarter of the 2023- 2024 reporting year, ABHES will likely place the program on program- specific warning status. If ABHES places any HCN program on program- specific warning status, and** ABHES determines that HCN' s response to the program- specific warning status is insufficient, it could take action that could have an adverse impact on our results of operations, cash flow, and financial condition, including limiting program enrollment, suspending program enrollment and new starts until HCN meets terms and conditions established by ABHES, or withdraw approval for one or more programs. HCN is also required to disclose the program- specific warnings to current and prospective students, which could adversely affect HCN' s reputation and enrollments. If any HCN campus or program fails to satisfy ABHES achievement measures, enrollment in such HCN campus or program could decline, or we could be forced to cease enrollments at that campus or in that program, which could have a material adverse impact on HCN' s student enrollment and our and HCN' s revenue, results of operations, and cash flows. The actions HCN takes to comply with ABHES requirements may not be successful in resolving existing issues and, if those actions are targeted at specific campuses or programs, **they** may fail to prevent additional issues arising with respect to those or other campuses or programs. Similarly, even if HCN is successful in the long term in complying with these standards, the actions HCN takes to comply could result in increased costs or decreased enrollments, and impairment of HCN goodwill. More generally, any institutional or programmatic accreditor may have policies or standards related to specific student achievement indicators that, if not met, may result in our institutions experiencing adverse actions, up to and including withdrawal of accreditation for certain programs. Such outcomes could have an adverse impact on our ability to enroll students and eventually our ability to continue certain programs, any of which would have an adverse effect on our results of operations, cash flow, and financial condition. If our institutions fail to maintain state authorization in the states where they are physically located, the institutions would lose their ability to grant degrees and other credentials in that state and to participate in Title IV programs and DoD TA programs. As discussed in " Regulatory Environment – State Licensure / Authorization ", to participate in Title IV programs and TA, an institution must be legally authorized by the relevant education agency of the state in which its main campus is physically located. Loss of state authorization by one of our institutions in the state in which its main campus is physically located would ~~cause~~ **render** that institution ~~to be~~ ineligible to participate in Title IV programs, and therefore also TA and VA, to be unable to operate in the state and grant credentials, and to lose institutional accreditation. If one of our institutions were to lose state authorization as to a non- main campus location, it would be unable to award Title IV aid to students at that

location **,** and it would be unable to operate at that location. ED regulations provide that an institution is considered legally authorized by a state if the state has a process to review and appropriately act on complaints concerning the institution, including enforcing applicable state laws, and the institution complies with any applicable state approval or licensure requirements. If a state in which one of our institutions is located fails in the future to satisfy the provisions of that regulation, our institutions' ability to operate in that state and to participate in Title IV programs could be limited or terminated. Our institutions' failure to comply with the requirements of ~~the State Authorization Reciprocity Agreement, or~~ SARA ~~,~~ or regulations of ED or various states related to state authorization could result in actions that would have a material adverse effect on our enrollments, revenue, and results of operations. Various states impose regulatory requirements on educational institutions operating within their boundaries, including registration requirements applicable to online education institutions that have no physical location or other presence in the state but offer educational services to students who reside in the state or advertise to or recruit prospective students in the state. As described more fully in " Regulatory Environment – State Licensure / Authorization " and " Regulatory Environment – State Authorization / Licensure ", ~~our institutions~~ **APUS and RU** must comply with the requirements of ~~SARA and~~ California, which is the only state that does not participate in **SARA, and APUS, RU, and HCN must comply with** SARA, with regard to the interstate offering of postsecondary distance education and online education. Those requirements may change from time to time and, in some instances, are ambiguous or are left to the interpretative discretion of state regulators. Changes in requirements to participate in SARA or changes to state laws and regulations and the interpretation of those laws and regulations may limit our ability to offer education programs and award degrees. If one of our institutions were to fail to comply with such requirements, the institution could lose its ability to participate in SARA or may be subject to the loss of state licensure or authorization to provide distance education. If one of our institutions were to fail to comply with state requirements to obtain licensure or authorization, it could also be subject to injunctive actions or penalties. We cannot predict the extent to which states will retain membership in SARA, the manner in which SARA' s rules may be modified, interpreted, and enforced, our institutions' ability to comply with SARA' s requirements and retain eligibility, or the impact that failure to meet the SARA requirements may have on our business. As more fully described in " Regulatory Environment – State Licensure / Authorization ", our institutions are subject to regulations that, among other things, clarify the required methodology for determining the state in which a student is located for purposes of satisfying state authorization requirements for distance education courses and require an institution to disclose certain information related to whether programs leading to professional licensure meet applicable state requirements, regardless of program modality. Failure to make the disclosures required by these regulations could put us at risk of administrative enforcement action or related litigation, including claims from students related to misrepresentation and other matters. In addition, we cannot predict whether, or to what extent, such disclosure requirements will have an effect on our enrollment processes and results. Our institutions must periodically seek recertification to participate in Title IV programs, and may, in certain circumstances, be subject to review by ED prior to seeking recertification, and our future success may be adversely affected if our institutions are unable to successfully maintain certification or obtain recertification. As more fully described in " Regulatory Environment – Student Financing Sources and Related Regulations / Requirements – Department of Education – Regulation of Title IV Financial Aid Programs – Eligibility and Certification Procedures ", APUS, RU and HCN must periodically seek recertification from ED, and ED may review our institutions' eligibility and certification to participate in Title IV programs, or the scope thereof. If our institutions are unable to successfully maintain certification or obtain recertification to participate in ED' s Title IV programs, they will not be able to participate in TA because each DoD MOU requires an institution to be certified to participate in Title IV programs in order to participate in TA. Similarly, an institution is required to be certified to participate in the Title IV programs in order to be eligible to participate in the VA education benefits programs. Loss of participation in Title IV programs, TA, and the VA education benefits programs would have a material adverse effect on our enrollments, revenue, results of operations, and financial condition. In addition, also as more fully described in " Regulatory Environment – Student Financing Sources and Related Regulations / Requirements – Department of Education – Regulation of Title IV Financial Aid Programs – Eligibility and Certification Procedures ", ED must in some cases provisionally certify an institution, which imposes additional conditions on the institution' s receipt of Title IV funds. For example, APUS ~~,~~ **and** RU ~~and HCN~~ are currently provisionally certified with ED. As more fully described in the Risk Factor that begins " RU is currently on provisional certification with ED... " below, the ~~TPPPA~~ - **PPPA,** entered into by RU and ED in connection with the Rasmussen Acquisition continues ~~growth~~ restrictions that ED imposed as a result of RU' s March 2019 change in ownership, including an enrollment cap on students who participate in Title IV. **In June 2020,** APUS ~~and HCN are subject~~ **timely applied for recertification** to **participate in Title IV programs. ED subsequently notified APUS that it had completed its review of APUS' s application and had granted APUS** provisional certification until June 30, 2023 ~~and September 30, 2023, respectively,~~ because ~~each~~ **APUS** was subject to an open program review at the time of renewal. **That program review was closed in January 2021 with no findings, penalties, or further action required.** APUS **applied** ~~must apply~~ for recertification ~~by~~ **on** March ~~31~~ **23** , 2023 **. APUS' s recertification application is still pending** and **APUS remains on provisional certification. In June 2021,** HCN **timely applied for** ~~by June 30, 2023, and there can be no assurance that ED will grant recertification~~ -- **certification** ~~on a non- provisional basis at that time. If one or more of our institutions does not comply with the 90 / 10 Rule, it or they will lose eligibility~~ to participate in ~~federal student financial aid programs. The HEA requires all for- profit education institutions to comply with what is commonly referred to as the 90 / 10 Rule, which imposes sanctions on institutions that derive more than 90 % of their total revenue on a cash accounting basis from~~ Title IV programs **.** ~~, as calculated under~~ ED ~~' s regulations~~ **subsequently notified HCN that it had been granted provisional certification for all Title IV programs until September 30, 2023** . As ~~more fully~~ **described in the PPPA, ED granted approval on a provisional basis because HCN was subject to an open program review at the time of certification. As** described in " Regulatory Environment – **Compliance with** ~~Student Financing Sources and Related Regulations~~ - **Regulatory** ~~/ Requirements~~ **Standards and Effect of Regulatory Violations** – **Compliance Reviews** ~~Department of Education – Regulation of Title IV Financial Aid~~

~~Programs – The ‘ 90 / 10 Rule~~ , ~~’~~ ” **in July 2022, HCN received a final program review determination from ED, and in September 2022, ED notified HCN that it had closed the program review and no further action was required though the provisional designation remained. In June 2023, HCN again timely applied** for **recertification. ED subsequently notified HCN that it had been** ~~fiscal years beginning on or after January 1, 2023, federal funds used to calculate the “ 90 % ” side of the ratio include Title IV funds and any other educational assistance funds provided by a federal agency directly to an institution or a student, including the federal portion of any grant~~ **granted** ~~funds provided by or administered by a~~ non- **provisional** ~~federal agency, except for non- Title IV federal funds provided directly to a student to cover expenses other than tuition, fees, and other institutional charges. ED confirmed that the 90 / 10 Rule would no longer permit institutions to count federal aid for veterans and service members as part of the “ 10 % ” side of the ratio. As a result, effective January 1, 2023, TA and VA benefits are included in the “ 90 % ” side of the ratio, and our institutions’ 90 / 10 Rule percentages will increase, particularly at APUS. Some payments from the Army that were expected in 2022 were delayed into 2023, which together with the recent amendments to the 90 / 10 Rule is expected to cause APUS’ s 90 / 10 Rule percentage to increase and could make it less likely that APUS meets the 90 / 10 Rule requirements for 2023. As a result, we anticipate that APUS could fail the 90 / 10 Rule for fiscal 2023, which would require APUS to notify ED and students of this failure, could subject us to heightened regulatory scrutiny and possible adverse regulatory action, and could damage our reputation, which would have a material adverse impact on our results of operation, cash flow, and financial condition. Inclusion of TA in the 90 / 10 calculation could also cause other educational institutions to decrease their focus on serving military students using TA benefits, and while that could have a positive impact on our enrollments from those students, it could also have an adverse impact on our ability to meet the requirements of the 90 / 10 Rule. This change, and any resulting actions we take to adjust the operations of our institutions to comply with the rule, could have a material adverse impact on the financial condition and operations of our institutions. We cannot predict the likelihood that Congress or ED will continue to modify the 90 / 10 Rule with respect to relevant sources of funds or other aspects of the calculation. For example, in recent years Congress has considered various other proposals that would modify the 90 / 10 Rule, including proposals to decrease the limit on Title IV funds from 90 % to 85 %. Such proposals, or other similar legislation, should they become law, could have a material adverse impact on the operations of our institutions. In addition, at least one state has passed, and other states may in the future pass, their own versions of the 90 / 10 Rule that like the new federal 90 / 10 Rule include TA and VA education benefits or other sources of funds in the “ 90 % ” side of the ratio. To the extent that any additional laws or regulations are adopted that further limit or condition the~~ participation ~~of for- profit schools or distance education programs~~ in **all** ~~TA or in~~ Title IV programs , or that further limit or condition...... TA would have a material adverse effect **effective August 15** ~~on our enrollments~~ , **2023** ~~revenue, results of operations,~~ and ~~cash flows~~ **expiring June 30, 2026** . Our institutions’ failure to meet financial responsibility standards may result in additional regulatory requirements that may negatively impact cash flow or the loss of eligibility by one of our institutions to participate in Title IV programs. To participate in Title IV programs, an eligible institution must satisfy specific measures of financial responsibility prescribed by ED ~~,~~ or post a letter of credit in favor of ED, and possibly accept other conditions, such as provisional certification, additional reporting requirements, or regulatory oversight of its participation in Title IV programs. As described in “ Regulatory Environment – Student Financing Sources and Related Regulations / Requirements – Department of Education – Regulation of Title IV Financial Aid Programs – Financial Responsibility ”, ED’ s annual evaluations for compliance with financial responsibility standards include a composite score calculation based on line items from an institution’ s audited financial statements. Generally, an institution’ s composite score must be at 1. 5 or above for the institution to be deemed financially responsible. Under certain circumstances, institutions with a composite score less than 1. 5 may be able to establish financial responsibility on an alternative basis by complying with various conditions. A composite score between 1. 0 and 1. 4 is considered by ED to be in the “ zone ”, and the “ zone alternative ” permits institutions to demonstrate financial responsibility by meeting specific monitoring requirements. ~~Although~~ **For purposes of evaluating the financial responsibility of** our ~~consolidated~~ **institutions, including the** composite score **calculation, we supply consolidated** ~~is expected to be above 1. 5 at our next~~ financial ~~responsibility test, there is~~ **statements to ED because ED does** ~~no~~ **not review each of** ~~assurance that it will remain at 1. 5 or~~ **our institution’ s** ~~above in the future or that if it falls in the “ zone ” in the future that we will be able to demonstrate~~ financial ~~responsibility~~ **statements separately** . Failure to meet ED’ s financial responsibility standards or being subject to zone alternative requirements could adversely affect our results of operations and our operations. ~~In addition, institutions with composite scores below 1. 5 also do not qualify for approval from SARA, unless, in the case of scores above 1. 0, the home state exercises its discretion to consider additional financial information. If SARA were not to renew our institutions’ approval due to low composite scores, we would need to obtain approval or exemptions in states in which our institutions offer distance education programs or discontinue offerings to students in such states. An obligation to post a letter of credit, or to accept other conditions, such as a change in our system of Title IV payment from ED for purposes of disbursement, as a result of not meeting financial responsibility standards, could increase our costs of regulatory compliance, or affect our cash flow.~~ As ~~discussed~~ **described more fully** in “ Regulatory Environment – Student Financing Sources and Related Regulations / Requirements – Department of Education – Regulation of Title IV Financial Aid Programs – Financial Responsibility ”, **on March 4, 2024, ED notified us that according to its calculations, we had a 2022 consolidated composite score of 1. 1 and our institutions were therefore in the “ zone. ” Although we disagree with ED’ s calculation and conclusion and plan to submit a rebuttal to ED, ED may not agree with our position. If ED does not agree with our position, we intend to comply with the zone alternative requirements, under which we would be required to: (i) make Title IV disbursements to eligible students and parents under the heightened cash monitoring payment method, or HCM1, pursuant to which we would be required to first make disbursements to eligible students and parents and pay any credit balances before we request or receive funds from ED for the amount of those disbursements; (ii) notify ED of certain events, such** as **an adverse action taken by any** of ~~September 30~~ **our institution’ s accreditors or state authorizing agencies; (iii) provide regular reports to ED relating to**

