Risk Factors Comparison 2024-02-21 to 2023-02-23 Form: 10-K

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~~Compliance with the extensive regulatory requirements applicable to our business can be costly and time consuming, and failure to comply could result in financial penalties, restrictions on our operations, loss of federal and state financial aid funding for our students, or loss of our authorization to operate our institutions. " " If the Department denies, or significantly conditions, recertification of either of our institutions to participate in Title IV Programs, that institution could not conduct its business as it is currently conducted, " and other risk factors in Item 1A for additional information about the risks surrounding continued participation in Title IV Programs. Scrutiny of the For- Profit Postsecondary Education Sector In recent years, Congress, the Department, states, accrediting agencies, the Consumer Financial Protection Bureau (" CFPB "), the FTC, state attorneys general and the media have all scrutinized the for- profit postsecondary education sector. Congressional hearings and roundtable discussions were held regarding various aspects of the education industry, including issues surrounding student debt as well as publicly reported student outcomes that may be used as part of an institution' s recruiting and admissions practices, and reports were issued that are highly critical of for- profit colleges and universities. A group of influential U. S. senators, consumer advocacy groups and some media outlets have strongly and repeatedly encouraged the Department, DoD and the VA and its state approving agencies to take action to limit or terminate the participation of institutions such as ours in existing tuition assistance programs. In addition, targeted loan relief to student borrowers is a stated priority for the Department, and consumer advocacy groups and others are focusing their lobbying and other efforts relating to student debt forgiveness on for- profit colleges and universities, encouraging loan discharge applications and complaints by former students. The current administration is pursuing significant regulatory and administrative actions that will affect our business. For example, as discussed below, new regulations including an updated 90- 10 Rule will go into effect in 2023, and numerous existing or former regulations are being modified or repurposed for future adoption by the Department. Any actions that limit our participation in Title IV Programs or the amount of student financial aid for which our students are eligible would materially impact our student enrollments and profitability and could impact the continued viability of our business as currently conducted. See Item 1A, " Risk Factors – Risks Related to the Highly Regulated Field in Which We Operate. " Legislative Action and Recent Department Regulatory Initiatives The U. S. Congress must periodically reauthorize the Higher Education Act and other laws governing Title IV Programs and annually determines the funding level for each Title IV Program, historically every five to six years. The Higher Education Opportunity Act (" HEOA ") was the most recent reauthorization of the Higher Education Act and was signed into law on August 14, 2008. It revised many of the regulations governing an institution' s eligibility to participate in Title IV Programs. Congress has subsequently taken several actions that effectively extend the Higher Education Act and various Title IV Programs on a temporary basis. Congress could work to reauthorize the Higher Education Act in its entirety, pass a series of smaller bills that focus on individual parts of the Higher Education Act, primarily Title IV Programs, or continue to extend existing Title IV Programs for more limited terms while continuing debate on broader policy objectives. Additionally, legislative changes impacting Title IV Programs is included in broader legislation from time to time. For example, on March 11, 2021, President Biden signed a multi- faceted legislative package that includes new economic stimulus measures broadly targeting various aspects of the U. S. economy. Congress included in this legislation a modification to the " 90- 10 Rule " applicable to for- profit institutions that alters the measurement under the rule from the percentage of Title IV Program tuition revenue an institution receives to the percentage of " federal educational assistance " an institution receives. On October 28, 2022, the Department published final regulations for three topics that were part of the Department' s 2021- 2022 negotiated rulemaking agenda: 90- 10 Rule, Change of Ownership, and Prison Education Programs. These regulations generally become effective July 1, 2023. See the " Compliance with Federal Regulatory Standards and Effect of Federal Regulatory Violations " section below for information about the 90- 10 Rule and Item 1A, " Risk Factors – Risks Related to the Highly Regulated Field in Which We Operate – Our institutions could lose their eligibility to participate in federal student financial aid programs, face limitations on their ability to serve new or former students or have other limitations placed upon them if the percentage of their revenues derived from certain federal programs is too high," for information regarding risks relating to the 90- 10 Rule. On April 6, 2022, the Department announced a student loan initiative, aimed at eliminating negative effects for federal student loan borrowers who are in default on existing student loans. The Department estimates the initiative will allow approximately 7. 5 million borrowers with defaulted federal student loans to return to repayment while removing delinquencies, once repayment of federal loans restarts after the COVID related suspension of loan repayment. This initiative effectively provides the following benefits to these borrowers: restores access to repayment options, restores eligibility to receive new or additional federal student aid and stops any adverse consequences of collection agency efforts and negative credit reporting. This initiative will last until one year from the end of the repayment pause that has been in effect since the beginning of the COVID pandemic in March of 2020. On August 24, 2022, President Biden and the Department announced a plan to provide broad student loan forgiveness to borrowers with certain federal student loans. The plan provides $ 20, 000 in debt relief to Pell Grant recipients with loans held by the Department and up to $ 10, 000 in debt relief to non- Pell Grant recipients. Borrowers are eligible for this relief if their individual income is less than $ 125, 000 or $ 250, 000 for households. This plan includes our current and former students that had these types of federal loan balances as of June 30, 2022. The Congressional Budget Office (" CBO ") estimated that 42. 4 million individuals will be eligible for debt relief at a total cost of $ 430 billion. The plan was described as a form of COVID pandemic- related financial support that relies upon Congressional authorization given to the Department for loan modifications for individuals impacted by national emergencies. The plan is currently subject to a number of legal challenges in Federal~~

~~courts. The Supreme Court has agreed to review two of these challenges and will hear oral arguments in February 2023. The Department is currently enjoined from proceeding with this loan forgiveness initiative while the Supreme Court considers the pending challenges. Loan relief would benefit eligible current and former students, however, we are unable to determine what impact it will have on our schools, if any, or on any pending borrower defense to repayment or closed school discharge claims. Scrutiny of the for- profit postsecondary education sector and the ongoing policy differences in Congress regarding spending levels could lead to significant regulatory changes in connection with the upcoming reauthorization of the Higher Education Act. For example, on January 5, 2023, the Biden administration announced that the Department will hold a series of negotiated rulemaking sessions in spring 2023 to propose new rules regarding accreditation, distance education, student loan deferments and a range of other topics. Many of these changes may be adverse to postsecondary institutions generally or for- profit institutions specifically. See Item 1A, " Risk Factors – Risks Related to the Highly Regulated Field in Which We Operate – The extensive regulatory requirements applicable to our business may change, in particular as a result of the scrutiny of the for- profit postsecondary education sector and efforts of the Biden administration, which could require us to make substantial changes to our business, reduce our profitability and make compliance more difficult." Two additional regulatory initiatives by the Department of significance have occurred in recent years. First is related to continuous changes to " borrower defense to repayment " regulations in 2016, 2019 and again in 2022. See the " Compliance with Federal Regulatory Standards and Effect of Federal Regulatory Violations " section below for a description of these regulations. The Department published its latest version of these rules in final regulations on November 1, 2022 in the Federal Register, which means the updated regulations will become effective July 1, 2023 (see " Negotiated Rulemaking 2022: Affordability and Student Loans " below). Second, the Department' s rulemaking efforts in 2019 resulted in the rescission of previously adopted " gainful employment " regulations. Our institutions, and most other for- profit institutions, qualify for Title IV Program participation on the basis that they offer programs that, in addition to meeting other requirements, " prepare students for gainful employment in a recognized occupation. " During 2013, the Department established negotiated rulemaking committees, one specifically designed to limit Title IV availability for programs at for- profit institutions by defining gainful employment in a recognized occupation. On October 30, 2014, the Department published a new complex final regulation, effective July 1, 2015, to define " gainful employment " as meeting certain standards measuring the general amount students borrow for enrollment in a program against an amount of their reported earnings. Prior to this rulemaking, the term gainful employment had been used in the Higher Education Act for forty years, and had not been further defined by Congress or the Department. Through negotiated rulemaking sessions, the Department considered different options for adopting a uniform set of requirements that could be applicable to all schools and not specifically targeted at for- profit institutions. After a public comment period on its proposal, the Department published a final regulation on July 1, 2019 to rescind the 2015 gainful employment regulation effective on July 1, 2020. In lieu of the complex gainful employment regulation designed to eliminate program eligibility, the Department continued to update the college scorecards it developed, which apply to all Title IV eligible institutions, with relevant information for prospective students. While the eligibility tests and disclosures associated with the 2015 gainful employment regulation are no longer required, the term " gainful employment " continues to exist in the Higher Education