our institution' s current operations and future plans; and (iv) require our auditors to express an opinion on our compliance with the requirements under the zone alternative. A determination that we are in the zone could also result in additional adverse regulatory and accreditor requirements and actions , ~~2020~~ **including with respect to SARA eligibility. If the respective SARA portal agency for APUS, RU, or HCN were not to renew the institution' s approval due to a low composite score, we would need to obtain approval or exemptions in states in which the affected institution offers distance education programs or discontinue the affected institution' s offerings to students in such states. In addition, some states have adopted financial standards that are similar to ED' s composite score, which means an affected institution may be unable to obtain licensure in that state if it were to lose SARA participation. And, because composite scores are viewed as a measure of financial responsibility, other regulators or accreditors could more generally consider a composite score that is in " zone " negatively, which could have an impact on their interactions with us and what they permit us to do. An obligation to post a letter of credit, or to accept other conditions, such as a change in our system of Title IV payment from ED for purposes of disbursement, as a result of not meeting financial responsibility standards, could increase our costs of regulatory compliance, or affect our cash flow. As discussed in " Regulatory Environment – Student Financing Sources and Related Regulations / Requirements – Department of Education – Regulation of Title IV Financial Aid Programs – Financial Responsibility "** , prior to its acquisition by us, RU' s financial ratios failed to meet ED' s standards of financial responsibility. ~~On~~ **In** May ~~10,~~ 2021, RU posted a letter of credit with ED totaling $ 23. 1 million, which represents 10 % of the Title IV program funds received by RU during its most recently completed fiscal year **as of that time** . Additionally, RU is required to make Title IV disbursements to eligible students and parents under HCM1 and provide monthly and bi- weekly financial and enrollment reporting to ED. The 2019 Borrower Defense Regulations identify certain conditions or other triggering events that have or may have an adverse material effect on the institution' s financial condition, in response to which ED would or could require that the institution submit some form of financial protection to ED. For more on the financial responsibility provisions of the Borrower Defense Regulations, please refer to " Regulatory Environment – Student Financing Sources and Related Regulations / Requirements – Department of Education – Regulation of Title IV Financial Aid Programs – Borrower Defenses ". If, under the 2019 Borrower Defense Regulations, ED determines that one of our institutions is not financially responsible because of one or more triggering events, the institution would be required to provide an irrevocable letter of credit equal to at least 10 % of the amount of federal student financial aid funds received by the institution for the past year. **ED recently released a final rule modifying and expanding the current financial responsibility, administrative capability, and certification regulations, which takes effect July 1, 2024. Under the modified regulations, institutions will be required to meet additional financial responsibility criteria and must report certain " financial responsibility " events to ED. Such financial responsibility events include certain mandatory and discretionary triggers that capture financial circumstances that may not be reflected in an institution' s financial statements, including instances where an institution faces a potential loss of Title IV funding. Under the new rule, if ED determines that an institution has 90 / 10 Rule violations, high borrower default rates, or certain pending legal and administrative actions, it will require the institution to post " financial protection ". ED may also require the institution to post financial protection if it determines that certain discretionary triggers may have an adverse effect on the financial condition of the institution, such as pending accrediting agency or government agency actions, high annual dropout rates, or pending borrower defense claims. If ED requires financial protection as a result of more than one mandatory or discretionary trigger, ED will require separate financial protection for each individual trigger. In addition to financial protection, ED may require institutions that fail to meet these financial responsibility criteria to participate in Title IV programs under a provisional certification. ED may also impose additional requirements on the institution' s participation in Title IV programs, such as restrictions on enrollment, addition of new programs, or acquisitions.** If one of our institutions is found not to have satisfied ED' s financial responsibility requirements, it could be limited in its access to, or lose, Title IV program funds, which would limit our potential for growth and adversely affect our enrollment, revenue, and results of operations. If we, as the parent company of an eligible institution, are found not to have satisfied ED' s financial responsibility measures, all of our institutions could be limited in their access to, or lose, Title IV program funds, which would limit our potential for growth and adversely affect our enrollment, revenue, results of operations, and financial position **. For more on the financial responsibility requirements, please refer to " Regulatory Environment – Student Financing Sources and Related Regulations / Requirements – Department of Education – Regulation of Title IV Financial Aid Programs "** . A failure to demonstrate " administrative capability " may result in the loss of eligibility to participate in Title IV programs. ED' s regulations specify extensive criteria that an institution must satisfy to establish that it has the requisite administrative capability to participate in Title IV programs and the sanctions ED may impose if an institution fails to satisfy any of those criteria. These criteria relate to, among other things, institutional staffing, operational standards such as procedures for disbursing and safeguarding Title IV program funds, timely submission of accurate reports to ED, referring to ED OIG credible information that a student or employees with Title IV responsibilities may have engaged in fraud or illegal conduct in connection with Title IV program administration, and various other procedural matters. **ED may find that an institution has failed the administrative capability requirements if the institution does not provide adequate financial aid counseling or career services, has been subject to a negative action by a state or federal agency, court, or accreditor, fails to verify high school diplomas, or does not timely place students in geographically accessible clinical or externship opportunities.** If an institution fails to satisfy any of the administrative capability requirements, ED may require the repayment of Title IV program funds, transfer the institution from the " advance " system of payment of Title IV program funds to heightened cash monitoring status, or to the " reimbursement " method of payment, place the institution on provisional certification status, or commence a proceeding to impose a fine or to limit, suspend, or terminate the participation of the institution in Title IV programs ~~. If one of our institutions is found not to have satisfied ED' s administrative capability requirements, it could be limited in its access to, or~~

~~lose, Title IV program funding or certain Title IV- related conditions or fines could be imposed~~ , which would adversely affect our enrollment, revenue, results of operations, and financial condition. **For more on the financial responsibility provisions of the Borrower Defense Regulations, please refer to " Regulatory Environment – Student Financing Sources and Related Regulations / Requirements – Department of Education – Regulation of Title IV Financial Aid Programs – Administrative Capability ".** ED rules related to BDTR claims ~~and requirements related to dispute resolution~~ may create significant liability that could have **an** ~~a material~~ adverse effect on our business **and results of operations** . Under the HEA, ED is authorized to specify in regulations which acts or omissions of an institution of higher education a borrower may assert as a defense to repayment of a loan under the Direct Loan Program, or a Direct Loan. **As** ~~Under the Borrower Defense Regulations, as~~ more fully described in " Regulatory ~~—~~Environment – Student Financing Sources and Related Regulations / Requirements – Department of Education – Regulation of Title IV Financial Aid Programs – Borrower Defenses ", ED may initiate a proceeding to collect from an institution the amount of relief resulting from a borrower defense brought by an individual borrower. If ED determines that borrowers of Direct Loans **(or Direct Consolidation Loans made after July 1, 2023)** who attended our institutions have a defense to repayment of their Direct Loans, we could be subject to repayment liability to ED that could have a material adverse effect on our financial condition, results of operations, and cash flows. ~~The 2016~~ **However, the July 1, 2023 effective date of the 2022** Borrower Defense Regulations **is currently enjoined nationwide by court order** , ~~which apply to all Direct Loans made on~~ **so we cannot predict whether the final regulations will result in regulatory changes that would harm** ~~or~~ **our business. As a result of the** ~~after July 1, 2017 and before July 1, 2020~~ **2022 Borrower Defense Regulations injunction** , ~~prohibit requiring students to initially engage in an institutions' internal complaint processes, prohibit pre- dispute arbitration agreements, and class action lawsuit waivers, and require notification to~~ ED **announced** ~~of arbitration filings and awards, for claims~~ that ~~may form~~ **while it will not adjudicate any borrower defense applications under** the ~~basis for a BDTR. The~~ **2022 Borrower Defense Regulations unless and until the effective date is reinstated, it will continue to adjudicate borrower defense applications under the 2016 Borrower Regulations and** 2019 Borrower Defense Regulations **if required pursuant to a court ordered settlement. In 2022** , **ED joined a class settlement agreement that would result in a blanket grant of automatic, presumptive relief for all BDTR applications filed by students at certain institutions through June 22, 2022, but our institutions were not included in the blanket grant of relief. The class settlement agreement would also provide certain expedited review of borrower defense claims related to institutions excluded from the automatic relief list, as well as for borrowers who applied during the period after execution of the settlement and before final approval. Borrowers had to have submitted an application by November 15, 2022 in order to receive expedited review. In December 2023, RU received from ED 338 BDTR claims, all of** which ~~apply to~~ **were dated between June 23, 2022 and November 15, 2022, for students attending RU between 2000 and 2022, seeking in the aggregate a discharge of approximately $ 6. 1 million in loans. In December 2023, HCN received from ED 77 BDTR claims,** all ~~Direct Loans made on~~ **of which were dated between June 23, 2022 and November 15, 2022,** ~~or~~ **for** ~~after July~~ **students attending HCN between 2007 and 2022, seeking in the aggregate a discharge of approximately $** 1 ~~, 2020~~ **. 4 million in loans. RU** and **HCN dispute the validity of** ~~before July 1, 2023, generally remove~~ these **claims** ~~prohibitions, but require institutions whose students must enter into pre- dispute arbitration agreements or class action waivers to disclose publicly those requirements,~~ and **have filed responses** ~~prohibit requiring a student~~ to **them** ~~participate in arbitration or any internal dispute resolution process prior to filing a BDTR application~~ with ED. **We are unable** ~~The 2022 Borrower Defense Regulations, which apply~~ to **predict whether ED will grant** ~~all Direct Loans made on or after July 1, 2023 and to all~~ BDTR **relief for the** claims ~~pending as of that date~~ , ~~prohibit~~ **or if so, whether it will seek recoupment from RU and / or HCN. However, if in the future our** institutions **are subject** ~~from requiring borrowers~~ to **ED recoupment** ~~sign mandatory pre- dispute arbitration agreements or class action~~ **actions** ~~waivers for claims related to the making of a Federal Direct Loan or the provision of educational services for which the loan was obtained. As a result of these dispute resolution provisions~~ , ~~we could incur claims and expenses that could have a material adverse effect on~~ our business, **reputation, enrollments, and** financial condition **may be adversely impacted** ~~, and results of operations~~ . ~~As~~ **While we have not received any claims with respect to APUS at this time, we believe is it reasonably likely that we will receive claims in the future. BDTR regulations, among other issues, are** more fully described in " Regulatory Environment – Student Financing Sources and Related Regulations / Requirements **– Department of Education – Regulation of Title IV Financial Aid Programs – Borrower Defenses** " ~~, the 2022 Borrower Defense Regulations address BDTR, among other issues. We cannot predict whether the final regulations, which are effective July 1, 2023, will result in regulatory changes that would harm our business~~ . The postsecondary education regulatory environment has changed and may change in the future as a result of U. S. federal elections. Changes in Presidential administrations and control of Congress as a result of the outcome of elections or other events could result in changes in or new legislation, appropriations, regulations, standards, policies and enforcement actions that could materially affect our business, including material consequences for our institutions' accreditation, authorization to operate in various states, permissible activities, receipt of funds under student financial assistance programs, and ~~costs~~ - **cost** of doing business. For example, as a result of the 2020 U. S. federal elections, Democrats, who tend to support more regulation of and restrictions on for- profit institutions, gained control of the executive branch and both houses of Congress, and as a result of the 2022 U. S. federal midterm elections, Democrats retained control of the Senate and lost control of the House of Representatives. The Biden administration and 2020 Congress have acted and may continue to act to change or eliminate education- related legislation and ED regulations, and to enact new legislation, such as legislation to reauthorize the HEA, and ED has initiated and could initiate new rulemaking processes to alter existing regulations and could act to change existing ED policies and practices with respect to matters related to postsecondary education institutions. For example, ARPA, which modifies the HEA' s 90 / 10 Rule to require that a for- profit institution derive not less than 10 percent of its revenue from sources other than " federal education assistance funds ", was enacted in 2021, and ED has issued final regulations to address the 90 / 10 Rule and other topics. ED also issued