Act and CTU' s and AIUS' Title IV eligible programs will continue to need to be career focused educational programs. The Department has begun the process of re- adopting a new version of this regulation as part of its 2022 negotiated rulemaking covering institutional and programmatic eligibility (see " Negotiated Rulemaking 2022: Institutional and Programmatic Eligibility " below). Initial discussions as part of the negotiated rulemakings have considered adoption of program eligibility rules that, like the 2015 gainful employment regulation, would measure student debt at a program level against a measure of earnings. However, these discussions have also included various potential adjustments that may cause programs that passed the eligibility test under the 2015 gainful employment regulation to lose Title IV Program eligibility under the new regulation. Because the 2022 negotiated rulemaking on gainful employment did not reach consensus among the participants, the Department is free to publish proposed rules without being limited to language or rules considered and accepted by negotiators and has indicated it expects to publish new proposed rules regarding gainful employment for public comment in the spring of 2023. We are closely monitoring the ongoing rulemaking process but are unable to determine the potential impact of any final regulations on our business at this time. See Item 1A, " Risk Factors – Risks Related to the Highly Regulated Field in Which We Operate – The extensive regulatory requirements applicable to our business may change, in particular as a result of the scrutiny of the for- profit postsecondary education sector and efforts of the Biden administration, which could require us to make substantial changes to our business, reduce our profitability and make compliance more difficult," for information about the potential impact of new regulations on our business. In December 2021, the Department concluded negotiated rulemaking on a number of topics related to affordability and student loans. The topics discussed during these negotiations generally related to different Title IV regulations that impact the Department' s ability to discharge student loans. During the process, the Department expressed a goal of making it easier for students to have their loans discharged or forgiven and providing more favorable loan repayment terms. The Department also intends to make it easier to seek recovery of discharged loan funds from institutions. On July 13, 2022, the Department published in the Federal Register a set of proposed regulations for public comment covering most of the topics that were part of the affordability and student loan negotiations. The public comment period was set at 30 days and concluded on August 12, 2022. The Department published final regulations on November 1, 2022 in the Federal Register, which means these regulations will become effective July 1, 2023. These new regulations from the November 1, 2022 Final Rule include the following topics: • discharges for borrowers with a total and permanent disability; • eliminating certain interest capitalization events not required by statute; • discharges for when a school falsely certifies a student was eligible for Title IV Program financial aid; • closed school discharges; • expanding and simplifying public service loan forgiveness; • modifying the bases for borrower defense to repayment (" BDR") claims as well as the adjudication processes for student claims; • modifying the procedures for recovering funds from schools for loans discharged pursuant to the borrower defense to repayment process; and • prohibiting schools from~~

adopting or enforcing pre- dispute arbitration agreements and waivers of class action lawsuits. These rules remove certain barriers and simplify the process for borrowers with a total and permanent disability and borrowers seeking public service loan forgiveness. The rules also expand closed school discharge provisions. The rules reduce the required supporting evidence and related obligations of students applying for BDR loan forgiveness, expand the categories students could raise in a BDR application, and provide the Department wide latitude to selectively adjudicate future BDR applications without affording institutions adequate opportunity to respond and potentially without regard to the individual merits of the BDR applications. The BDR rules remove any statute of limitations on student claims and create a rebuttable presumption in favor of full loan forgiveness as opposed to partial relief for most approved applications, eliminating the Department' s approach under the current rules of assessing whether and to what extent a student had been financially harmed. The proposed rules also increase the burden on institutions to maintain and provide documentation to refute student claims. As a result, an institution' s failure to maintain and provide timely and responsive information that goes beyond the contents of a typical student' s academic file in response to future BDR applications could form the basis for loan forgiveness. The combination of the reduced requirements, increased categories, and presumptions will increase the likelihood of loan forgiveness and potentially create a significant financial incentive for existing and former students to apply for loan forgiveness regardless of a claim' s merit. In fact, the Department' s current efforts to settle litigation in the Sweet Matter (see Borrower Defense to Repayment: Department Settlement of Pending BDR Applications, Inducement of New Claims for more information regarding the Sweet Matter) reflects an attempt to discharge the loans for hundreds of thousands of students without regards to the merits of their claims and induced the filing of tens of thousands of new BDR applications in a matter of only a few months from students hoping to benefit from the opportunity afforded by the settlement. Under existing BDR rules, the standards applicable to BDR applications generally corresponds to the rules that were in effect when the loans were first disbursed to the student. The standards arising from existing and prior regulations are sometimes referred to as the pre- 2016 BDR standards, the 2016 BDR standards, and the 2019 BDR standards to correlate to the BDR rules initially applicable when adopted in 1994, and later revised by the Department in 2016 and 2019. The Department seeks to eliminate the differing standards that have resulted from these prior rulemakings. Upon the effective date of these new regulations, the Department proposes to apply its new standards to all pending and future BDR applications regardless of prior rules or limitations applicable to such BDR applications and regardless of the student' s loan disbursement date. As a separate process from the adjudication of a borrower' s BDR application, the rules establish a new process for the Department to recoup funds from schools for any loans forgiven pursuant to a BDR application. The new rules require the Department to rely upon and adhere to existing or prior applicable BDR regulations for loans disbursed prior to the effective date of the regulations, but would significantly expand the basis for recovery for loans disbursed after the rules become effective. Separately, on January 11, 2023, the Department published for a 30- day public comment period, a proposed rule that would significantly modify the terms of income- based repayment plans, including providing reduced monthly payments, shortening the period of repayment that results in loan forgiveness and lowering financing costs for students. This proposed modified rule was one of the 2022 negotiated rulemaking topics. The proposed regulations would also allow borrowers to receive credit toward forgiveness for certain periods of deferment or forbearance. The Department has previously indicated the Secretary intends to accelerate the effectiveness of this rule. We continue to closely monitor the rulemaking process along with the Department' s public statements, legal filings, and other communications, but are unable to determine the ultimate impact of any final regulations on our business at this time. See Item 1A, " Risk Factors – Risks Related to the Highly Regulated Field in Which We Operate – The extensive regulatory requirements applicable to our business may change, in particular as a result of the scrutiny of the for- profit postsecondary education sector and efforts of the Biden administration, which could require us to make substantial changes to our business, reduce our profitability and make compliance more difficult," for information about the potential impact of new regulations on our business. On October 4, 2021, the Department announced its intent to establish another negotiated rulemaking committee to develop proposed regulations related to institutional and programmatic eligibility. Negotiating sessions of the institutional and programmatic eligibility negotiated rulemaking committee were held in January, February and March 2022. The Department provided issue papers that revealed its intent to impose a number of additional obligations for schools and programs to remain eligible for Title IV funds. On July 28, 2022, the Department published in the Federal Register another set of proposed regulations for public comment covering a topic that was part of the 2021 affordability and student loan negotiations along with two topics that were part of the 2022 institutional and programmatic eligibility negotiations. The public comment period was set for 30 days and concluded on August 27, 2022. The Department published final regulations on October 28, 2022 in the Federal Register, which means these regulations will become effective July 1, 2023. The new regulations from the October 28, 2022 Final Rule include the following topics: • adopting new regulations to calculate the percentage of a for- profit school' s revenue that is derived from federal education assistance, referred to as the " 90- 10 Rule "; • placing additional requirements and limits on changes of ownership or control; and • Pell Grant eligibility for prison education programs. The American Rescue Plan Act of 2021 (H. R. 1319), passed on March 11, 2021, amended the Higher Education Act requirement of the 90- 10 Rule that for- profit schools derive no more than 90 % of their tuition and fee revenue from Title IV funds to require that for- profit schools derive no more than 90 % of their tuition and fee revenue from generally any identifiable sources of federal funding. The regulation describing the new 90- 10 Rule includes an expanded view of what federal aid is considered " federal educational assistance funds " under the rule, and is intended to include any identifiable revenue a school receives from tuition assistance programs offered by federal agencies, such as the Departments of Defense, Veterans Affairs, and Labor. The new rule also includes a number of technical changes, including a departure from the historical focus on cash basis revenue and existing Title IV Program cash management regulations. For example, institutions would be required to accelerate the receipt of, or would be deemed to have received, federal funds at the end of the annual measurement period. Although the Department published regulations in its Final Rule that are consistent with the consensus language reached during negotiated rulemaking, the Department included in the preamble to the regulation a number of interpretations that are

likely not consistent with the consensus language and may potentially narrow and / or limit non- federal revenue that may be included by institutions in their annual calculations. These interpretations were offered with limited explanation and are expected to make future compliance with these regulations unclear and therefore more difficult for for- profit institutions. We are continuing to evaluate these regulations along with the Department' s interpretations, public statements, and other communications but are unable to determine the ultimate impact of these final regulations on our business at this time. See Item 1A," Risk Factors – Risks Related to the Highly Regulated Field in Which We Operate – The extensive regulatory requirements applicable to our business may change, in particular as a result of the scrutiny of the for- profit postsecondary education sector and efforts of the Biden administration, which could require us to make substantial changes to our business, reduce our profitability and make compliance more difficult," and" Our institutions could lose their eligibility to participate in federal student financial aid programs, face limitations on their ability to serve new or former students or have other limitations placed upon them if the percentage of their revenues derived from certain federal programs is too high," for information about the potential impact of new regulations on our business. The Department' s final and proposed rules impose additional burdens on schools, and often apply to schools unevenly. For example, the 90- 10 Rule is an additional annual eligibility test requirement that applies exclusively to for- profit sector schools. The gainful employment rule is designed to primarily impose additional requirements on for- profit sector programs and many of the proposed modifications to other long standing existing rules contain new requirements that relate exclusively to for- profit sector schools and their ownership structures. The previously adopted and rescinded gainful employment regulation is discussed above in this " Legislative Action and Recent Department Regulatory Initiatives " section, and please see the " Compliance with Federal Regulatory Standards and Effect of Federal Regulatory Violations " section below for an overview of the current rules relating to the 90- 10 Rule, change of ownership or control, financial responsibility and administrative capability. On June 23, 2022 the Department of Education announced it is delaying several rule proposals to the spring of 2023, meaning that the earliest the regulations could take effect will be after July 1, 2024. According to regulatory updates with the Office of Management and Budget, the Notices of Proposed Rulemaking (NPRM) will be delayed until April of 2023 for the following rules: • Ability to Benefit (ATB) • Gainful Employment (GE) • Financial Responsibility • Administrative Capability • Certification Procedures The negotiated rulemaking committee reached consensus on the ATB rule, but did not reach consensus on the others. Additionally, the Department has reported that it intends to pursue additional negotiated rulemaking in the future in a number of additional areas, including state authorization, distance education, returning Title IV funds, modifying loan deferments and forbearances, accreditation, third- party servicers, cash management and the federal TRIO programs. Negotiated rulemaking committees convened in recent years generally have not reached consensus, resulting in the Department having significant latitude in formulating regulations. We are closely monitoring the negotiated rulemaking process but are unable to determine the potential impact of any future rule proposals or final regulations on our business at this time. Separately, on February 15, 2023, the Department announced its intention to conduct listening sessions in March 2023 aimed at reviewing its incentive compensation rules. At the same time, it also issued a Dear Colleague Letter that updated guidance to significantly expand its interpretation of the types of service providers that qualify as participating in the administration of Title IV funds under the definition of a " Third Party Servicer. " Although, the Department is taking public comments on its updated guidance for 30 days, it has indicated its new interpretations are effective immediately. We are assessing the support provided by various service providers against this updated guidance but are unable to determine the potential impact it may have on our business at this time. See Item 1A, " Risk Factors – Risks Related to the Highly Regulated Field in Which We Operate – The extensive regulatory requirements applicable to our business may change, in particular as a result of the scrutiny of the for- profit postsecondary education sector and efforts of the Biden administration, which could require us to make substantial changes to our business, reduce our profitability and make compliance more difficult," for information about the potential impact of new regulations on our business. To be eligible to participate in Title IV Programs, an institution must comply with the Higher Education Act and regulations thereunder that are administered by the Department. We and our institutions are regularly subject to audits and compliance reviews and periodically subject to inquiries, lawsuits, investigations, and / or claims of non- compliance from federal and state regulatory agencies, accrediting agencies, the Department, present and former students and employees, and others that may allege violations of statutes, regulations, accreditation standards or other regulatory requirements applicable to us or our institutions. If the results of any such audits, reviews, investigations, claims or actions are unfavorable to us, we may be required to pay monetary damages or be subject to fines, operational limitations, loss of federal funding, injunctions, additional oversight and reporting, provisional certification or other civil or criminal penalties. In addition, if the Department or another regulatory agency determined that one of our institutions improperly disbursed Title IV Program funds or violated a provision of the Higher Education Act or the Department' s regulations, that institution could be required to repay such funds, and could be assessed an administrative fine. The Higher Education Act also requires that an institution' s administration of Title IV Program funds be audited annually by an independent accounting firm and that the resulting audit report be submitted to the Department for review. In September 2016, the Department' s Office of Inspector General released a revised audit guide applicable specifically to proprietary schools and third- party servicers administering Title IV programs. The updated guide is effective for fiscal years beginning after June 30, 2016. The revised audit guide was effective for us for the year ending December 31, 2017 and applies to annual compliance audits due June 30, 2018 and thereafter. The new guide significantly increases the requirements and testing procedures necessary when filing our annual Title IV compliance audits. Under a provision of the Higher Education Act commonly referred to as the " 90- 10 Rule, " any of our institutions that, on modified cash basis accounting, derives more than 90 % of its cash receipts from Title IV sources for a fiscal year will be placed on provisional participation status for its next two fiscal years. If an institution does not satisfy the 90- 10 Rule for two consecutive fiscal years, it will lose its eligibility to participate in Title IV Programs for at least two fiscal years. We have substantially no control over the amount of Title IV student loans and grants sought by or awarded to our students. If an institution violates the 90- 10 Rule and becomes ineligible to participate in Title IV

Programs but continues to disburse Title IV Program funds, the Department could require repayment of all Title IV Program funds received by it after the effective date of the loss of eligibility. We have implemented various measures intended to reduce the percentage of our institution' s cash basis revenue attributable to Title IV Program funds, including emphasizing employer-paid and other direct- pay education programs such as our corporate partnerships, diversifying our educational offerings to increase the portion of our students who do not rely on Title IV Programs, recruitment of international students, the use of externally funded scholarships and grants and counseling students to carefully evaluate the amount of necessary Title IV Program borrowing. The 90- 10 rate calculations for the year ended December 31, 2021 were 83. 72 % for CTU and 86. 21 % for AIUS. Our preliminary calculation of the 90- 10 rates for our institutions for the year ended December 31, 2022 is approximately 82 % for CTU and approximately 84 % for AIUS, which are in compliance with the 90- 10 Rule. However, as discussed above in " Legislative Action and Recent Department Regulatory Initiatives," the calculation under the existing 90- 10 Rule will be replaced with a new calculation starting with the 2023 fiscal year. The regulation describing the new 90- 10 Rule includes an expansive view of what federal aid is considered " federal educational assistance funds " under the rule, and is intended to include any identifiable revenue a school receives from tuition assistance programs offered by federal agencies, such as the Departments of Defense, Veterans Affairs and Labor, as well as any additional federal funding that may be received indirectly through other programs subsidized by federal sources that are intended to cover education expenses. The new rule also includes a number of technical changes, including a departure from the historical focus on cash basis revenue and existing Title IV Program cash management regulations. For example, institutions would be required to accelerate the receipt of, or would be deemed to have received, federal funds at the end of the annual measurement period. Although the Department published regulations in its Final Rule that are consistent with the consensus language reached during negotiated rulemaking, the Department included in the preamble to the regulation a number of interpretations are likely not consistent with the consensus language and that may potentially narrow and / or limit non- federal revenue that may be included by institutions in their annual calculations. These interpretations were offered with limited explanation and are expected to make future compliance with these regulations more difficult for for- profit institutions. We are continuing to evaluate these regulations along with the Department' s interpretations, public statements, and other communications. We have implemented various measures intended to reduce the percentage of our institutions' cash basis revenue attributable to designated federal funding sources, including efforts to diversify the sources of our revenue. However, these measures may not be adequate to prevent our institutions' 90- 10 Rule percentages from exceeding 90 % in the future, and may not be sufficient to allow our institutions to serve degree seeking prospective students at the same rates as we have historically or may require limiting the type or volume of new students we enroll or programs we offer. We may be required to