final regulations to address BDTR, public service student loan forgiveness programs, mandatory pre- dispute arbitration, and prohibition of class- action lawsuits, among other issues. We cannot predict the extent to which the Biden administration and Congress, or any future administration or Congress, will act to change or eliminate or to implement new laws, regulations, standards, policies, and practices, nor can we predict the form that new laws, regulations, standards, policies, or practices may take or the extent to which those regulations, practices or policies may impact us or our institutions. A failure by our institutions to comply with ED' s incentive payment rule could result in sanctions and liability under the False Claims Act. If one of our institutions pays a bonus, commission, or other incentive payment in violation of the HEA' s prohibition on such payments, commonly referred to as the incentive payment rule, the institution could be subject to sanctions, which could have a material adverse effect on our business. If ED determines that one of our institutions violated the incentive payment rule, it may require the institution to modify its payment arrangements to ED' s satisfaction. ED may also fine the institution or initiate action to limit, suspend, or terminate the institution' s participation in Title IV programs. ED may also seek to recover Title IV funds disbursed in connection with the prohibited incentive payments. As described in " Regulatory Environment – Student Financing Sources and Related Regulations / Requirements – Department of Education – Regulation of Title IV Financial Aid Programs – Incentive Payment Rule ", changes in the interpretation of this prohibition may create uncertainty about what constitutes impermissible incentive payments and errors in the implementation of our compensation programs and arrangements may also lead to impermissible payments. Ambiguities as to how the incentive payment rule is interpreted also may influence our approach, or limit our alternatives, with respect to employment policies and practices and consequently may negatively affect our ability to recruit, retain, and motivate employees. DoD MOUs requires that institutions participating in TA have policies in place that are compliant with regulations issued by ED related to restrictions on incentive payments. In addition, the Johnny Isakson and David P. Roe, M. D. Veterans Health Care and Benefits Improvement Act of 2020 bans incentive payments based on success in securing enrollments or financial aid with regard to VA benefits. In addition, third parties may file " qui tam " or " whistleblower " suits on behalf of the federal government under the federal False Claims Act alleging violation of the incentive payment rule. Such suits may prompt ED investigations, and the federal government may determine to intervene in the lawsuits. Particularly in light of the uncertainty surrounding interpretation of the incentive payment rule, the existence of, the costs of responding to, and the outcome of, such suits or ED investigations could have a material adverse effect on our reputation causing our enrollments to decline, could cause us to incur costs that are material to our business, and could impact the ability of our institutions to participate in Title IV programs, among other things. As a result, our business could be materially and adversely affected. Our institutions may lose eligibility to participate in Title IV programs if their student loan default rates are too high, and our future growth could be impaired as a result. As described more fully under " Regulatory Environment – Student Financing Sources and Related Regulations / Requirements – Department of Education – Regulation of Title IV Financial Aid Programs – Student Loan Defaults " **and " – Cohort Default Rate "** , ~~to remain eligible~~ **if the cohort default rate for any year exceeds 40 % in any single year, or exceeds 30 % for three consecutive years, an institution loses eligibility** to participate in Title IV programs ~~, an educational institution' s federal student loan cohort default rates must remain below certain specified levels~~ . If an institution' s cohort default rate equals or exceeds 30 % for any given year, it must establish a default prevention task force and develop a default prevention plan with measurable objectives for improving the cohort default rate. ~~Educational institutions will lose eligibility to participate in Title IV programs if their cohort default rate is equal to or greater than 30 % for three consecutive years, or if the cohort default rate exceeds 40 % for any given year.~~ Government policies to minimize the adverse economic impact of the COVID- 19 pandemic have artificially lowered our institutions' cohort default rates, which nevertheless may be higher than otherwise expected as a result of the pandemic. Congress and ED ~~have~~ implemented a temporary freeze on student loan payments and interest accruals, which means borrowers are less likely to default on their loans and our institutions' cohort default rates are lower not because borrowers are making timely repayments but because the government is allowing them not to make payments. **In June 2023, the Fiscal Responsibility** ~~At~~ **Act** ~~the same time, borrowers may face economic constraints as~~ **was** ~~a result of~~ **enacted, ending** the ~~pandemic~~ **freeze on payments and interest accruals. Accordingly, interest accrual on federal student loans resumed on September 1, 2023 and payments became due beginning October 1, 2023** , which may lead to an increase in defaults and therefore an increase in our institutions' cohort default rates ~~upon expiration of the forbearance~~ **. ED has announced a 12- month " on- ramp " to repayment, running from October 1, 2023 to September 30, 2024, so that financially vulnerable borrowers who miss monthly payments during this** period **will not be considered delinquent, reported to credit bureaus, placed in default, or referred to debt collection agencies** . ~~If one of~~ **ED has also announced other actions intended to provide debt relief and support for student loan borrowers, such as instituting a new income- driven repayment plan. However, there can be no assurance that** our institutions **' cohort** ~~is required to develop a formal default prevention plan, it may increase our administrative costs, which would adversely impact our results of operations. In addition, if Congress or ED restricts permitted types of default prevention assistance, the~~ default rates **will benefit from these efforts, and the eventual end** of ~~our former students~~ **the " on- ramp " period** may ~~be negatively impacted. Congress could~~ also **lead to an** increase **in** ~~the measuring period, which could negatively impact our default~~ **defaults** ~~rates. In the past, members of Congress have also introduced proposed legislation that would assess institutions a share of the costs associated with default of student loans by students who were enrolled in the institutions' education programs and would tie an institution' s obligation to make such " risk- sharing " payments to the institution' s eligibility to participate in the Title IV programs~~ . If one of our institutions loses its eligibility to participate in Title IV programs because of high student loan default rates, students would no longer be eligible to use Title IV program funds at that institution, which would significantly reduce that institution' s enrollments and revenue and cash flows and have a material adverse effect on our results of operations. **In addition, if Congress or ED restricts permitted types of default prevention assistance, the default rates of our former students may be negatively impacted. Congress could also increase the measuring period, which could also negatively impact student default rates.** We rely on third parties to administer elements of APUS' and

HCN' s participation in Title IV programs and their failure to perform services as agreed or to comply with applicable regulations could cause us to lose our eligibility to participate in Title IV programs. ED' s regulations permit an institution to enter into a written contract with a third- party servicer for the administration of any aspect of the institution' s participation in Title IV programs. The third- party servicer must, among other obligations, comply with Title IV requirements and be jointly and severally liable with the institution to ED for any violation by the servicer of any Title IV provision **. An institution must report to ED new contracts with or any significant modifications to contracts with third- party servicers and other matters related to third- party servicers** . If any third- party servicer that we have engaged does not comply with applicable statutes and regulations, our institutions may be liable for its actions, and our institutions could lose eligibility to participate in Title IV programs. The failure of one of our third- party servicers to perform the services as agreed may adversely impact our ability to operate, our eligibility to participate in Title IV programs, and our financial condition. Further, in the event that our institutions transition to or from a third- party servicer for any of its services, there would be costs and risks related to the transition, which could have a material adverse effect on our financial condition. As discussed in " Regulatory Environment – Student Financing Sources and Related Regulations / Requirements – Department of Education ", ED recently issued **and subsequently retracted** guidance that **would have** significantly ~~expands~~ **expanded** the types of activities and functions that constitute third- party servicer activities for Title IV purposes and ~~states~~ **stated** ED' s position that an institution may not contract with a third- party servicer for Title IV purposes if the servicer (or its subcontractors) is located outside the U. S. or is owned or operated by an individual who is not a U. S. citizen or national or a lawful U. S. permanent resident. ~~Our~~ **In a November 2023 press release, ED indicated that it intends to issue updated guidance in early 2024. with an effective date at least six months after its publication. Once final guidance is published, our** institutions must assess their arrangements with third parties to determine whether a vendor must now be treated as a third- party servicer based on the guidance, and such assessment may lead to a need to modify or end existing contracts and establish new contracts. Any transition by our institutions to or from a third- party servicer for any services as a result of the new guidance could be costly and present other risks related to the transition, which could have a material adverse effect on our financial condition and results of operations. Our institutions will be subject to sanctions that could be material to our results and damage our reputation if ED determines that our institutions failed to correctly calculate and timely return Title IV program funds for students who withdraw before completing their educational program. As more fully described in " Regulatory Environment – Student Financing Sources and Related Regulations / Requirements – Regulation of Title IV Financial Aid Programs – Title IV Return of Funds ", an institution participating in Title IV programs must calculate unearned Title IV program funds that have been disbursed to students who withdraw from their educational programs before completion and must timely return those funds. Under ED regulations, late returns of Title IV program funds for 5 % or more of students sampled in connection with the institution' s annual Title IV compliance audit constitute material noncompliance for which an institution generally must submit an irrevocable letter of credit. Our institutions' failure to comply with ED' s substantial misrepresentation rules could result in material sanctions. **As more fully described in " Regulatory Environment – Student Financing Sources and Related Regulations / Requirements – Regulation of Title IV Financial Aid Programs – Substantial Misrepresentation ",** ED may ~~take action against~~ **fine, suspend or terminate the participation in Title IV programs by** an institution **that engages** in ~~the event of~~ substantial misrepresentation **regarding** ~~by the institution concerning~~ the nature of its ~~educational~~ -- **education** ~~programs~~ - **program** , its financial charges, or the employability of its graduates ~~. As part of the 2022 Borrower Defense Regulations, which become effective July 1, 2023, ED modified the substantial misrepresentation rule to explicitly include certain " omissions of fact " as a basis for a misrepresentation claim or BDTR claim. If ED determines that an institution has engaged in substantial misrepresentation, ED may: (i) if the institution is provisionally certified, as our institutions currently are, revoke an institution' s program participation agreement or impose limitations on its participation in Title IV programs; (ii) deny participation applications made on behalf of the institution; or (iii) initiate a proceeding against the institution to fine the institution or to limit, suspend, or terminate the institution' s participation in Title IV programs~~ . If administrative actions or litigation claiming substantial misrepresentation were brought against our institutions, we could incur legal costs related to their investigation and defense, which could materially and adversely impact our financial condition. ~~Failure to comply with the Clery Act as implemented by ED could result in sanctions. Our institutions must comply with certain campus safety and security reporting requirements as well as other requirements in the Clery Act. The Clery Act requires an institution to report to ED and disclose in an annual security report, for the three most recent calendar years, statistics concerning the number of certain crimes that occurred within the institution' s " Clery geography, " which comprises an institution' s campus and non- campus buildings and property, public property on or adjacent to and accessible from the campus, and in some cases areas within the patrol jurisdiction of the campus police or security department. Our institutions each publish an annual security report as required by the Clery Act, and their failure to comply with the Clery Act requirements or regulations promulgated by ED could result in our institutions being fined or having their eligibility to participate in Title IV programs limited, suspended, or terminated, could lead to litigation, or could harm our institutions' reputation, each of which could, in turn, adversely affect our institutions' enrollments and revenue and have a material effect on our business.~~ Enforcement of laws related to the accessibility of technology continues to evolve, which could result in increased information technology development costs and compliance risks. Our institutions make certain course content available to students through personal computers, mobile devices, and other technological devices. The curriculum makes use of a combination of graphics, pictures, videos, animations, sounds, and interactive content **. We also communicate to both the general public and our enrolled students through our websites, which also triggers accessibility requirements under federal law** . Federal agencies, including ED and the Department of Justice, have considered or are considering how electronic and information technology should be made accessible to persons with disabilities, including via specific technical standards. For example, as discussed further in " Regulatory Environment – Department of Education – Regulation of Title IV Financial Aid Programs – Accessibility for Students and Disabilities ", ED' s

Office for Civil Rights **, or OCR,** has in recent years taken enforcement action against higher education institutions in connection with the inaccessibility of their websites and online learning management platforms to persons with a disability **. In 2022, OCR initiated a random compliance review of APUS' s learning management system and courses. At this time, we cannot predict the outcome of the compliance review or when it will be completed, whether there will be any adverse findings in the resulting compliance review, or whether OCR will place any liability or other limitations on APUS as a result of the compliance review** . As a result of such enforcement action or as a result of new laws and regulations that require greater accessibility or accessibility in accordance with specific technical standards, our institutions may have to modify their online classrooms and other uses of technology to satisfy applicable requirements, which could require substantial financial investment. As with all nondiscrimination laws that apply to recipients of federal financial assistance, an institution may lose access to federal financial assistance if it does not comply with Section 504 requirements. In addition, private parties may file or threaten to file lawsuits alleging failure to comply with laws that prohibit discrimination on the basis of disability, **such as the class action complaint APUS received in July 2020 regarding its website accessibility that settled in September 2020,** and defending against such actions may require our institutions to incur costs to modify their online classrooms and other uses of technology and costs of litigation. Government and regulatory agencies and third parties may conduct compliance reviews, bring claims, or initiate enforcement actions or litigation against us, any of which could disrupt our institutions' operations and adversely affect their performance. Our institutions are subject to audits, compliance reviews, inquiries, complaints, investigations, claims of noncompliance, enforcement proceedings, and lawsuits by government agencies, regulatory agencies, students, employees, and third parties, including claims brought by third parties on behalf of the federal government. For example, ED regularly conducts program reviews of educational institutions that are participating in Title IV programs and ~~the~~ ED OIG regularly conducts audits and investigations of such institutions. **ED finalized a Title IV program review of** RU **in July 2023 and APUS** is currently subject to an ongoing Title IV program review **. In July 2023** , ~~and~~ ED **began** ~~recently completed~~ a program review of ~~HCN~~ **APUS' s administration of Title IV programs during the 2021- 2022 and 2022- 2023 award years that includes a review of compliance with the 90 / 10 Rule. At this time, we cannot predict the outcome of the APUS program review, when it will be completed, whether there will be any adverse findings in the resulting program review report, what findings there may be related to 90 / 10 Rule compliance, if any, or whether ED will place any liability or other limitations on APUS as a result of the review** . In September 2022, RU received a program review report from ED with respect to the previously disclosed open program review for the 2015- 2016 and 2016- 2017 award years. ED asserted 14 findings of noncompliance with Title IV rules, including rules related to Title IV administration, policies, and consumer information and reporting requirements, and the federal work study, Pell Grant, and Federal Supplemental Educational Opportunity Grant programs. The program review report ~~requires~~ **required** RU to do a review in connection with the federal work study finding, prepare policies and procedures, return small amounts of funds to two students, provide training, and take other actions in connection with the findings, and to provide a response, which RU timely provided. **In July 2023, RU received** ~~ED will review the response and then issue~~ a final program review **report from** ~~determination specifying any liabilities. At this time, we cannot predict the outcome of the RU program review, when it will be completed, or whether~~ ED ~~will place any~~ **in which ED found that all the findings of noncompliance with Title IV rules had been resolved with a total** liability ~~or~~ **of approximately $ 4, 200 including a de minimis amount of interest associated with** ~~other~~ -- **the liability** ~~limitations on RU as a result of the review~~ . In July 2022, HCN received from ED the final program review determination from a review that had been pending since June 2017, and in September 2022 ED notified HCN that it had closed the program review **,** and no further action was required. The review included findings of a failure to prorate fees, return of Title IV funds calculations that were not properly computed, untimely and inaccurate reporting to the National Student Loan Data System, incomplete verification, and cost of attendance formulation deficiencies. HCN was required to do a full file review in connection with the return of Title IV funds finding, to have the review tested by an independent auditor, and to prepare policies and procedures and take other actions in connection with the findings. Total liabilities were approximately $ 12, 000 **. HCN notified all students and / or borrowers in writing regarding payments made on their behalf. HCN timely submitted the total payment to ED and in accordance with instructions provided** . In addition, the FTC has investigated and, in some cases, brought lawsuits against for- profit institutions alleging that the institutions engaged in deceptive trade practices, and the Consumer Financial Protection Bureau has sued for- profit institutions for engaging in allegedly illegal predatory lending practices. In October 2021, in what it termed a broad- based initiative to deter for- profit college fraud, the FTC issued informational notices to 70 for- profit higher education institutions, including APUS and RU, informing them of certain marketing practices the FTC had previously determined to be deceptive or unfair and therefore unlawful under the FTC Act and thereby documenting that the institutions have knowledge that the FTC has found these marketing practices to be unfair or deceptive. **APUS and RU were not specifically accused of wrongdoing.** The FTC ~~also~~ announced that it would be enhancing its enforcement cooperation with other agencies with oversight of educational institutions, including ED' s Office of Federal Student Aid and the Department of Veterans Affairs. Also in October 2021, ED announced that it had restored an Office of Enforcement within ED' s Office of Federal Student Aid to strengthen oversight of and enforcement actions against postsecondary institutions that participate in federal student loan, grant, and work- study programs. Any civil penalties or enforcement actions could have a material and adverse effect on our financial condition and results of operations. If the results of compliance reviews or other proceedings are unfavorable to ~~us~~ **our institutions** , or if ~~we~~ **they** are unable to defend successfully against lawsuits or claims, our institutions may be required to pay monetary damages or be subject to fines, limitations, loss of Title IV funding, injunctions, or other penalties, including the requirement to make refunds. Even if our institutions adequately address issues raised by ~~an agency~~ **a compliance** review or successfully defend a lawsuit or claim, we may have to divert significant financial and management resources from our ongoing business operations to address issues raised by those reviews or to defend against those lawsuits or claims. Claims and lawsuits brought against us or one of our institutions