modify our business operations, including reducing our investments in advertising, in order to preserve our existing students' ability to continue benefitting from financial assistance for their education pursuant to Title IV Programs. On December 21, 2022, the Department published in the Federal Register the list of Federal Education Assistance to be included as " federal educational assistance " under the revised rule. This publication confirmed that government education assistance for military or veteran personnel is considered " federal educational assistance. " Furthermore, the Department indicates that the list is not all encompassing as certain non- federal entities may sub- grant award funds under various names, and that it is up to each institution to determine if there are federal funds included in amounts received from students or other funding sources, and the precise federal and non- federal breakdown in instances where funds may be co- mingled. The result makes compliance with the revised rule more difficult, as well as adding additional layers of complexity for institutions to calculate a rate under the new rules. The ability of our institutions to maintain 90- 10 rates below 90 % will depend on the impact of future changes in our student enrollment mix, and regulatory and other factors outside of our control. In addition, changes in, or new interpretations of, the technical aspects of the calculation methodology or other industry practices under the 90- 10 Rule could further significantly impact our compliance with the 90- 10 Rule. See Item 1A, " Risk Factors – Risks Related to the Highly Regulated Field in Which We Operate – Our institutions could lose their eligibility to participate in federal student financial aid programs, face limitations on their ability to serve new or former students or have other limitations placed upon them if the percentage of their revenues derived from certain Federal programs is too high," for additional information regarding risks relating to the 90- 10 Rule. Student Loan Default Rates An institution may lose eligibility to participate in some or all Title IV Programs if the rates at which its former students default on the repayment of their federally- guaranteed or federally- funded student loans exceed specified percentages. This is determined by an institution' s cohort default rate which is calculated on an annual basis as a measure of administrative capability. Each cohort is the group of students who first enter into student loan repayment during a federal fiscal year (ending September 30). An institution' s cohort default rate is calculated as the percentage of borrowers who entered repayment in the relevant federal fiscal year who default before the end of the second fiscal year following the fiscal year in which the borrowers entered repayment. This represents a three- year measurement period. If an institution' s three- year cohort default rate exceeds 10 % for any one of the three preceding years, it must delay for 30 days the release of the first disbursement of U. S. federal student loan proceeds to first time borrowers enrolled in the first year of an undergraduate program. As a matter of regular practice, our institutions have implemented a 30- day delay for such disbursements. If an institution' s three- year cohort default rate 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. Excessive three- year cohort default rates will result in the loss of an institution' s Title IV eligibility, as follows: • Annual test. If the three- year cohort default rate for any given year exceeds 40 %, the institution will cease to be eligible to participate in Title IV Programs; and • Three consecutive years test. If the institution' s three- year cohort default rate exceeds 30 % for three consecutive years, the institution will cease to be eligible to participate in Title IV Programs. We have initiatives aimed at reducing the likelihood of our students' failure to repay their loans in a timely manner. These initiatives emphasize the importance of students' compliance with loan repayment requirements and provide for loan counseling and communication with students after they cease enrollment. Our efforts supplement the counseling, processing and other

student loan servicing work performed by the Department through contracts it has with select third parties. The quality and nature of the student loan servicing work performed by the Department has a direct impact on our cohort default rates and we have experienced past performance failures by the Department and its student loan servicers in outreach to students which adversely impact the cohort default rates at our institutions. In September 2022, the Department released the official three- year cohort default rates for the 2019 cohort. Both of our institutions had cohort default rates under the 30 % threshold for the 2019 cohort. We increased our student communication, counseling and other efforts in this area beginning in late 2016 and have begun to see improvements in the cohort default rate beginning with the 2016 cohort, however more recent rates have been favorably impacted by a pause in repayment requirements due to COVID as discussed above. A listing of the official 2019, 2018 and 2017 three- year cohort default rates for our institutions is provided in the table below. Cohort Default Rates 3- year rateInstitution, Main Campus Location (Additional locations as defined by accreditors are in parentheses) 2018 (2) American InterContinental University (1) Chandler, AZ (Online) (Atlanta, GA and Houston, TX) 4. 4 % 14. 0 % 17. 0 % Colorado Technical University Colorado Springs, CO (Denver, CO and Online) 4. 3 % 14. 6 % 16. 0 % ______________________ (1) Cohort default rates for American InterContinental University do not include results associated with Trident University. (2) Rates were modified based on corrections made as part of official appeal processes. As part of the CARES Act, which was signed into law on March 27, 2020, federal student loan payments and interest were suspended for a period of time, which the Department has periodically extended. Currently, the Department has established the repayment resumption date to be 60 days after resolution of pending legal challenges to its intended loan forgiveness initiative, but not later than 60 days from June 30, 2023. During this period, student loan borrowers have their loans placed in forbearance, and as such, are no longer required to make payments on their federal student loans. Consequently, no further defaults can occur during this period. Based on this forbearance, and more specifically the timing of it, we expect a favorable impact to the 2020- 2021 cohort default rates, with the expectation that these rates will be lower as compared to 2018 and 2019, which were also favorably impacted by the forbearance to a lesser extent. After the forbearance ends, all students will need to resume their next normally scheduled payment. It is unclear how many students will commence their regularly scheduled payments when the forbearance expires, and whether the loan servicers will be able to handle the volume of borrowers resuming repayment obligations all at the same time. The Department has warned that defaults may rise considerably when the blanket forbearance expires. As a result, whether this forbearance has any negative impact on future cohorts is unclear. On October 28, 2016, the Department adopted new regulations that cover multiple issues including the processes and standards for the discharge of federal student loans, which are commonly referred to as " borrower defense to repayment " regulations. The Department initially delayed the effective date of these regulations; however, after a successful legal challenge against the delay, the Department published guidance to institutions on March 15, 2019 regarding how to implement the 2016 regulations while noting that a new set of regulations was forthcoming. On September 23, 2019, the Department published new final " borrower defense to repayment " regulations that became effective on July 1, 2020. The new 2019 final borrower defense to repayment regulations are summarized below and will result in a distinct loan discharge process and standards applicable to federal student loans first disbursed after July 1, 2020. Further changes to the borrower defense to repayment regulations are being considered. See Legislative Action and Recent Department Regulatory Initiatives- Negotiated Rulemaking 2022: Affordability and Student Loans, " for more information. 2019 Final Regulations – Summary Loan Discharge. The 2019 borrower defense to repayment regulations significantly alter how loan discharge applications will be treated by the Department. In addition to adopting the more balanced burden of proof standard of " preponderance of the evidence, " the 2019 regulations provide for a single new federal standard for a misrepresentation claim a student may assert against its school. Under the new standard, an individual borrower may assert a defense to repayment based on the institution' s statement, act, or omission that is false, misleading, or deceptive. To be eligible for relief, the borrower would be required to demonstrate that the misrepresentation (1) was made with knowledge of its false, misleading, or deceptive nature or with a reckless disregard for the truth, (2) was relied upon by the borrower in making an enrollment decision, and (3) caused the student financial harm. In addition, the 2019 final regulations eliminate the concept of automatic group loan discharges contained in the 2016 regulations and require individual claims to be made by students and include a process for the institution to provide a defense to any claims asserted. Financial Responsibility. The 2019 final borrower defense to repayment regulations contain a number of triggering events that will result in an institution not qualifying as financially responsible or administratively capable. These triggering events include: • an order from the SEC that suspends trading in our stock or revokes the registration of our securities or suspends trading of our stock on its national securities exchange; • failure to timely file required public reports with the SEC without an extension being issued; • notification by Nasdaq that our stock is not in compliance with its exchange requirements and / or may be delisted; and • two or more concurrent and unresolved discretionary triggering events become mandatory triggering events. Additionally, the 2019 final regulations include more definitive financial events that will cause the Department to re- calculate an institution' s most recent financial responsibility composite score to determine whether the losses or reduction in owner' s equity from the event cause the composite score to fall below 1. 0. The composite score is one measure the Department uses to evaluate an institution' s financial responsibility using annual financial statements. These triggering events that can lead to the recalculation of a composite score include, but are not limited to: • incurring a liability from a settlement, final judgment or final determination arising from an administrative or judicial action or proceeding initiated by a federal or state entity; and • if our composite score is below 1. 5 and we withdraw owner' s equity, such as through a distribution of dividends. The 2019 final regulations also keep select discretionary triggering events contained in the 2016 regulations that allow the Department to designate an institution as not financially responsible. These discretionary triggering events include: • failure to satisfy the 90- 10 Rule in any year; • cohort default rates in excess of 30 % for two consecutive years; • citation from a state licensing or authorizing agency of failing to meet state or agency requirements; • an institution is placed on show- cause, probation or similar adverse action threatening an institution' s accreditation for failure to meet an accreditation standard; • high annual dropout rates, as determined by the Department; and • violation of a provision or

~~requirement in a loan agreement. The triggering events in the 2019 final regulations are significantly less subjective than a number of the eliminated triggering events that were included in the 2016 regulations. If any of the triggering events materialize, our institutions may be required to post a letter of credit equal to 10 % or more of the institution' s previous year' s annual Title IV disbursements. Repayment Rate Disclosure Eliminated. The 2019 final defense to repayment regulations eliminated a separate repayment rate disclosure obligation from the 2016 regulations that applied only to for- profit institutions. Student Loans Disbursed Prior to July 1, 2020 Prior to the July 1, 2020 effective date of the 2019 final regulations, institutions were required to follow the 2016 regulations, subject to the Department' s guidance and direction. As a result, student loans disbursed between July 1, 2017 and July 1, 2020 will follow the loan discharge processes outlined in the 2016 regulations. The 2016 regulations allow the Department to process discharge claims on a group basis, has a much broader definition of what constitutes an eligible misrepresentation, including inadvertent errors, has a lower burden of proof for students and fewer due process protections for institutions. Student loans disbursed before July 1, 2017 will follow the Department' s original discharge standards and processes that specify that a borrower may assert a defense to repayment based on an act or omission by the school that would give rise to a cause of action under state law. Causes of action under state law are broad and therefore we believe that most student claims would likely give rise to a cause of action under state law. On November 16, 2022, a California federal court in Sweet v. Cardona, No. 3: 19- cv- 3674 (N. D. Cal.) approved a settlement agreement entered into by the Department in a class action lawsuit that challenges the way the Department has been dealing with borrower defense applications over the past few years (" Sweet Settlement "). The Sweet Settlement provides a streamlined path to debt forgiveness for former students of over 150 schools, including AIUS, CTU, and institutions of ours that have previously closed. Neither the Company nor our current or former institutions are a party to this lawsuit. BDR applications pending at the time of the settlement agreement were approximately 286, 000, but expanded by an addition 180, 000 applications prior to the court' s final approval following publicity about the opportunity afforded by the settlement. The Department has neither identified the number of claims nor the specific claims covered by the Sweet Settlement that are related to our institutions. Because the process agreed to by the Department in the Sweet Settlement does not follow the claim adjudication procedures set out in applicable regulations, it is uncertain whether claims covered by the Sweet Settlement can form the basis of a claim for recoupment against the Company or our institutions. Pending Borrower Defense to Repayment Applications In May 2021, the Department notified the Company that the Department has several thousand borrower defense applications that make claims regarding the Company' s institutions, including institutions that have ceased operations. As part of the initial fact- finding process, the Department will send individual student claims to the Company and allow the institutions the opportunity to submit responses to the borrower defense applications. A majority of the claims received involve institutions or campuses that have ceased operations and, in some cases, involve students who attended over 25 years ago. We have submitted responses to the claims received which indicate that we believe the applications fail to establish a valid borrower defense and the Department should therefore deny them. We have responded to substantial requests for information going back as far as 25 years with respect to these claims. The initial volume of several thousand has continued to expand significantly as the Department and outside interest groups have continued to promote different pathways for students to receive loan forgiveness or loan discharge. Despite our belief expressed in responses submitted to the Department that the applications fail to establish a valid borrower defense and the Department should therefore deny them, the Department has already agreed in the Sweet Settlement to discharge most of the applications we are aware of. Our belief is that those applications discharged pursuant to the Sweet Settlement would not be eligible for recoupment against the Company. Almost all of the applications we have been provided to date would be covered by procedures set forth in the Sweet Settlement. It remains unclear what loan discharge applications the Department may grant in the future and whether they will assert repayment claims against us regardless of the date the student loan was disbursed and the corresponding discharge standards and processes. 2022 Final Regulations – Summary As part of the Institutional and Programmatic Eligibility rulemaking, on November 1, 2022, the Department of Education released final rules on borrower defense to repayment (" BDR "). The borrower defense to repayment rules have an effective date of July 1, 2023. The rules establish a single federal standard for BDR, include a new definition of aggressive and deceptive recruitment- one of five grounds under which a claim could be filed under the new rules- and reinstate a ban on pre- dispute arbitration and class action waivers. The grounds on which a student may make a claim for BDR under these new rules include: • substantial misrepresentation, • substantial omission of fact, • breach of contract, • aggressive and deceptive recruitment, or • a federal, state judgment, departmental adverse action against an institution that could give rise to a borrower defense claim. See Item 1A, " Risk Factors – Risks Related to the Highly Regulated Field in Which We Operate-' Borrower defense to repayment' regulations, including closed school loan discharges, may subject us to significant repayment liability to the Department for discharged federal student loans and posting of substantial letters of credit that may limit our ability to make investments in our business which could negatively impact our future growth, " for more information about risks associated with the borrower defense to repayment regulations. Financial Responsibility Standards To participate in Title IV Programs, our institutions must either satisfy standards of financial responsibility prescribed by the Department, or post a letter of credit in favor of the Department and possibly accept other conditions on its participation in Title IV Programs. Pursuant to the Title IV Program regulations, each eligible higher education institution must, among other things, satisfy a quantitative standard of financial responsibility that is based on a weighted average of three annual tests which assess the financial condition of the institution. The three tests measure primary reserve, equity and net income ratios. The Primary Reserve Ratio is a measure of an institution' s financial viability and liquidity. The Equity Ratio is a measure of an institution' s capital resources and its ability to borrow. The Net Income Ratio is a measure of an institution' s profitability. These tests provide three individual scores that are converted into a single composite score. The maximum composite score is 3. 0. If the institution achieves a composite score of at least 1. 5, it is considered financially responsible without conditions or additional oversight. A composite score from 1. 0 to 1. 4 is considered to be in " the zone " of financial responsibility, and a composite score of less than 1. 0 is not considered to be financially responsible. If an~~

~~institution is in " the zone " of financial responsibility, the institution may establish eligibility to continue to participate in Title IV Programs on the following alternative bases: • Zone Alternative. Under what is referred to as the " zone alternative, " an institution may continue to participate in Title IV Programs for up to three years under additional monitoring and reporting procedures but without having to post a letter of credit in favor of the Department. These additional monitoring and reporting procedures include being transferred from the " advance " method of payment of Title IV Program funds to cash monitoring status (referred to as Heightened Cash Monitoring 1, or " HCM1, " status) or to the " reimbursement " or Heightened Cash Monitoring 2 (" HCM2 ") methods of payment. If an institution does not achieve a composite score of at least 1. 0 in one of the three subsequent years or does not improve its financial condition to attain a composite score of at least 1. 5 by the end of the three- year period, the institution must satisfy another alternative standard to continue participating in Title IV Programs. • Letter of Credit Alternative. An institution that fails to meet one of the standards of financial responsibility, including by having a composite score less than 1. 5, may demonstrate financial responsibility by submitting an irrevocable letter of credit to the Department in an amount equal to at least 50 % of the Title IV Program funds that the institution received during its most recently completed fiscal year. • Provisional Certification. If an institution fails to meet one of the standards of financial responsibility, including by having a composite score less than 1. 5, the Department may permit the institution to participate under provisional certification for up to three years. If the Department permits an institution to participate under provisional certification, an institution must comply with the requirements of the " zone alternative, " including being transferred to the HCM1, HCM2 or " reimbursement " method of payment of Title IV Program funds, and must submit a letter of credit to the Department in an amount determined by the Department which can range from 10 %- 100 % of the Title IV Program funds that the institution received during its most recently completed fiscal year. If an institution is still not financially responsible at the end of the period of provisional certification, including because it has a composite score of less than 1. 0, the Department may again permit provisional certification subject to the terms the Department determines appropriate. The Department applies its quantitative financial responsibility tests annually based on an institution' s audited financial statements and may apply the tests if an institution undergoes a change in control or under other circumstances. The Department also may apply the tests to the parent company of our institutions, and to other related entities. Our composite score for the consolidated entity for the year ended December 31, 2021 was 3. 