may result in reputational damage, even if such claims and lawsuits are without merit **, which** ~~. Any one of these sanctions~~ could materially adversely affect our business, financial condition, results of operations, and cash flows and result in the imposition of significant restrictions on us and our institutions, which may materially adversely affect our ability to operate. Investigations by state Attorneys General, Congress, and governmental agencies may result in increased regulatory burdens and costs. We and other for- profit postsecondary education providers have been subject to increased regulatory scrutiny and litigation in recent years. State attorneys general have increasingly focused on allegations of improper recruiting, compensation, and deceptive marketing practices, among other issues. States may also have consumer disclosure laws, including laws specifically applicable to for- profit institutions, and a state attorney general may take the position that any such laws apply to institutions that offer wholly online education to students in the state. In recent years, a number of state attorneys general launched investigations into for- profit postsecondary education institutions. ~~For example, in August 2018, we resolved an Attorney General of Massachusetts investigation without any finding or admission of wrongdoing on APUS' s part. Other state~~ **State** attorneys general may also initiate inquiries into us or our institutions. Actions by state attorneys general and other governmental agencies, such as the recently restored Office of Enforcement within ED' s Office of Federal Student Aid, whether or not involving us or our institutions, could damage our reputation and the reputation of our institutions and limit the ability to recruit and enroll students, which could reduce student demand for our institutions' programs and adversely impact our revenue and cash flow from operations. Our regulatory environment and our reputation may be negatively influenced by the actions of other for- profit institutions. Regulatory investigations and civil litigation brought against other for- profit education institutions have attracted adverse media and social media coverage, have been the subject of federal and state legislative hearings, and have in some cases resulted in legislation or rulemaking. In some cases, institutions have ceased operations, including while under multiple government investigations. Broader allegations against the overall for- profit school sector have negatively affected public perceptions of for- profit education institutions, including our institutions, and this trend could continue or broaden. In addition, reports on student lending practices of various lending institutions and schools, including for- profit schools, and investigations by a number of state attorneys general, Congress, and governmental agencies have led to adverse media and social media coverage of postsecondary and for- profit education. Adverse media or social media coverage regarding others in our industry, or regarding us or our institutions directly, could damage our reputation, could result in lower enrollments at our institutions, lower revenue, and increased expenses, and could have a negative impact on our stock price. Such allegations could also result in increased scrutiny and regulation by ED, Congress, accrediting bodies, state legislatures, state attorneys general, or other governmental authorities with respect to all for- profit institutions, including us and our institutions. For these reasons or others, not- for- profit or public education institutions may act to differentiate themselves from the for- profit education institutions, including by choosing not to enter into collaborations with for- profit institutions, including us, or by excluding for- profit institutions from membership in industry groups. Similarly, some corporations **have chosen and** may **in the future** choose not to collaborate with for- profit providers such as us for programs for their employees or for other training purposes. ~~For example, when Walmart announced that it will not be renewing its partnership agreement with APUS, it announced a new program that only involved not- for- profit institutions.~~ If we undergo a change in ownership or control, ED will place our institutions on provisional certification **if** ~~to the extent~~ they are not already on provisional status, and the terms of that provisional certification could limit our institutions' potential for growth and adversely affect our institutions' enrollment, our revenue, and results of operations. As described more fully under " Regulatory Environment – Regulatory Actions and Restrictions on Operations ", an institution whose parent undergoes a change in ownership resulting in a change of control loses its eligibility to participate in Title IV programs and must apply to ED in order to reestablish such eligibility. Future transactions could constitute a change in ownership or control under ED' s regulations and could cause ED to leave provisional certification in place for our institutions as required by the HEA. The conditions of provisional certification or heightened scrutiny by ED could impact, among other things, our institutions' ability to add educational programs, or additional locations, our ability to acquire other institutions, or our ability to make other significant changes. For example, as described in " Regulatory Environment – Student Financing Sources and Related Regulations / Requirements – Department of Education – Regulation of Title IV Financial Aid Programs – Eligibility and Certification Procedures ", ED imposed growth restrictions on RU in connection with RU' s 2019 change in ownership and continued those restrictions after the Rasmussen Acquisition as part of RU' s temporary provisional certification. In addition, if ED were to determine that our institutions were unable to meet their responsibilities while they were provisionally certified, as our institutions currently are, ED could seek to revoke our institutions' certification to participate in Title IV programs with fewer due process protections than if they were fully certified. Limitations on our institutions' operations could, and the loss of our institutions' certification to participate in Title IV programs would, adversely affect our institutions' enrollments, and our revenue and results of operations. See also the Risk Factor that begins " RU is currently on provisional certification with ED... " below. RU is currently on provisional certification with ED, ~~including because of the Rasmussen Acquisition,~~ and the terms of that provisional certification could limit its potential for growth. In July 2021, ED notified RU that in connection with its March 2019 change in ownership **that preceded our acquisition of RU** , ED **imposed** ~~was imposing~~ certain temporary growth restrictions on **RU** ~~the institution~~ , including limitations on new programs and locations and a cap on enrollments by students that participate in Title IV programs. Additionally, ED required RU to submit periodic financial and enrollment reports, a requirement that it had imposed on RU in connection with a financial responsibility letter of credit previously imposed on RU. **In connection** ~~Please refer to the Risk Factor~~ with the **Rasmussen Acquisition** ~~caption that begins " A failure to demonstrate ' financial responsibility' may result in the loss of eligibility... ". In September 2021~~ , RU timely submitted a change in ownership and control application to ED seeking approval to participate in the Title IV programs under our ownership ~~.~~ **and, effective October 2021,** ED and RU entered into a TPPPA ~~, effective as of October 14, 2021,~~ that ~~allows~~ **allowed** RU to continue disbursing Title IV funds **while** ~~during the period of~~ ED ~~' s review~~ **reviewed** ~~of~~ the change in ownership application. The TPPPA ~~continues~~ **continued** the growth restrictions ~~that~~

~~ED~~ imposed as a result of the **previous** ~~March 2019~~ change in ownership ~~, including the same enrollment cap~~ , with certain qualifications more fully described in " Regulatory Environment – Regulatory Actions and Restrictions on Operations " and " ~~-~~ Student Financing Sources and Related Regulations / Requirements " **. In August 2023, ED notified RU that it had approved RU' s continued participation in the Title IV programs under APEI ownership. In the PPPA that RU executed in connection with the approval, ED continues to impose certain growth restrictions on RU that were included in the TPPPA, including limitations on new programs and locations and an enrollment cap on the number of students that participate in Title IV programs. ED also continues to require RU to submit periodic financial and Title IV enrollment reports. The PPPA also imposes new reporting requirements related to accrediting agency actions, government actions, class actions and student complaints. The PPPA specifies that after ED reviews and accepts financial statements and compliance audits for one complete fiscal year of RU' s Title IV participation under APEI' s ownership, RU may seek removal of the enrollment cap and approval for new programs that replace current programs. The PPPA also specifies that at least until after ED reviews and accepts financial statements and compliance audits that cover the second complete fiscal year of RU' s Title IV participation under our ownership, RU must seek pre- approval for new locations, new programs that are not replacing current programs, and other changes. For the second and third fiscal years, RU is also subject to enrollment growth limitations, after which RU can request that ED release RU from further enrollment restrictions. The PPPA no longer requires RU to post the financial responsibility letter of credit that ED had imposed based on the 2019 change in ownership and control of RU, although this letter of credit has not yet been released. We believe we have met all obligations for the release of the letter of credit** . These growth restrictions could limit or adversely affect RU' s growth opportunities, including restricting its ability to serve additional students, particularly additional nursing students ~~, and limiting its ability to continue to evolve to address current education or market needs by providing new or changed programs. The growth restrictions could also have an adverse effect on our ability to grow revenue or meet investors' and financial analysts' expectations for financial performance~~ . If regulators do not approve or delay their approval of transactions involving a change of control of our Company or of institutions that we own or acquire, our and our institutions' ability to operate could be impaired. If we or one of our institutions experiences a change of ownership or control under the standards of applicable state regulatory bodies, accrediting agencies, ED, or other regulators, we or the institution governed by such agencies must notify or seek the approval of each relevant regulatory agency. Transactions or events that constitute a change of control include significant acquisitions or dispositions of an institution' s common stock, significant changes in the composition of an institution' s Board of Directors, internal restructurings, acquisitions of institutions including the Rasmussen Acquisition, or certain other transactions. Some of these transactions or events may be beyond our control. Our or our institutions' failure to obtain, or a delay in receiving, approval of any change of control from the relevant regulatory agencies following a transaction involving a change of ownership or control could result in a suspension of operating authority, loss of accreditation, or suspension, loss of ability to participate in Title IV programs or certain growth restrictions including with respect to adding locations and programs, which could have a material adverse effect on our institutions and our financial condition. Our failure to obtain, or a delay in receiving, any approval of any change of control from other states in which we are currently licensed or authorized could require our institutions to suspend activities in that state or otherwise impair our institutions' operations. The potential adverse effects of a change of control could influence, among other things, future decisions by us and our stockholders regarding the sale, purchase, transfer, issuance, or redemption of our stock. In addition, the regulatory burdens and risks associated with a change of control also could have an adverse effect on the market price of our common stock. Growth restrictions that ED could impose as a result of change in ownership are more fully described in " Regulatory Environment – Regulatory Actions and Restrictions on Operations " and "- Student Financing Sources and Related Regulations / Requirements ". ~~Certain contingents of Congress continue to examine the for- profit postsecondary education sector, which could result in targeted legislation, heightened oversight, or additional ED rulemaking that may limit or condition Title IV program participation of for- profit schools in a manner that may materially and adversely affect our business. Certain contingents of Congress continue to examine institutions like ours. This examination has resulted in the introduction of various pieces of legislation, the holding of several hearings by various Congressional committees, and Congressional investigations and inquiries. We have previously incurred significant legal and other costs to respond to Congressional inquiries and could incur significant legal and other costs to respond to any future inquiries. We cannot predict the extent to which, or whether, Congress may refocus on for- profit education institutions, but Democrats, who gained control of both houses of Congress as a result of the 2020 U. S. federal elections and who retain control of the Senate as a result of the 2022 U. S. federal midterm elections, tend to support more regulation of and restrictions on for- profit institutions. We also cannot predict the extent to which, or whether, any hearings or investigations will result in legislation, further rulemaking affecting our participation in Title IV programs, or litigation alleging statutory violations, regulatory infractions, or common law causes of action.~~ Congress has in the past changed, and may in the future change, eligibility standards and funding levels for federal student financial aid programs, DoD TA, and other programs. Other governmental or regulatory bodies may also change similar laws or regulations relating to such programs, which could adversely affect our student population, revenue, and financial condition. Title IV programs are made available pursuant to the provisions of the HEA **. The** ~~, and the~~ HEA ~~comes up for reauthorization~~ **must be periodically reauthorized** by Congress ~~approximately every five to six years~~ **and each Title IV program must be funded through appropriations acts on an annual basis** . ~~In the~~ **The most** recent ~~past, Congress has passed short- term non- substantive extensions of the HEA pending~~ comprehensive reauthorization **occurred in 2008** ~~legislation. Further,~~ when Congress ~~does not act on comprehensive~~ **reauthorized most HEA programs through the 2014 federal fiscal year. The** reauthorization **has been temporarily extended in the years that have followed** ~~through a single piece of legislation, it may act through multiple pieces of legislation~~ . Congress ~~completed the most recent reauthorization through multiple pieces of legislation and may reauthorize the HEA in a piecemeal manner in the future. Congress has~~ previously considered comprehensive legislation to reauthorize the