0, and our preliminary calculation for the year ended December 31, 2022 is also 3. 0, which is the highest possible score and considered financially responsible without conditions or additional oversight. If in the future we are required to satisfy the Department' s standards of financial responsibility on an alternative basis, including potentially by posting irrevocable letters of credit, we may not have the capacity to post these letters of credit. Accreditor and state regulatory requirements also address financial responsibility, and these requirements vary among agencies and also are different from the Department requirements. Any developments relating to our satisfaction of the Department' s financial responsibility requirements may lead to additional focus or review by our accreditors or applicable state agencies regarding their respective financial responsibility requirements. See Item 1A, " Risk Factors – Risks Related to the Highly Regulated Field in Which We Operate – A failure to demonstrate ' financial responsibility' or ' administrative capability' would have negative impacts on our operations, " for additional information regarding risks relating to the financial responsibility standards. Return and Refunds of Title IV Program Funds An institution participating in Title IV Programs must correctly calculate the amount of unearned Title IV Program funds that were disbursed to students who withdraw from their educational programs, and must return those funds to the government in a timely manner. The portion of tuition and fee payments billed to students but not yet earned is recorded as deferred tuition revenue and reflected as a current liability on our consolidated balance sheets, as such amounts represent revenue that we expect to earn within the next year. If a student withdraws from one of our institutions prior to the completion of the academic term, we refund the portion of tuition and fees already paid that we are not entitled to retain, pursuant to applicable federal and state law and accrediting agency standards and our refund policy. The amount of funds to be refunded on behalf of a student is calculated based upon the period of time in which the student has attended classes and the amount of tuition and fees paid by the student as of the student' s withdrawal date. Institutions are required to return any unearned Title IV funds within 45 days of the date the institution determines that the student has withdrawn. An institution that is found to be in non- compliance with the Department refund requirements for either of the last two completed fiscal years must post a letter of credit in favor of the Department in an amount equal to 25 % of the total Title IV Program returns that were paid or should have been paid by the institution during its most recently completed fiscal year. As of December 31, 2022, we have posted no letters of credit in favor of the Department due to non- compliance with the Department refund requirements. Change of Ownership or Control When an institution undergoes a change of ownership resulting in a change of control, as that term is defined by the state in which it is located, its accrediting agency and the Department, it must secure the approval of those agencies to continue to operate and to continue to participate in Title IV Programs. If the institution is unable to re- establish state authorization and accreditation requirements and satisfy other requirements for certification by the Department, the institution may lose its authority to operate and its ability to participate in Title IV Programs. An institution whose change of ownership or control is approved by the appropriate authorities is nonetheless provisionally re- certified by the Department for a period of up to three years. Transactions or events that constitute a change of control by one or more of the applicable regulatory agencies, including the Department, applicable state agencies, and accrediting bodies, include the acquisition of an institution from another entity or significant acquisition or disposition of an institution' s equity. It is possible that some of these events may occur without our control. Our failure to obtain, or a delay in obtaining, a required approval of any change in control from the Department, applicable state agencies, or accrediting agencies could impair our ability or the ability of the affected institutions to participate in Title IV Programs. If we were to undergo a change of control and our institutions failed to obtain the required approvals from applicable regulatory agencies in a timely manner, our student population, financial condition, results of operations and cash flows could be materially adversely affected. When we acquire an institution that is eligible to participate in Title IV Programs, that institution typically undergoes a change of ownership resulting in a change of control as defined by the Department. Our~~

acquired institutions in the past have undergone a certification review under our ownership and have been certified to participate in Title IV Programs on a provisional basis, per Department requirements, until such time that the Department signs a new program participation agreement with the institution. Currently, neither of our institutions is subject to provisional certification status due to the Department' s change of ownership criteria. The potential adverse effects of a change of control under Department regulations may influence future decisions by us and our stockholders regarding the sale, purchase, transfer, issuance or redemption of our common stock. On October 28, 2022, the Department, as part of 2021- 2022 negotiated rulemaking agenda, published Final Regulations on Change of Ownership. The Department added a definition of main campus as " the primary physical location where the institution offers programs, within the same ownership structure of the institution, and certified as the main campus by the department and the institution' s accrediting agency. " Also included is a required notification to the Department and students of planned change in ownership at least 90 days in advance. Lower reporting of ownership interest changes to 5 %, instead of the current 25 % threshold and the Department raised the threshold of full review of change in control from 25 % ownership interest changes to 50 %. Opening New Institutions, Start- up Campuses and Adding Educational Programs The Higher Education Act generally requires that for- profit institutions be fully operational for two years before applying to participate in Title IV Programs. However, an institution that is certified to participate in Title IV Programs may establish a start- up branch campus or location and participate in Title IV Programs at the start- up campus without reference to the two- year requirement if the start- up campus has received all of the necessary state and accrediting agency approvals, has been reported to the Department, and meets certain other criteria as defined by the Department. Nevertheless, under certain circumstances, a start- up branch campus may also be required to obtain approval from the Department to be able to participate in Title IV Programs. In addition to the Department regulations, certain of the state and accrediting agencies with jurisdiction over our institutions have requirements that may affect our ability to open a new institution, open a start- up branch campus or location of one of our existing institutions, or begin offering a new educational program at one of our institutions. If we establish a new institution, add a new branch start- up campus, or expand program offerings at any of our institutions without obtaining the required approvals, we would likely be liable for repayment of Title IV Program funds provided to students at that institution or branch campus or enrolled in that educational program, and we could also be subject to sanctions. Also, if we are unable to obtain the approvals from the Department, applicable state regulatory agencies, and accrediting agencies for any new institutions, branch campuses, or program offerings where such approvals are required, or to obtain such approvals in a timely manner, our ability to grow our business would be impaired and our financial condition, results of operations and cash flows could be materially adversely affected. The Department regulations specify extensive criteria that an institution must satisfy to establish that it has the requisite administrative capability to participate in Title IV Programs. 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 the Department and various other procedural matters. If an institution fails to satisfy any of the Department' s criteria for administrative capability, the Department may require the repayment of Title IV Program funds disbursed by the institution, place the institution on provisional certification status, require the institution to receive Title IV Program funds under another funding arrangement, impose fines or limit or terminate the participation of the institution in Title IV Programs. Restrictions on Payment of Commissions, Bonuses and Other Incentive Payments An institution participating in Title IV Programs cannot provide any commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or Title IV financial aid to any persons or entities engaged in any student recruiting or admission activities or in making decisions regarding the award of student financial assistance. Regulations issued in October 2010 which became effective July 1, 2011 rescinded previously issued Department guidance and " safe harbors " relied upon by higher education institutions in making decisions how they managed, compensated and promoted individuals engaged in student recruiting and the awarding of financial aid and their supervisors. The elimination of these " safe harbor " protections and guidance required us to terminate certain compensation payments to our affected employees and to implement changes in contractual and other arrangements with third parties to change structures formerly allowed under Department rules, and has had an impact on our ability to compensate, recruit, retain and motivate affected admissions and other affected employees as well as on our business arrangements with third- party lead generators and other marketing vendors. In September 2016, the Department' s Office of Inspector General released a revised audit guide applicable specifically to for- profit schools that requires an annual audit to review compliance with the incentive compensation restrictions. Further, the Department provided very limited published guidance regarding this rule and does not establish clear criteria for compliance for many circumstances. If the Department determined that an institution' s compensation practices violated these standards, the Department could subject the institution to substantial monetary fines, penalties or other sanctions. Substantial Misrepresentation The Higher Education Act prohibits an institution participating in Title IV Programs from engaging in substantial misrepresentation of the nature of its educational programs, financial charges, graduate employability or its relationship with the Department. Under the Department' s rules, a" misrepresentation" is any statement (made in writing, visually, orally or otherwise) made by the institution, any of its representatives or a third party that provides educational programs, marketing, advertising, recruiting, or admissions services to the institution, that is false, erroneous or has the likelihood or tendency to deceive, and a" substantial misrepresentation" is any misrepresentation on which the person to whom it was made could reasonably be expected to rely, or has reasonably relied, to that person' s detriment. Considering the broad definition of " substantial misrepresentation, " it is possible that, despite our training efforts and compliance programs, our institutions' employees or service providers may make statements that could be construed as substantial misrepresentations. If the Department determines that one of our institutions has engaged in substantial misrepresentation, the Department may revoke the institution' s program participation agreement, deny applications from the institution for approval of new programs or locations or other matters, or initiate proceedings under its borrower defense to repayment regulations to fine the institution or limit, suspend, or terminate its eligibility to participate in Title IV Programs; the institution could also be exposed to increased

~~risk of action under the Federal False Claims Act. OTHER INFORMATION Our website address is www. perdoceoed. com. We make available within the " Investor Relations " portion of our website under the caption " Annual Reports and SEC Filings, " free of charge, our annual reports on Form 10- K, quarterly reports on Form 10- Q, and current reports on Form 8- K, including any amendments to those reports, as soon as reasonably practicable after we electronically file or furnish such materials to the U. S. Securities and Exchange Commission (" SEC "). Also, the SEC maintains an Internet site at www. sec. gov that contains reports, proxy and information statements, and other information that we file electronically with the SEC. Information contained on our website is expressly not incorporated by reference into this Form 10- K. Item 1A. RISK FACTORS As a provider of postsecondary education and a participant in federal and state programs providing financial assistance to students, we are subject to extensive laws and regulation at both the federal and state levels and by accrediting agencies. These requirements cover virtually all aspects of our business. In particular, the Higher Education Act (" HEA ") authorizes Title IV Programs and subjects participants to extensive regulation by the Department of Education (the " Department "), state education agencies and accrediting agencies. Additionally, our institutions' participation in education assistance programs administered by the Departments of Defense and Veterans Affairs also subjects us to oversight by those agencies. In addition, other federal agencies such as the Consumer Financial Protection Bureau (" CFPB ") and the Federal Trade Commission (" FTC ") and various state agencies and state attorneys general enforce a broad range of consumer protection and other laws applicable to activities of postsecondary educational institutions, such as recruiting, marketing, the protection of personal information, student financing and payment servicing. Because of these regulatory requirements, we are subject to compliance reviews and audits, claims of noncompliance and lawsuits by government agencies, students, employees and other third parties. These matters often require the expenditure of substantial time and resources to address and may damage our reputation, even if such actions are eventually determined to be without merit. For example, the Department has broad powers to request information and review records of an institution participating in Title IV Programs. These requests can be open ended and do not necessarily relate to any specific allegations of wrongdoing or even assert any compliance failures of any kind. We received such a request in December 2021. Due process safeguards and protections for institutions subjected to this type of information request are limited to the Department' s interpretation of the limits of its authority over institutions participating in Title IV programs. The Department under the current Presidential administration has taken an expansive view on its authority over the administration of Title IV programs, institutions and loans and have overruled or ignored a number of historical limiting precedents and due process safeguards. The Department has partnered with advocacy groups critical of the for- profit education sector in numerous aspects of its agenda which have lobbied for targeting the sector and our schools. It has also hired a number individuals that are critical of for- profit education into senior level positions within the Department. All of the above factors as well as recent and future rulemaking and the absence of transparency from the Department combined with the Presidential administration' s stated ambition to discharge a maximum amount of student loans have created a challenging and, in some cases, uncertain regulatory environment for the sector and could lead the Department to take actions to limit or suspend institutions, including ours, with little or no warning or due process protections. In addition to responding to compliance reviews and audits and other informational requests, we have had significant matters pending against us in the past which have resulted in the payment of significant amounts to settle the matters and our agreement to ongoing compliance and operational oversight. In this regard, see Item I, " Business – Accreditation, State Regulation and Other Compliance Matters – Other Compliance Matters, " for discussion of agreements undertaken in connection with several matters resolved in recent years. Compliance with reviews and audits and applicable laws, regulations, standards or policies may impose significant burdens and a failure to comply could result in financial penalties, restrictions on our operations, loss of federal and state financial aid funding for our students, or loss of authorization to operate our institutions. If the Department denies, or significantly conditions, recertification of either of our institutions to participate in Title IV Programs, that institution could not conduct its business as it is currently conducted. Under the provisions of the Higher Education Act, an institution must apply to the Department for continued certification to participate in Title IV Programs at least every six years or when it undergoes a change of control. Generally, the recertification process includes a review by the Department of an institution' s educational programs and locations, administrative capability, financial responsibility, and other oversight categories. AIUS and CTU are currently in a recertification process with the Department, and AIUS is currently operating on a provisional program participation agreement due to open regulatory review processes with the Department at the time of its prior recertification. During the period of provisional certification, an institution must obtain prior Department approval to add an educational program, open a new location, or make any other significant change, which could negatively impact AIUS' s ability to take these actions. If the Department finds that any of our institutions do not fully satisfy all required eligibility and certification standards, the Department could deny recertification or limit, suspend, or terminate the institution' s participation in Title IV Programs. Continued Title IV program eligibility is critical to the operation of our business. If either of our institutions becomes ineligible to participate in Title IV Programs, or have that participation significantly conditioned, it could not conduct its business as currently conducted and we would experience a dramatic decline in revenue. We are dependent on the renewal and maintenance of Title IV Programs. A substantial majority of our students rely upon Title IV Programs to assist in financing their education, and we derive a substantial majority of our revenue and cash flows from Title IV Programs. For example, for the year ended December 31, 2022, a majority of our students who were in a program of study at any date during that year participated in Title IV Programs, which resulted in Title IV Program cash receipts of approximately $ 511 million. As a result, any legislative or regulatory action that significantly reduces Title IV Program funding or the ability of our students to participate, or that places significant additional burdens on or eliminates our ability to participate, would materially reduce the number of students who enroll at our institutions, our revenue and our profitability, and we would be unable to continue our business as it currently is conducted. The regulations, standards and policies of our regulators change frequently and are subject to interpretation, and interpretations may change over time or due to changes in presidential administrations. In particular, the Department has~~

announced and is in the process of promulgating a substantial number of new regulations that impact our business, including but not limited to a third version of the " borrower defense to repayment " regulations discussed in a separate risk factor below. The U. S. Congress is required to periodically reauthorize the HEA and other laws governing Title IV Programs and annually determines the funding level for each Title IV Program. See Item 1, " Business — Student Financial Aid and Related Federal Regulation — Legislative Action and Recent Department Regulatory Initiatives, " for more information about the reauthorization of the Higher Education Act. In recent years, Congress, the Department, states, accrediting agencies, the CFPB, the FTC, state attorneys general, and the media have scrutinized the for- profit postsecondary education sector. See Item 1, " Business — Student Financial Aid and Related Federal Regulation — Scrutiny of the For- Profit Postsecondary Education Sector, " for more information about the focus on our industry. This scrutiny and efforts of the Biden administration led to significant regulatory changes. The Department has enacted and is continuing to pursue significant rulemaking initiatives that are likely to negatively impact our business. See Item 1, " Business — Student Financial Aid and Related Federal Regulation — Legislative Action and Recent Department Regulatory Initiatives, " for an overview of regulatory initiatives by the Department. Ongoing efforts by activists to change SARA reciprocity rules to allow a greater patchwork of state- by- state standards could increase regulatory burdens on our business. See Item 1, " Business- Accreditation, State Regulation and Other Compliance Matters- State Regulation, " for more information about state regulation and SARA. The Department issued a Dear Colleague Letter on February 15, 2023 that updated its existing guidance to significantly expand its interpretation of the types of service providers that qualify as participating in the administration of Title IV funds under the definition of a " Third Party Servicer. " The Department indicated its new interpretations are effective immediately. We may have service providers that elect to discontinue working with our institutions in light of the additional costs, administrative burdens