HEA, **including proposals from Republicans** and ~~is expected~~ **Democrats, referred** to **as the Student Aid Improvement Act and the College Affordability Act, respectively, and Congress could** consider such legislation again in the future ~~.~~ We cannot predict whether, in what form, or when, ~~the two houses of Congress will reauthorize the~~ HEA ~~or whether, or when, the President will sign~~ reauthorization legislation **will be enacted** . ~~Amendments~~ **Modifications** to the HEA could occur as part of reauthorization, which could require us to modify our business practices and increase administrative costs, thereby negatively impacting our results of operations ~~. Additionally, Congress determines the funding level for each Title IV program on an annual basis~~ . Future Congressional action, including in reauthorizations or appropriations acts, may result in legislative changes that could adversely affect the ability of our institutions to participate in Title IV programs, TA, and the availability of such funding sources for our students. Members of Congress ~~frequently~~ **may** propose legislation to alter or ~~amend~~ **modify** the terms under which our institutions participate in the federal student financial aid programs. Any action by Congress that significantly reduces funding for Title IV programs or the ability of our institutions or students to participate in these programs could materially harm our institutions' business. A reduction in government funding levels could lead to lower enrollments at our institutions and require our institutions to arrange for alternative sources of financial aid for their students. Lower student enrollments at our institutions or their students' inability to arrange alternative sources of funding could adversely affect our financial condition. Congressional action may also require our institutions to modify their practices in ways that could result in increased administrative and regulatory expenses. We are not in a position to predict **the extent to which, or whether, Congress may focus on for- profit education institutions or** whether any particular legislation that could adversely affect the for- profit education sector will be passed by Congress or signed into law in the future, but Democrats, who tend to support more regulation of and restrictions on for- profit institutions, ~~gained~~ **currently** control ~~of~~ the executive branch ~~and both houses~~ of ~~Congress as a result of~~ the ~~2020~~ U. S. **government** ~~federal elections, and retain control of the Senate as a result of the 2022 U. S. federal midterm elections~~ . The reallocation of funding among Title IV programs, material changes in the requirements for participation in such programs, or the substitution of materially different Title IV programs could reduce the ability of certain students to finance their education at our institutions and adversely affect our revenue and results of operations. Failure to comply with the various federal and state laws and regulations governing ~~RU' s and~~ HCN' s extended payment plan ~~options~~ **option** could subject us to fines, penalties, obligations to discharge loans and other injunctive requirements. ~~RU and~~ HCN ~~offer~~ **offers an** extended payment plan ~~options~~ **option** designed to assist students with educational costs, including tuition and fees. The extended payment ~~plans~~ **plan** ~~are~~ **is** subject to various federal and state laws and regulations, as discussed in " Regulatory Environment – Student Financing Sources and Related Regulations / Requirements – Additional Sources of Student Payments ". If we do not comply with these laws and regulations, we could be subject to fines, penalties, obligations to discharge loans and other injunctive requirements, which could have a material adverse effect on our financial condition, results of operations, and cash flows and result in the imposition of significant restrictions on us and our ability to operate. Additionally, an adverse allegation, finding or outcome in any of these matters could also materially and adversely affect our ability to maintain, obtain or renew licenses, approvals or accreditation and maintain eligibility to participate in Title IV programs or serve as a basis for ED to discharge certain Title IV student loans and seek recovery for some or all of its resulting losses from us, either of which could have a material adverse effect on our business, financial condition, results of operations, and cashflows, and result in the imposition of significant restrictions on us and our ability to operate. Risks Related to Our Business Our student registrations,revenue,and cash flow have been adversely impacted and we could continue to experience adverse impacts as a result of the Army' s transition to new systems for soldiers to request TA.APUS relies on the ability of the Army,and the other branches of the Armed Forces,to process service members' participation in TA programs,and from time to time,changes to processes have impacted the ability of service members to participate in those programs.For example,the Army in 2021 transitioned from its legacy system,GoArmyEd,to a new system,ArmyIgnitED,for soldiers to use to request TA.This transition was beset ~~by~~ **with** delays and ~~disruption~~ **disruptions** ~~of~~ **to** the Army' s TA programs.In connection with the transition,we experienced challenges related to system performance,process changes and third- party software defects,and there was an adverse impact on registrations and revenue,profits,and cash flow in **the** second and third quarters of 2021.Due to the transition,ArmyIgnitED does not currently reflect all courses previously taken by soldiers at APUS in the relevant period or all amounts due to APUS.Our efforts to work with the Army to resolve these discrepancies continue but may be unsuccessful.We could incur bad debt expense if the Army does not recognize and process payments for all courses taken by soldiers during this period,or if soldiers do not otherwise pay the tuition for courses not reimbursed through Army TA.In August 2022,the Army transitioned from the initial version of ArmyIgnitED to an upgraded ArmyIgnitED 2.0,with a new third- party service provider,and announced that all TA requests for courses **would be required to** ~~beginning on or after October 1,2022 must~~ be submitted via ArmyIgnitED 2.0.As part of this change,the Army stopped allowing institutions to submit invoices **for a portion of** ~~from July 30,2022 until August 29,~~ 2022,which impacted our ability to collect on our accounts receivable ~~,~~ **and** caused our accounts receivable to increase ~~and~~ **.Furthermore** , **some payments from the Army that were expected in 2021 and 2022 were delayed into 2023,which,together with recent modifications to the 90 / 10 Rule and enrollment growth among service members** as ~~a result~~ **compared to declining enrollments from students who use non- federal educational assistance funds** , ~~may cause~~ **caused the " 90 % " side of the ratio to increase for 2023 at APUS.The impact of the delayed receipt of funds and APUS' s change in billing process are discussed in further detail in the Risk Factor that begins " If one or more of** our **institutions does not comply with** ~~bad debt expense to increase.As of December 31,2022,approximately $ 26.0 million,of which $ 16.5 million is older than 60 days from~~ the **90 / 10 Rule … "** ~~course start date,was due from the Army due to the disruption caused by the transition to ArmyIgnitED and upgrade to ArmyIgnitED 2.0~~ .There can be no assurance that our **continued** efforts to mitigate any adverse impact of the transition to ArmyIgnitED 2.0 on accounts receivable,bad debt,and cash flow will be successful or that ArmyIgnitED 2.0 will work as expected. ~~Furthermore,some payments from the Army that were expected in 2022 were delayed into 2023,which together with recent amendments to the 90 / 10 Rule is expected to cause~~

~~APUS' s 90 / 10 Rule percentage to increase and could make it less likely that APUS meets the 90 / 10 Rule requirements for 2023.Any future delays in receipt of funds from the Army,or other service branches could have an adverse impact on our cash flow and results of operations.~~ Difficulties associated with ~~this~~ **the transition to ArmyIgnitED** or any further upgrade or transition to a new service provider,including the related data migration,could cause further disruption to soldiers' ability to seek and obtain TA and to the Army' s processing of invoices and payments to APUS.We could experience similar challenges with any other system transitions undertaken by other branches of the DoD or the government.For example,VA has announced ~~that it~~ **multi- year** plans ~~in 2023~~ to upgrade systems used for veteran education benefits,and we have no assurance that ~~this upgrade~~ **upgrades** will not disrupt veteran access to those benefits and our ability to collect on related accounts receivable **.The inability of soldiers to participate in TA programs,or of veterans to access VA education benefit programs,or continued or additional limitations on their ability to apply and participate,would have an adverse effect on our results of operations and financial condition.** Economic and market conditions in the U. S. and abroad and changes in interest rates could affect our enrollments, success with placement and persistence and cohort default rates. Our business has been and may in the future be adversely affected by a general economic slowdown, recession, or other adverse economic developments in the U. S. or abroad, including rising interest rates and inflation. Our institutions derive a significant portion of their revenue from Title IV programs, which include student loans with interest rates subsidized by the federal government. Additionally, some students finance their education through private loans that are not government subsidized. Historically low interest rates have created a favorable borrowing environment for students. However, our students may have to pay higher interest rates on their Title IV program loans and private loans as a result of recent ~~and expected future~~ interest rate increases. **Any** ~~Increases~~ **increases** in applicable interest rates could result in a corresponding increase in educational costs to our existing and prospective students, which could result in a reduction in our enrollment. Higher interest rates could also contribute to higher default rates with respect to our students' repayment of their education loans. Higher default rates may in turn adversely impact our eligibility to participate in some Title IV programs, which could adversely impact our operations and financial condition. In addition, inflation has **resulted** and **,** in the future **,** could result in increased costs of labor and materials, which could adversely impact our operations and financial condition. Adverse economic developments, such as those that resulted from the COVID- 19 pandemic, that affect the ~~United States~~ **U. S.** could also result in a reduction in the number of jobs available to our graduates and lower salaries being offered in connection with available employment, which, in turn, could result in declines in our success with placements and persistence. In addition, adverse economic developments could adversely affect the ability or willingness of our former students to repay student loans, which could increase our institutions' student loan cohort default rates and require increased time, attention, and resources to manage these defaults. Our institutions' students are able to borrow Title IV loans in excess of their tuition and fees. The excess is received by such students as a credit balance refund. However, if a student withdraws, our institutions must return any unearned Title IV funds (which may include a portion of the credit balance refund) and must seek to collect from the student any resulting amounts owed to the institution. A protracted economic slowdown could negatively impact such students' abilities to satisfy debts to the institution, including debts that result from returns of unearned Title IV amounts. As a result, the amount of Title IV funds we would have to return without repayment from our institutions' students could increase, and our financial results could suffer. Our business could be harmed if our institutions experience a disruption in their ability to process Title IV financial aid. We collected a substantial portion of our fiscal year ~~2022~~ **2023** consolidated revenue from receipt of Title IV financial aid program funds. Any processing disruptions by ED, by our institutions, or by third-party service providers may impact the ability of our institutions' students to obtain Title IV financial aid on a timely basis. If our institutions experience a disruption in their ability to process Title IV financial aid, either because of administrative challenges on their part or the part of their vendors, or the inability of ED to process Title IV funds on a timely basis, it could have a material adverse effect on our institutions' business and on our financial condition, results of operations, and cash flows. If our institutions experience a disruption in their ability to process Title IV financial aid because of administrative challenges on their part or the part of their vendors, ED could require that our institutions become subject to payment methods for Title IV programs that are not the advance payment system, which could have a material adverse effect on our institutions' cash flows. Business combinations and acquisitions may be difficult to integrate, disrupt our business, dilute stockholder value, or divert management attention, and we may not realize the expected benefits of any consummated business combinations or acquisitions. From time to time, we explore or enter into business combinations and acquisitions, such as our recent Rasmussen Acquisition and GSUSA ~~acquisition~~ **Acquisition** , which are typically accompanied by a number of risks, including: • failure to consummate or delay in consummating the transactions; • lack of understanding of the target business; • unrealistic expectations for the benefits of the acquisitions or underestimation of the difficulties and costs of integration **and impact on cash flow** ; • failure to achieve anticipated transaction benefits or projected financial results and operational synergies; • difficulties consolidating operations and integrating financial, information technology and other systems, as well as challenges in maintaining uniform, effective, or compliant standards, controls, policies, and procedures, including financial reporting procedures; • disruption or termination of relationships with students or business partners; • distraction of management' s and other key personnel' s attention from normal business operations during the acquisition and integration processes; • inability to obtain, or delay in obtaining, approval of the acquisition from the necessary regulatory agencies, or the imposition of operating restrictions or a letter of credit requirement on us or on the acquired institution such as in the case of the Rasmussen Acquisition; • expenses associated with the integration efforts; • **increased costs of strategic transactions as a result of recent inflation and higher interest rates; •** adverse tax or accounting impact; and • unidentified issues not discovered in the due diligence process, including legal and regulatory contingencies. Any inability to integrate completed acquisitions in an efficient and timely manner could have an adverse impact on our results of operations. Further, many acquisitions result in the acquirer recording goodwill. If any acquisitions for which we record goodwill are not successful or experience challenges, that goodwill may become impaired and have an adverse impact on our results of operations. For example, we recorded a non- cash ~~charge~~

charges of $ ~~144~~ **146** . 9 **million and $ 64. 0** million, and to reflect the corresponding tax impact of $ 36. 0 million **and $ 15. 8 million** , during the fiscal ~~year~~ **years** ended December 31, 2022 **and 2023, respectively,** to reduce the carrying value of RU goodwill and intangible assets as a result of determining that the fair value of RU was less than its carrying value. ~~This~~ **In June 2023, we completed a qualitative assessment of RU and HCN Segment goodwill to determine if an interim goodwill impairment testing** was ~~due to~~ **necessary. We concluded it was more likely than not the fair value of the RU Segment was less than its carrying amount resulting from** RU' s underperformance **when compared to** ~~in the second quarter of 2022~~ **2023 internal targets, projected enrollment trends, the decline in financial performance projected for the remainder of 2023** as compared to **prior** projections **, and** ~~at the time of acquisition as well as the decline in~~ our market value ~~and that of comparable companies~~ . **As** ~~We believe that it is~~ a **result,** ~~reasonable possibility that~~ we **completed a quantitative** ~~will be required to record further~~ impairment ~~charges~~ **test related** to ~~reduce~~ the **valuation** ~~carrying value~~ of **its** RU Segment goodwill ~~in~~ **during the second quarter of 2023. Given the current competitive and regulatory environment and the uncertainties regarding the related impact on the business, there can be no assurance that the estimates and assumptions made for purposes of our goodwill impairment tests will prove to be accurate predictions of the** future ~~periods~~ . The Rasmussen Acquisition was, and our acquisition of any other educational institution would also likely be, considered a change in ownership and control of the acquired institution under applicable regulatory standards. For the Rasmussen Acquisition, we needed, and for any such acquisition, we would need approval from ED, and we would need to notify or obtain approval from applicable state agencies and accrediting agencies, and possibly other regulatory bodies, to the extent those agencies or bodies require such actions. A number of these approvals can only be requested after completion of an acquisition. Our inability to obtain such approvals with respect to a completed acquisition could have a material adverse effect on our business, financial condition, results of operations, and cash flows. If we are not successful in completing acquisitions, we may incur substantial expenses and devote significant management time and resources without a productive result. In addition, future acquisitions could result in dilutive issuances of securities or could require use of substantial portions of our available cash, ~~as in the HCN acquisition and the Rasmussen Acquisition,~~ or issuances of debt ~~and~~ **or** equity, as in connection with the Rasmussen Acquisition, which could adversely affect our financial condition. We have not yet been able to fully achieve the anticipated benefits of the Rasmussen Acquisition, as evidenced by the reduction in carrying value of goodwill and intangible assets discussed above ~~,~~ and may not be able to achieve the anticipated benefits of any future acquisition, including cost savings and other synergies and growth opportunities, during the anticipated time frame, or at all. For example, events outside our control, such as changes in regulation and laws and economic trends, could adversely affect our ability to realize the expected benefits. A continued inability to realize the full extent of the anticipated benefits of the Rasmussen Acquisition or an inability to realize in full anticipated benefits of any future acquisition could have an adverse effect on our revenue, results of operations, and level of expenses, which may adversely affect the value of our common stock ~~. Our acquisition of GSUSA may not achieve its expected benefits and we may not be successful in operating GSUSA or executing our plans for its business, including because of our limited experience in training and compliance with government contracting law. GSUSA is one of the largest providers of training to the federal government workforce, a market in which we have limited experience, and its contracts are governed by the FAR, a regulatory framework with which we have limited experience. The FAR creates compliance risk, affects how GSUSA interacts and does business with its federal government clients, including by providing government agencies with rights not typically found in commercial contracts, and may impose added costs on GSUSA' s business. Our government contracts may provide for termination by the government at any time, without cause. In addition, we may be subject to audits and investigations relating to these contracts, and any violations could result in civil and criminal penalties and administrative sanctions, including termination of contract, refund or suspension of payments, forfeiture of profits, payment of fines, and suspension or debarment from future government business. The acquisition of GSUSA remains subject also to certain of the risks described in the Risk Factors captioned " Business combinations and acquisitions may be difficult to integrate, disrupt our business, dilute stockholder value, or divert management attention, and we may not realize the expected benefits of any consummated business combinations or acquisitions " above and " Efforts to diversify our business outside of the traditional areas served by our institutions may provide strategic and operational challenges that we are not prepared or able to address " below. Our inability to realize the expected benefits of the acquisition of GSUSA or to successfully operate its business or execute our business plans for GSUSA would adversely impact our financial condition and results of operations~~ . Efforts to diversify our business outside of the traditional areas served by our institutions may provide strategic and operational challenges that we are not prepared or able to address. We intend to continue to explore opportunities to invest in the education industry, which could include purchasing or investing in other education- related companies or companies developing new technologies. As we seek opportunities to expand our business and serve markets beyond those traditionally served by our institutions, such as the federal government training market through the acquisition of GSUSA, we may encounter strategic and operational challenges different from those within our existing institutions. We or our institutions may have limited experience operating in new businesses and markets or new modes of teaching and may need to modify systems and strategies or enter into arrangements with other institutions and organizations. In addition, our systems and infrastructure may not be able to respond quickly enough to support new business opportunities, or we may not otherwise be able to address the strategic or operational differences of or compliance challenges associated with these new opportunities. If we are unable to successfully capitalize on new opportunities, the value of our common stock may decline over time, including because of the challenges of growing our core business under our current model. We have implemented a shared services model for services to our institutions, and challenges encountered due to the ongoing operation and expansion of this model could cause strategic or operational challenges and adversely impact us. Over the last several years, we have invested capital and human resources in the transition and implementation of a shared services model pursuant to which APEI provides services to our institutions that were previously handled directly within those institutions. However, APEI' s provision of shared services may not provide the level of service or respond quickly enough to meet the business needs of our institutions. We may

not achieve the expected or desired synergies or other benefits of implementing shared services. In addition, the operation and continued expansion of the shared services model could lead to strategic and operational challenges, inefficiencies, or increased costs, any of which could cause our institutions to become dissatisfied with the shared services model, and adversely affect our business, financial condition, results of operations, and cash flows. We rely on third- party vendors whose service may be of lower quality than ours, whose responsiveness may be less timely than ours, and whose compliance practices may increase our operational and compliance risk. We rely on third- party vendors to provide certain services to our institutions and their students primarily related to information technology services, our learning management system, and financial aid processing, and expect to rely more heavily on such vendors, particularly through cloud computing services, in the future. **For example, in December 2023, we entered into an agreement to outsource certain of our information technology operations to a managed service provider, including service desk, end user support, network support, and other information technology managed service operations.** While we monitor and assess vendor service, it is possible that the quality of service and the timeliness of vendor responses may be less than the service and responsiveness that we or our institutions would provide ~~. Lack of service level agreements with third- party vendors may negatively impact our operations, and third- party vendors may lack adequate business continuity planning~~. Using third- party vendors increases compliance risk that the vendors may not adequately protect personal information, or that they may not comply with applicable federal or state regulations. Further, transitioning from ~~existing~~ vendors or from in- house processes to new providers or from third- party providers to in- house processes or vice versa, such as the transition of RU marketing from Collegis to our in- house ~~,~~ centralized marketing team and the ~~planned~~ transition of information technology and related services ~~currently~~ **previously** outsourced to Collegis to our control and management or to cloud services or third- party vendors ~~over which we will have management oversight~~, involves inherent risks, including the risk of significant disruption of integral processes or the decrease in quality of service as compared to the prior provider. In the event third- party vendors fail to provide services, lack adequate **business** continuity planning, or fail to provide necessary implementation or transition services, our financial condition and results of operations could be adversely affected. There can be no guarantee that our business will generate sufficient cash flow from operations or that future capital or borrowings will be available to us in an amount sufficient to enable us to fund our other liquidity needs. Although we believe our cash flow from operations and our existing cash and cash equivalents will provide adequate funds for ongoing operations, debt and interest obligations, and planned capital expenditures for the next 12 months and the foreseeable future, our future capital requirements, and our ability to generate sufficient cash to fund our future operations will depend on a number of factors. Our business may not generate sufficient cash flow from operations, and future capital or borrowings may not be available to us in an amount sufficient to enable us to service our indebtedness, pay dividends on our Series A Senior Preferred Stock when due, or fund our other liquidity needs. Failure to achieve business performance consistent with our expectations, to reverse the decline in enrollments at RU, including as a result of regulatory action, or any government shutdown could adversely impact our cash flows and results of operations. In addition, our efforts to comply with the 90 / 10 Rule **, including APUS' s change to its billing approach to delay invoicing for TA,** could lead us to reduce enrollments ~~or~~ **,** require us to make expenditures **, or result in other outcomes** that would reduce our existing cash available for operations. We have incurred substantial indebtedness under our credit agreement, the cost of servicing that debt could adversely affect our business and financial results, and we may not be able in the future to service that debt. Our ability to make scheduled payments on or to refinance our obligations under the credit agreement will depend on our financial and operating performance, which will be affected by economic, financial, competitive, business, and other factors, some of which are beyond our control. The indebtedness we incurred in connection with the Rasmussen Acquisition requires us to dedicate a portion of our cash flow to servicing this debt, thereby reducing the availability of cash to fund other business initiatives. There can be no assurance that our business will generate sufficient cash flow from operations to service our indebtedness. If we are unable to meet our debt obligations or fund our other liquidity needs, we may need to restructure or refinance all or a portion of our indebtedness on or before maturity or sell certain of our assets. There can be no assurance that we will be able to restructure or refinance any of our indebtedness on **terms favorable to us or** commercially reasonable terms, if at all, which could cause us to default on our debt obligations and impair our liquidity. In addition, upon the occurrence of certain events, such as a change of control, we could be required to repay or refinance our indebtedness. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. There can be no assurance that we will be able to refinance any of our indebtedness on commercially reasonable terms or at all. If we are unable to generate or borrow sufficient cash to make payments on our indebtedness, our business and financial condition would be materially harmed. **For more information, see the Risk Factor that begins with the caption " If one or more of our institutions does not comply... "** Our Series A Senior Preferred Stock provides rights, preferences, and privileges that are not held by our common stockholders, and is senior to our common stock, which could adversely affect our cash flows, liquidity, and financial condition. We are required to pay periodic cash dividends to the holders of our Series A Senior Preferred Stock, which will accrue at an annual rate equal to Term SOFR (as defined in the Certificate of Designation) plus 10. 00 %, and will increase by 2. 0 % on June 28, 2025 and another 0. 5 % on October 1, 2025 and the first day of every following quarter, subject to a maximum of Term SOFR plus 25. 0 %, other than an increase in the dividend rate in connection with an event of default under the Certificate of Designation. Our ability to pay dividends will depend upon our financial condition, cash flows, and operating performance, which are subject to economic and competitive conditions and to factors beyond our control. Our failure to pay dividends when due would result in an immediate increase in the dividend rate by 6. 0 % per annum until there is no longer any default in existence and continuing, and (if the failure occurs prior to June 29, 2027) will trigger an immediate requirement to make a payment to the holders of the Series A Senior Preferred Stock equal to a make- whole amount plus a significant additional premium. We refer to this payment as the Early Premium Amount. We also have the option, from time to time, to redeem the Series A Senior Preferred Stock pro rata in whole or in part. Payment of dividends or the exercise of this redemption right could adversely impact our liquidity and

reduce the amount of cash flow available for working capital, capital expenditures, growth opportunities, and other general corporate purposes. In addition, holders of our Series A Senior Preferred Stock have certain consent rights that limit our ability to obtain debt or preferred stock financing or take certain other corporate actions. Without the consent of at least 60 % of the then outstanding shares of Series A Senior Preferred Stock, with certain exceptions, we may not, among other things, (i) incur any indebtedness if such incurrence would cause our Total Net Leverage Ratio (as defined in the purchase agreement for the Series A Senior Preferred Stock) to exceed 0. 75 **to 1** : ~~1~~**00** , (ii) issue any capital stock senior to or pari passu with the Series A Senior Preferred Stock, (iii) declare or pay any cash dividends on our common stock, or (iv) repurchase more than an aggregate of $ 30 million of our common stock. Such consent rights may limit our financial and operational flexibility, which could have a material adverse effect on our business or liquidity. Finally, our common stock ranks junior to our Series A Senior Preferred Stock with respect to the payment of dividends and amounts payable in the event of our liquidation, dissolution or winding- up of our affairs. In the event of our liquidation, dissolution or winding- up of our affairs, no distribution or payment may be made to holders of our common stock until we have paid to holders of the Series A Senior Preferred Stock a liquidation preference equal to $ 100, 000 per share of Series A Senior Preferred Stock plus accrued and unpaid dividends plus the Early Premium Amount. We may need additional capital in the future, but there is no assurance that funds will be available on acceptable terms. We may need additional capital in the future for various reasons, including to finance business acquisitions, as we did with the Rasmussen Acquisition **or to assist APUS in addressing 90 / 10 Rule compliance** , or investments in technology or to achieve growth or fund other business initiatives. There is no assurance that capital will be available in sufficient amounts or on terms acceptable to us and may be dilutive to existing stockholders. Additionally, any securities issued to raise capital may have rights, preferences, or privileges senior to those of existing stockholders, such as our Series A Senior Preferred Stock stockholders have compared to the rights of our common stockholders. If adequate capital is not available or is not available on acceptable terms, our and our institutions' ability to expand, develop or enhance services or products, or respond to competitive pressures, will be limited. Our access to capital markets and sourcing for additional funding to expand or operate our business is subject to market conditions. Credit concerns regarding the for- profit postsecondary education industry as a whole also may impede our access to capital markets. If we are unable to obtain needed capital on terms acceptable to us, we may have to limit strategic initiatives or take other actions that materially adversely affect our business, financial condition, results of operations, and cash flows. We may not be able to successfully manage and limit our exposure to bad debt. In recent years, we ~~experienced increases in bad debt in our HCN segment, and in the fourth quarter of 2023 we experienced increases in bad debt at RU. We have also had periods at APUS where we~~ have experienced increases in ~~our~~ bad debt ~~expense, and there is no assurance that bad debt expense will not increase at APUS again~~ in ~~the future~~ **each of** ~~or~~ **our** ~~at RU~~ **reportable segments** . There is no assurance that we will be able to limit our exposure to bad debt or that steps we take to limit bad debt will be effective. Bad debt increases at our institutions could have a material adverse effect on our financial condition, cash flows, and results of operations. If our institutions fail to maintain adequate systems and processes to detect and prevent fraudulent activity in student enrollment and financial aid, our institutions may lose the ability to participate in Title IV programs or DoD TA programs ~~,~~ or have participation in these programs conditioned or limited. Our institutions must maintain systems and processes to identify and prevent fraudulent applications for enrollment and financial aid. We cannot be certain that our institutions' systems and processes will continue to be adequate in the face of increasingly sophisticated fraud schemes, or that we will be able to expand such systems and processes at a pace consistent with the changing nature of these fraud schemes. Our institutions, in particular APUS, have been the target of fraudulent and abusive activity, including related to Title IV program funds. We believe the risk of outside parties attempting to perpetrate fraud in connection with the award and disbursement of Title IV program funds at APUS, including as a result of identity theft, is heightened due to its being an exclusively online education provider and its relatively low tuition. ED requires institutions that participate in Title IV programs to refer to ~~the~~ ED OIG credible information about fraud or other illegal conduct involving Title IV programs, and in the past our institutions have referred to the OIG information with respect to potential fraud by applicants and students. If the systems and processes that our institutions have established to detect and prevent fraud are inadequate, ED may find that our institutions do not satisfy ED' s administrative capability requirements, which could have the adverse effects described in the Risk Factor captioned " A failure to demonstrate " administrative capability " may result in the loss of eligibility to participate in Title IV programs ". In addition, our institutions' ability to participate in Title IV programs and TA is conditioned on maintaining accreditation by an accrediting agency that is recognized by ED. Any significant failure to adequately detect fraudulent activity related to student enrollment and financial aid could cause our institutions to fail to meet their accreditors' standards. Furthermore, accrediting agencies that evaluate institutions offering online programs, like APUS' s programs, must require such institutions to have processes through which the institution establishes that a student who registers for such a program is the same student who participates in and receives credit for the program. Failure to meet the requirements of our institutions' accrediting agencies could result in the loss of accreditation of one or more of our institutions, which could result in their loss of eligibility to participate in Title IV programs, TA, or both. If we are unable to attract, retain, and develop skilled personnel and management, our business and growth prospects could be severely harmed, and changes in management could cause disruption and uncertainty. We must attract, retain, and develop diverse and highly qualified faculty, management, administrators, and other skilled personnel to our institutions. **We** ~~As we continue to grow our business, make acquisitions, and expand our geographic scope, we~~ need to ensure effective succession for key executive and employee roles in order to meet the growth, development, and profitability goals of our business. Hiring competition is intense, especially for faculty in specialized areas and qualified executives ~~. There continues to be a shortage in access to nursing faculty~~ , ~~which impacts our ability to recruit~~ and ~~retain qualified nursing faculty at RU~~ **in areas such as information technology** and ~~HCN~~ **finance** . We also believe that current job market dynamics, including low unemployment, have further increased the challenge of hiring and employee retention. ~~Overall, turnover of our employees~~ **There continues to be a shortage in access to** ~~during~~ **nursing** ~~2022 increased when compared~~ **faculty, which may impact our ability** to ~~2021.~~

~~Excluding~~ **recruit and retain qualified nursing faculty at both** RU and **HCN** ~~GSUSA, which were not part of the organization for all of 2021, turnover in 2022 increased approximately 14 % to 24 %, depending on segment~~ . **If** ~~For 2022, 8. 3 % of full- time employee terminations were voluntary and 19. 6 % were involuntary. Turnover in 2021 was approximately 6 % to 10 % higher than in 2020, depending on segment. Although~~ we **are unable** ~~have taken additional steps~~ to **keep** ~~retain our current~~ faculty ~~and source and recruit talent~~ **to student ratios at satisfactory levels** , **we may implement** ~~there can be no assurance that our efforts will be successful. In~~ certain **initiatives** ~~RU campus geographies~~ , **including** ~~the challenge with recruiting qualified faculty has been particularly difficult~~ , **without limitation** ~~and in 2022 our faculty to student ratio has increased. For example~~ , ~~for the Bloomington, Minnesota ADN program, RU is now required by the Minnesota Board of Nursing to maintain a specified full-time faculty to student ratio, which contributed to RU reducing enrollments by voluntarily~~ increasing admissions standards and capping the number of students that can be accepted to the ~~program~~ **programs** ~~quarterly~~ **,** in order to ~~meet the ratio requirement,~~ concentrate on student satisfaction and success ~~,~~ and focus on improving NCLEX scores. ~~For the January~~ **These measures could have an adverse impact on enrollment. We strive to retain our talent and closely track retention among our employees, both staff and faculty. In** 2023 ~~start date in the Bloomington~~ , ~~Minnesota ADN program~~ **we had full- time employee turnover of approximately 19 %** , ~~the~~ **of which 73 % was** voluntary **and 27** ~~cap represented a 67. 1~~ % ~~decrease in enrollment potential as~~ **was** ~~compared to the prior year~~ **involuntary. In 2022 we had full- time employee turnover of 28 %, of which, 70 % was voluntary and 30 % was involuntary** . Any failure to develop and maintain a positive culture and strong employee morale or to continue fostering the growth and development of our personnel, including through the use of staff performance evaluation systems and processes, could have a material adverse effect on our business and results of operations. In addition, to the extent our leaders behave in a manner that is not consistent with our values, such as leading with integrity, we could experience significant impact to our brand and reputation, as well as to our culture. Hiring and retention may also depend on our ability to build and maintain a diverse and inclusive workplace culture that enables our employees to thrive **. We are investing resources into supporting the development of our leaders and our network of inclusion and equity focused councils and committees** . We must manage leadership development and succession planning throughout our business. We have had a number of other executive officers retire or otherwise depart our Company over the last several years and we continually evaluate our leadership structure. While we have employment agreements with our Chief Executive Officer and our Chief Financial Officer, we do not have employment agreements with other executives or personnel, and the employment agreements that we do have do not prevent our executives from voluntarily ceasing to work for us. To the extent that we lose experienced personnel, it is critical that we develop other employees, hire new qualified personnel, and successfully manage the transfer of critical knowledge. Management turnover and vacancies may negatively impact operations, morale, and our ability to execute. While we have processes in place for management transition and the transfer of knowledge, the loss of key personnel, coupled with an inability to adequately train other personnel, hire new personnel, or transfer knowledge, could significantly impact our business and results of operations. For example, during 2022, we had unexpected leadership departures at RU that we believe contributed to declines in enrollment at RU in 2022 and that **had** ~~will have~~ a negative impact on ~~starts in~~ the first half of 2023 and overall fiscal 2023 results of operations. While we continue to work to strengthen our management team and to attract and retain high- caliber talent, including through various human resources programs and what we believe are competitive market compensation and benefits practices, our efforts may not be successful. If we fail to attract new faculty, management, administrators, or skilled personnel or fail to retain, develop, and motivate our existing faculty, management, administrators, and skilled personnel, our institutions and our ability to serve our students, acquire new students, expand our programs, open new locations, make investments or acquisitions, and update or enhance our technology could be severely harmed, and changes in management could disrupt our business and cause uncertainty. We may not achieve the anticipated benefits of our cost savings efforts, including ~~our recent reduction~~ **reductions** in force, and any savings may be offset by increased costs in other areas. ~~On November 2,~~ **In the third quarter of** ~~2022~~ **2023** ~~,~~ we completed a reduction in force that resulted in the termination of **74** ~~98 non- faculty~~ employees and the elimination of ~~78~~ **57** open positions across a variety of roles and departments. The reduction in force **is expected to** ~~resulted~~ -- **result** in pre- tax labor and benefit savings ~~in 2022~~ of approximately $ **15** ~~2. 3 million and approximately $ 13~~ . 5 million on an annualized basis. The headcount reductions reflect **our** ongoing efforts focused on realigning our organizational structure, eliminating redundancies, and optimizing certain functions **. We continue to examine our cost structure for additional opportunities** . There can be no assurance that we will be successful or recognize the benefits we anticipate from ~~this reduction in force~~ **our cost savings efforts** . Furthermore, some of the **anticipated** savings ~~realized in 2022 will be offset in the short- term by severance and other related costs, is expected to be further offset by increased expenditures as a result of the insourcing of marketing and information technology services previously outsourced to Collegis, and over the long- term~~ may be offset by increases to wages and salaries **and benefits** necessary to remain competitive **, or by additional hiring if we determine it is necessary** . Reductions in force may also result in increased costs, as opposed to cost savings, including due to associated legal risks, and could distract management and employees **. Headcount reductions, including together with previous headcount reductions, could also adversely affect employee morale and make it more difficult to hire and retain qualified personnel** . We have limited experience in making investments in other entities, and any such investments may not result in strategic benefits for our business or could expose us to other risks. From time to time we may pursue strategic investments in or partnerships or joint ventures with other schools, service providers, education technology-related companies, and other types of entities. These types of investments involve significant challenges and risks, including that the investment does not advance our business strategy, that we do not realize a satisfactory return on our investment, that we acquire unknown liabilities, or that management' s attention is diverted from our core business, and expose us to the operating and financial risks of the entities in which we invest. We may not have the ability to control the policies, management, or affairs of entities in which we do not have sole control, which could negatively affect our ability to realize the strategic benefits of those investments. We may not realize strategic benefits from investments and as a result may be required to, and in the past

have been required to, reduce the carrying value of investments. If we wish to dispose of an investment due to failure to realize benefits, underperformance, or otherwise, we may not be able to do so in a timely fashion or may have to sell at less than our carrying value, as we did in 2021 with our interest in ~~Second Avenue Software~~ **an investment, initially invested in 2014, and in 2023 with our interest in an investment, initially invested in 2012, where the investee entered into an agreement to be sold which will result in no sales proceeds** . Any of these events could harm our operating results or financial condition. Our limited ability to obtain exclusive proprietary rights and protect our intellectual property, as well as disputes we may encounter from time to time with third parties regarding our use of their intellectual property, could harm our operations and prospects. In the ordinary course of business, our institutions develop intellectual property of many kinds that is or will be the subject of patents, copyrights, trademarks, service marks, domain names, agreements, and other registrations. Our institutions rely on agreements under which we obtain rights to use course content developed by faculty members and other third- party content experts. We cannot ensure that any measures we and our institutions take to protect our intellectual property or obtain rights to the intellectual property of others will be adequate, or that we have secured, or will be able to secure, appropriate protections for all of our institutions' proprietary rights in the ~~United States~~ **U. S.** or foreign jurisdictions, or that third parties will not infringe upon or violate the proprietary rights of our institutions. Despite our efforts to protect these rights, third parties may attempt to develop competing programs or copy aspects of our institutions' curriculum, online resource material, quality management, and other proprietary content. Any such attempt, if successful, could adversely affect our institutions' business. Protecting these types of intellectual property rights can be difficult, particularly as it relates to the development by our institutions' competitors of competing courses and programs. Our institutions may encounter disputes from time to time over rights and obligations concerning intellectual property and may not prevail in these disputes. Third parties may raise a claim against our institutions alleging an infringement or violation of their intellectual property. Some third- party intellectual property rights may be extremely broad, and it may not be possible for our institutions to conduct operations in such a way as to avoid disputes regarding those intellectual property rights. Any such dispute could subject our institutions to costly litigation and impose a significant strain on our financial resources and management personnel regardless of whether that dispute has merit. Our insurance may not cover potential claims of this type adequately or at all, and our institutions may be required to alter the content of their courses or pay monetary damages, which may be significant. We may incur liability for the unauthorized duplication or distribution of course materials posted online for course discussions. In some instances, our institutions' faculty members or students may post various articles or other third- party content online in course discussion boards or in other venues. The laws governing the fair use of these third- party materials are imprecise and adjudicated on a case- by- case basis, which makes it challenging to adopt and implement appropriately balanced institutional policies governing these practices. We and our institutions may incur liability for the unauthorized duplication or distribution of this material posted online. Third parties may raise claims against us and our institutions for the unauthorized duplication of this material. Any such claims could subject us and our institutions to costly litigation and impose a significant strain on financial resources and management personnel regardless of whether the claims have merit. Our institutions' faculty members or students could also post classified material on course discussion boards, which could expose us to civil and criminal liability and harm our institutions' reputations and relationships with members of the military and government. Our insurance may not cover potential claims of this type adequately or at all, and we may be required to pay monetary damages and our institutions may be required to alter the content of their courses. We rely on dividends, distributions and other payments, advances, and transfers of funds from our operating subsidiaries to meet our obligations and to fund acquisitions and certain investments. We rely on dividends, distributions and other payments, advances, and transfers of funds from our operating subsidiaries to meet our obligations and to fund acquisitions and certain investments and generate all of our operating income through our subsidiaries. As a result, we rely on dividends and other payments or distributions from our operating subsidiaries to meet our obligations, including payments of principal and interest on our debt and dividends on our Series A Senior Preferred Stock, and to fund acquisitions and investments. The ability of our operating subsidiaries to pay dividends or to make distributions or other payments to us depends on their respective operating results and may be restricted by, among other things, the laws of their respective jurisdictions of organization, regulatory requirements such as obligations to maintain certain restricted cash or post letters of credit, financial performance, accreditation requirements, agreements entered into by those operating subsidiaries, and the covenants of any future obligations that we or our subsidiaries may incur. For example, due to financial performance, RU and HCN did not pay a dividend and GSUSA did not make a distribution to APEI in ~~2022~~ **2023 . If our operating subsidiaries are unable to pay dividends or make other payments or distributions, and we are instead required to fund their operations, then our business, financial condition, and results of operations could be materially adversely impacted** . Legal proceedings, particularly class action lawsuits, may require human and financial resources, distract our management, and negatively affect our reputation and results of operations. From time to time, we and our institutions have been and may be involved in various legal proceedings. In recent years, we have observed litigation brought against for- profit schools, including class actions brought by students and prospective students based on alleged misrepresentations about a school' s programs, " qui tam " lawsuits, and investigations by state attorneys general into for- profit postsecondary education institutions, which are described above under the heading " Risks Related to the Regulation of Our Industry ". Such matters can be time- consuming, require significant human and financial resources to investigate and respond to claims brought in any future litigation, and may divert management' s attention from operating our business. Furthermore, such matters are unpredictable and could lead to larger payments or liabilities, including adverse regulatory action, and, as a result, negatively affect our results of operations. Risks Related to Our Technology Infrastructure Our ongoing transition away from Collegis for outsourced RU marketing and information technology functions **to a new provider** may not be timely, efficient, or cost- effective, or may pose other operational challenges. RU has historically relied on Collegis for a variety of outsourced marketing services and information technology functions under one contract for marketing services and another for information technology functions. In April 2022, we notified Collegis that we intended to

permit the contracts to expire by their terms on September 30, 2024. The marketing services contract was thereafter mutually terminated effective January 31, 2023. We have transitioned the marketing services and ~~plan to~~ **are in the midst of** ~~transition~~ **transitioning** the information technology services currently outsourced to Collegis back to our operations or to one or more other third- party vendors by September 30, 2024. We expect to conduct the majority of information technology transition and incur most of the associated expenses in 2024. The transition **has caused and** will **in the future** cause us to incur **additional expense related to transferring assets and services. The complexity and breadth of this insourcing creates inherent risks, including the risk of inefficiencies and** significant **disruption** ~~time and expense, may not be timely, efficient, or cost effective, or may otherwise be difficult to implement or pose operational challenges, any~~ of **typical information technology and** ~~which could adversely affect our~~ business **processes as new** ~~, financial condition, results of~~ operations **are coming online** , **a decrease in quality or speed** ~~and cash flows. This transition will require the efforts~~ of ~~multiple parties, including~~ **service as compared to the** third- party ~~vendors, and we cannot be assured that the level of cooperation among the parties will not create added challenges. These developments could also have adverse impacts on our ongoing relationship with Collegis or the level of service that it provides. In addition, there is no assurance that any contracts with third parties that replace Collegis for any of these services will be on terms that are favorable to us or that the quality of service we provide~~ **provider , and unexpected additional expenses** ~~will be better than that provided by Collegis~~ . We need to continue to expend time, money, and resources into our and our institutions' information technology, which may place a strain on our capacity that could adversely affect our systems, controls, and operating efficiency, and those of our institutions. We need to invest capital, time, and resources to update our information technology, including our hardware and student- facing systems, in response to competitive pressures in the marketplace and student expectations, including data analytics, artificial intelligence, interactive and immersive user and learning experience technologies such as those that leverage virtual and augmented reality, multi- channel customer engagement, and robotic process automation, to update or replace older systems and infrastructure, and to enhance functionality. We have made investments to integrate the technology systems of RU and GSUSA and will likely have to make similar investments for any other business we may acquire in the future. The nature and age of our current information technology may limit our business opportunities, and our efforts to maintain and improve our information technology systems may not be successful, may cost more than expected, may increase our level of spending, not all of which can be capitalized, may take longer than expected or require us to devote more of our information technology resources than expected, or may otherwise adversely affect our financial condition. ~~We may also be unable to address all of the initiatives that we would like to pursue or find that the number of projects we are working on impacts our ability to adequately address critical areas, and may fail to correctly prioritize information technology projects, which could increase costs or limit our growth.~~ As a result ~~of unsuccessful development efforts~~ , ~~or as a result of~~ replacing outdated technology, software, or other technology related assets, we have in the past had and may in the future have assets that become impaired. We continually evaluate APUS' s customized student information and services system, PAD, for possible changes and upgrades and anticipate that we will eventually make significant changes to or replace that system, as well. In addition, failure to address poor data quality and integrity as well as a lack of consistency and standardization in defining, collecting, managing, using, and storing data may adversely affect our business and results of operations. If we are unable to increase the capacity of our institutions' technology resources or update their resources appropriately, their ability to handle future growth, to attract or retain students, and our financial condition and results of operations could be adversely affected. Similarly, even if we are able to increase the capacity of our institutions' resources and update their resources appropriately, our financial condition and results of operations could be adversely affected by an increased level of spending. Significant system disruptions to our online computer networks, technology infrastructure, or online classroom infrastructure, or to the networks, infrastructure, and systems of third parties, could negatively impact our ability to generate revenue and could damage our reputation, limiting our ability to attract and retain students. The performance and reliability of our and our institutions' networks and technology infrastructure, including those of third parties **'** systems we use or rely on, is critical to our operations and our institutions' reputation and ability to attract and retain students. Any system error or failure, including as a result of outages and other difficulties that may result from having or relying on outdated systems or infrastructure, or a sudden and significant increase in bandwidth usage, could interrupt our or our institutions' ability to operate and could result in the unavailability of our online classrooms, preventing students from accessing their courses and adversely affecting our results of operations. In addition, our institutions' technology infrastructure, and the technology infrastructure of our third- party vendors, could be vulnerable to interruption or malfunction due to events beyond our control, including natural disasters, cyber- attacks, terrorist activities, and telecommunications failures, as well as our own failure to fully develop or test our **business continuity and** disaster recovery plans. At APUS, PAD has been predominantly developed in-house, with limited support from outside vendors. To the extent that we have utilized third- party vendors to provide certain software products for our systems, we have generally needed to integrate those products into, and ensure that they function with, PAD. We continuously work on upgrades to **modernize the architecture of** PAD, and our employees devote substantial time to its development and to the successful integration of third- party products into PAD. To the extent that we face system disruptions, malfunctions or vulnerabilities with PAD or the failure of PAD to meet internal or industry standards, or lose employees with experience on our systems, we may not have the capacity to address such disruptions, malfunctions, vulnerabilities, or failures or to continue to administer or make adequate modifications to PAD with our internal resources, and we may not be able to identify outside contractors with expertise relevant to our custom system. We rely on third parties for certain information technology capabilities. We use third- party services such as cloud computing and software- as- a- service for certain aspects of our operations and are reliant on the capabilities of vendors for such functions. Vendors may take actions beyond our control that could adversely affect our access to the providers' services, including discontinuing or limiting our access to their platforms or modifying or interpreting their terms of service or other policies in a manner that impacts our ability to run our business and operations. In addition, there is no assurance that we will be able to renew contracts with vendors that

are subject to expiration or that such renewals will be on the same or substantially similar terms or on conditions that are commercially reasonable to us. Any transition of third- party services, whether to another vendor or directly to us or our institutions, could be difficult to implement and cause us to incur significant time and expense. Any significant downtime or other interruption or disruption of these services **, whether due to cyber- attacks, other cybersecurity incidents, or other causes,** could adversely impact our operations and our business. Any significant interruption in the operation of our or our vendors' data centers or server rooms could cause a loss of data. Even with redundancy, a significant interruption in the operation of these facilities or the loss of institutional and operational data due to a natural disaster, fire, power interruption, act of terrorism, or another unanticipated catastrophic event, including as a result of climate change, may not be preventable. Any significant interruption in the operation of these facilities, including an interruption caused by the failure to successfully expand or upgrade systems, or to manage transitions and implementations, could reduce the ability to manage network and technological infrastructure, which could adversely affect our institutions' operations and reputations. Additionally, our institutions do not necessarily control the operation of the facilities hosting our technology infrastructure and may be required to rely on other parties to provide physical security, facilities management, and communications infrastructure services. If any third- party vendors encounter financial difficulties or other events beyond our control occur that cause them to fail to adequately secure and maintain their facilities or provide necessary connectivity or capacity, our institutions and their students may experience interruptions in service or the loss or theft of important data, which could adversely affect our financial condition. ~~Data security~~ **Cybersecurity incidents** ~~breaches and cyber- attacks~~ could compromise sensitive information, including personal information, and cause system disruptions and significant damage to our business and reputation. We process and maintain on our network systems certain information that is confidential, proprietary, personal ~~(such as social security numbers, tax return information, personal and family financial data and student academic records, and including information about students, their families, employees, and contractors)~~ , or otherwise sensitive, including financial and confidential business information. Our computer networks, and the networks of our third- party vendors, may be vulnerable to unauthorized access by computer hackers, phishing, ransomware, computer viruses, denial of service attacks, malicious social engineering and other **cyber- attacks or** security **incidents** ~~attacks or security problems~~ , including vulnerabilities in software and software code. An individual or group **, either internal or external,** that circumvents security measures **or exploits vulnerabilities** could misappropriate confidential, proprietary, or personal information or cause interruptions or malfunctions in operations. In addition, errors in the storage, use, or transmission of **confidential, proprietary,** personal **, or otherwise sensitive** information, errors with our **network** systems ~~or networks~~ , or intentional or unintentional misuse or loss of ~~personal~~ **such** information could result in a breach of student or employee privacy. Our **network** systems and the systems maintained by our third- party providers have been subject to attempts to gain unauthorized access, breaches, and other system disruptions **, although to date no such incidents have been material to us,** and these and similar incidents could happen again. It may be difficult to anticipate or to detect immediately such incidents, the scope of such incidents and the damage caused thereby, and we may not yet be aware of, or know the scope of and damage caused by, prior incidents. **Due to the complexity and interconnectedness of our network systems, and those upon which we rely, the process of upgrading or patching our protective measures could itself create a risk of cybersecurity issues or system disruptions for us, as well as for educational institutions who rely upon, or have exposure to, such network systems.** If we or third parties with **which we engage for critical business processes or with** access to our **network** systems, or to confidential, proprietary, ~~or~~ personal **, or otherwise sensitive** information experience **cyber- attacks or** security ~~breaches~~ **incidents** in the future or we learn of a past ~~breach~~ **incident** that we or third parties have experienced, we may be required to expend significant resources to investigate, remediate, **recover from,** or disclose these **incidents** ~~security breaches~~ or to address resulting regulatory investigations or litigation. Such ~~breaches~~ **incidents** could result in imposition of penalties, disruption to our operations, ~~and~~ damage to our reputation **, any of which could have a material adverse effect on our business and financial condition** . Our increased use and reliance on cloud computing could expose us to additional risks. While our contractual arrangements with third- party providers such as cloud computing vendors provide for the protection of information, we cannot control these vendors or their systems and cannot guarantee that **an incident** ~~a data security or privacy breach of their systems~~ will not occur in the future. We use external vendors to perform security assessments on a periodic basis to review and assess our information security. We utilize this information to audit ourselves, monitor the security of our technology infrastructure, and assess whether and how to prioritize the allocation of ~~scarce~~ resources to protect data and systems. However, we cannot ensure that these security assessments and audits will identify or appropriately categorize **all** relevant risks or result in ~~the~~ **sufficient** protection of our computer networks against **cyber- attacks and** security ~~breaches~~ **incidents** . Similarly, although we require our third- party vendors contractually to maintain a level of security that is acceptable to us and work closely with vendors to address potential and actual security concerns and attacks, we cannot ensure that they will protect confidential, proprietary, ~~or~~ personal **, or otherwise sensitive** information on their systems. ~~Breaches~~ **Incidents** at third- party vendors may also affect our **network** systems. System disruptions and security ~~breaches to~~ **incidents affecting** our online computer networks, technology infrastructure, or online classroom infrastructure, or to the networks, infrastructures and systems of third parties could have an adverse effect on our financial condition. **While we may be entitled to damages if our third- party service providers fail to satisfy their security- related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award.** We face an ever-increasing number of threats to our computer networks ~~and~~ systems, including unauthorized activity and access, malicious penetration, system viruses, ransomware, phishing, other malicious code and vulnerabilities in software and software code and cyber- attacks, including individual or organized cyber- attacks. Any of these threats could ~~breach~~ **impact** our security and disrupt our systems. These risks increase when we make changes to our **network** ~~information technology~~ systems or implement new ones. Our size makes us a prominent target for hacking and other cyber- attacks within the education industry. From time to time we experience security events and incidents, and these reflect an increasing level of sophistication, organization, and

innovation. We have devoted and will continue to devote significant resources to the security of our computer systems, but they may still be vulnerable to these threats and may subsequently be deemed to have been inadequate by regulators or courts. The lack of prescriptive measures in data security and cybersecurity laws could contribute to any such regulator or court findings ~~. An organization or individual who circumvents computer system security measures could misappropriate confidential, proprietary, or personal information or cause interruptions or malfunctions in operations, perhaps over an extended period~~ of **inadequacy** ~~time prior to detection. As a result, we may be required to expend significant additional resources to protect against the threat of or alleviate problems caused by these system disruptions and security breaches. Any of these events could have a material adverse effect on our business and financial condition~~. Although we maintain insurance in respect of these types of events, there is no assurance that available insurance proceeds would be adequate to compensate us for damages sustained due to these events. Failure to comply with privacy laws or regulations could have an adverse effect on our business. Various federal, state, and international laws and regulations govern the collection, use, retention, sharing, and security of student and consumer data. These laws could be applied in a manner that results in costs, the imposition of fines and operational conditions on our business. For example, if an institution fails to comply with FERPA, ED may require corrective actions by the institution or may terminate an institution' s eligibility to participate in Title IV programs. Failure to comply with the applicable GLBA requirements may result in FTC enforcement, which could include the imposition of conditions, penalties, monitoring, and oversight. In addition, this area of the law and interpretations of applicable laws and regulations differ and are evolving. State and federal legislatures in the U. S. and countries globally have been enacting and considering new legislation. These evolving laws and interpretations are difficult to predict and could adversely impact our business, including by increasing compliance costs, by for example, restricting use or sharing of consumer data, including for marketing or advertising. The CCPA and related regulations is an example of a U. S. state law that imposes disclosure obligations on businesses for individuals' personal information and affords those individuals rights relating to their personal information that may affect our ability to use personal information. The CCPA provides for penalties and includes a private right to action for certain data breaches. The **CPRA expands the** CCPA **' s requirements and provides certain rights to consumers to correct personal information and limit** ~~is~~ **its disclosure** ~~being expanded by the CPRA in 2023~~. Other ~~new~~ **comprehensive** state privacy laws ~~taking~~ **that our institutions may be subject to with varying requirements also came into** effect in 2023 ~~include laws in Colorado, Connecticut, Utah, and Virginia~~. In addition, our institutions may be subject to the GDPR, which has extensive requirements relevant to businesses handling personal information about individuals in the EU. These laws' applicability to us could result in substantial compliance costs or liabilities. Non- compliance with the GDPR could result in a fine for certain activities of up to 20 million Euros or 4 % of an organization' s global annual revenue, whichever is higher, per violation. Claims of failure to comply with our institutions' privacy policies or applicable laws or regulations could form the basis of governmental or private- party actions against us. Such claims and actions may cause damage to our institutions' reputation and could have an adverse effect on our financial condition. The enactment of additional privacy and data security laws or amendments to existing laws could result in significant costs and require us to change some of our business practices. Risks Related to Owning our Common Stock The price of our common stock may be volatile, and as a result returns on an investment in our common stock may be volatile. Trading in our common stock has historically been limited and, at times, volatile. An active trading market for our common stock may not be sustained, and the trading price of our common stock may fluctuate substantially. The price of our common stock may fluctuate as a result of some or all of the following: • price and volume fluctuations in the overall stock market from time to time; • significant volatility in the market price and trading volume of comparable companies ~~; • actual or anticipated changes in our earnings, our institutions' net course registrations or enrollments, or fluctuations in our results of operations; • our ability to meet or exceed, or changes in, the expectations of securities analysts, or the extent or accuracy of analyst coverage of our company~~; • the actual, anticipated, or perceived impact of changes in the political environment, government policies, laws and regulations, or similar changes made by accrediting bodies; • **adverse rulings** ~~the depth and liquidity of the market for~~ **or** ~~our common stock~~ **findings by relevant governmental bodies** ; • general economic conditions and trends; • catastrophic events; • **actions of others in our industry, including but not limited to acquisitions, investments, or strategic alliances. • actual or anticipated changes in our earnings, our institutions' net course registrations or enrollments, or fluctuations in our results of operations; • our ability to meet or exceed, or changes in, the expectations of securities analysts, or the extent or accuracy of analyst coverage of our company; • the depth and liquidity of the market for our common stock; •** purchases or sales of large blocks of our stock; • future issuances of common stock or other securities; • recruitment or departure of key personnel; or • **investment strategies or other** actions ~~of others~~ **by those trading** in ~~our industry, including but not limited to acquisitions, investments, or~~ **our stock** ~~strategic alliances~~. In the past, following periods of volatility in the market price of a company' s securities, securities class action litigation has often been brought against that company. Because of the potential volatility of our stock price, we may become the target of securities litigation in the future. Securities litigation could result in substantial costs and monetary damages and could divert management' s attention and resources from our business, and our insurance may not be available or adequate to cover these claims. Seasonal and other fluctuations in our results of operations could adversely affect the trading price of our common stock. Our quarterly results fluctuate and, therefore, the results in any quarter may not represent the results we may achieve in any subsequent quarter or full year. Our revenue and results of operations normally fluctuate as a result of seasonal or other variations in our institutions' enrollments and associated expenses. The student population at our institutions varies as a result of new enrollments, graduations, student attrition, increased military operations and deployments, the success of our marketing programs, and other reasons that we cannot always anticipate. We expect quarterly fluctuations in results of operations to continue as a result of seasonal enrollment patterns at our institutions and related fluctuations in expenses. These fluctuations may result in volatility in our results of operations, have an adverse effect on the market price of our common stock, or both. ~~73~~ **We may face risks associated with stockholder activism. Publicly traded companies are subject to campaigns by stockholders advocating corporate actions related to matters such as corporate**

governance, operational practices, and strategic direction. We have previously been subject to stockholder activity and demands and may be subject to further activity and demands in the future. Such activities could interfere with our ability to execute our business plans, be costly and time- consuming, disrupt our operations, and divert the attention of management, any of which could have an adverse effect on our business or the price of our common stock. Our future results of operations and financial condition may not meet our guidance or expectations. We provide guidance on our expected results of operations, financial condition, and other measures. Such forecasts are speculative and subject to risks and uncertainties, including those described in this " Risk Factors " section and elsewhere in this Annual Report, and reflect management' s estimates and assumptions as of the date of the guidance, which may turn out to be incorrect. Actual results may vary significantly from our guidance and could fall outside any range of expected outcomes we provide. Failure to successfully implement our plans or the occurrence of events or circumstances expressed or implied in this " Risk Factors " section, and any actions we may take to comply with the extensive regulatory framework applicable to our industry, including the 90 / 10 Rule, state law and regulations, and accrediting agency requirements, could result in actual results differing materially from our guidance, which could have a material adverse impact on our results of operations, cash flow, financial condition and the trading price of our common stock. We have historically provided only quarterly guidance but are now providing annual guidance to emphasize our focus on long- term value creation. Annual guidance, while based on outcomes and assumptions that we believe, at the time guidance is given, are reasonable, may to a greater extent than quarterly guidance be unable to reflect the impact of certain actions taken by us, changes in legislation, regulatory actions, or accrediting agency decisions affecting any of our institutions, or other events, and may be less accurate than quarterly guidance.