and / or risk imposed by having to comply with Title IV requirements applicable to Third Party Servicers which include annual compliance audits and contractual commitments to joint and several liability with the institution. Many of these ancillary support services have not traditionally had any role related to the administration of Title IV funds, but may in some limited way interact with or have access to provide support for our students. We are assessing the support provided by various service providers against this updated guidance but are unable to determine the potential impact it may have on our business at this time. As in the past, recent and future regulatory changes may have significant impacts on our business, potentially requiring a large number of operational changes, changes to and elimination of certain educational programs, or other fundamental changes to our business. These actions may reduce our student enrollments and profitability or limit our ability to maintain or grow our business. These recent and future regulatory changes may also make compliance with regulatory requirements even more complex and difficult. Our institutions could lose their eligibility to participate in federal student financial aid programs, face limitations on their ability to serve new or former students or have other limitations placed upon them if the percentage of their revenues derived from certain federal programs is too high. Under revised regulations effective for calendar year 2023, any of our institutions may lose eligibility to participate in Title IV Programs if, on modified cash basis accounting, the percentage of the cash receipts derived from federal funding programs for two consecutive fiscal years is greater than 90 %. The Department specified the sources of federal funding to be included in the 90- 10 Rule in mid- December 2022, well after a substantial majority of students for the upcoming 2023 calendar year, a majority of those students which were in the process of continuing through their program, had already enrolled and elected financing for upcoming classes. Federal funding now includes tuition assistance under the Title IV program as well as tuition assistance benefits provided to members of the military and veterans as well as a significant number of other federal programs supporting higher education and training. Under this modified 90- 10 Rule, an institution that derives more than 90 % of its cash receipts from federal funding sources for any fiscal year will be placed on provisional participation status for its next two fiscal years. We have substantially no control over the amount of Title IV student loans and grants, military or veteran education benefits, or other Federal education assistance funds sought by or awarded to our students. Additionally, we may not know at the time of receipt that funding used by a student was derived from a federal program. In addition, if the institution violates the 90- 10 Rule for two consecutive fiscal years and becomes ineligible to participate in Title IV Programs, but continues to disburse Title IV Program funds, the Department would require the repayment of all Title IV Program funds received by it after the effective date of the loss of eligibility. Several factors such as the increase in Title IV Program aid availability, including year- round Pell Grant funds, and budget- related reductions in state grant programs, workforce training programs, and other alternative funding sources have adversely affected our institutions' 90- 10 Rule percentages in recent years, and we expect this negative impact to continue. Additionally, the lack of visibility into potential federal fund sources students may be using, the timing of the identification of the federal fund sources applicable to the 90- 10 Rule, the lack of clarity regarding the definition of federal funds and those funds counting in the " 10 " as well as some of the technical aspects of the calculation methodology under the 90- 10 Rule, interest levels and variability in the timing of receipts of future cash payments made for allowable non- Title IV programs offered by our institutions, all make it difficult to predict future compliance with the 90- 10 Rule. We have implemented various measures intended to reduce the percentage of our institutions' cash basis revenue attributable to designated federal funding sources, including efforts to diversify the sources of our revenue. However, these measures may not be adequate to prevent our institutions' 90- 10 Rule percentages from exceeding 90 % in the future, and may not be sufficient to allow our institutions to serve degree seeking prospective students at the same rates as we have historically or may require limiting the type or volume of new students we enroll or programs we offer. We may be required to modify our business operations, including reducing our investments in advertising, in order to preserve our existing students' ability to continue benefitting from financial assistance for their education pursuant to Title IV Programs. Any necessary business changes could materially impact our revenue, operating costs and opportunities for growth. Furthermore, these business changes could make more difficult our ability to comply with other important regulatory requirements. The ability of our institutions to comply with the 90- 10 Rule will depend upon the composition of our future student population and their personal circumstances, as well as on regulatory changes and other factors outside of our control, including any increases

or reductions in federally funded education assistance. The Department may attempt to impose additional sanctions on institutions that fail the 90- 10 Rule limit, but there is only limited precedent available to determine their legality or predict what those additional sanctions might be in the future. The Department could specify a wide range of additional conditions as part of the provisional certification and the institutions' continued participation in Title IV Programs. These conditions may include, but are not limited to, restrictions on the total amount of Title IV Program funds that may be distributed to students attending the institutions; restrictions on programmatic and geographic expansion; requirements to obtain and post letters of credit; and additional reporting requirements to include additional interim financial or enrollment reporting. See Item 1, " Business – Student Financial Aid and Related Federal Regulation – Compliance with Federal Regulatory Standards and Effect of Federal Regulatory Violations- ' 90- 10 Rule,' " for more information about the 90- 10 Rule and the measures we have implemented to improve our compliance. If any of our institutions lose eligibility to participate in Title IV Programs due to violation of the prior or modified 90- 10 Rule, the institution would experience a dramatic decline in revenue and would be unable to continue its business as it currently is conducted. Efforts to reduce the 90- 10 Rule percentage for our institutions have and may in the future involve taking measures that reduce our revenue, increase our operating expenses or involve interpretations of the 90- 10 Rule or other Title IV regulations that are without clear precedent (or all of the foregoing, in each case perhaps significantly). " Borrower defense to repayment " regulations, including closed school loan discharges, may subject us to significant repayment liability to the Department for discharged federal student loans and posting of substantial letters of credit that may limit our ability to make investments in our business which could negatively impact our future growth. On November 1, 2016, the Department adopted regulations that cover multiple enforcement issues, including revised processes and standards for the discharge of student loans for borrowers commonly referred to as " borrower defense to repayment " regulations. Changes made to the borrower defense to repayment regulations, as well as to the closed school loan discharge regulations, are extensive and generally will make it easier for student borrowers to obtain discharges of their loans and for the Department to attempt to assess liabilities and other sanctions against institutions based on loan discharges. Included in the 2016 regulations were expansions of the Department' s authority to process group discharge claims and authority to seek recoupment from institutions. On September 23, 2019, the Department published revised final borrower defense to repayment regulations that became effective on July 1, 2020. The processes and standards that apply are determined by the date a student loan is disbursed, and student loans disbursed before July 1, 2017 followed the Department' s original discharge standards and processes that specify that a borrower may assert a defense to repayment based on an act or omission by the school that would give rise to a cause of action under state law. On November 1, 2022, the Department published further revised borrower defense to repayment regulations that will become effective on July 1, 2023, with the express purpose of making it easier for students to have their loans discharged and to streamline the process of recoupment of discharged loan funds from institutions. The new regulations expanded the types of conduct that could support a successful borrower defense to repayment claim, including expanding the types of substantial misrepresentations that could support a claim and providing new sections addressing substantial omissions of fact, aggressive and deceptive recruitment, and adverse actions by the Department against institutions. Further, the processes and standards for a loan discharge are no longer governed by the loan disbursal date. Effective July 1, 2023, the new loan discharge processes and standards will apply to all future and pending discharge applications. In addition, the Department reinstated the group claims process and created a " third- party requester " process, which allows state attorneys general and legal aid organizations to file group claims on a borrower' s behalf. On November 16, 2022, a California federal court in Sweet v. Cardona, No. 3: 19- cv- 3674 (N. D. Cal.) approved a settlement agreement entered into by the Department in a class action lawsuit that challenges the way the Department has been dealing with borrower defense applications over the past few years (" Sweet Settlement "). The Sweet Settlement would provide a streamlined path to debt forgiveness for former students of over 150 schools, including AIUS, CTU, and institutions of ours that have previously closed. Neither the Company nor our current or former institutions are a party to this lawsuit. The Department has neither identified the number of claims nor the specific claims covered by the Sweet Settlement that are related to our institutions. It is unclear whether the Department would seek to impose liabilities on us or our institutions based on relief provided to our former students under the settlement agreement. Because the process agreed to by the Department in the Sweet Settlement does not follow the claim adjudication procedures set out in applicable regulations, it is uncertain whether the Department will seek recoupment against the Company or our institutions for claims covered by the Sweet Settlement. During May 2021, the Department began providing us with borrower defense applications that assert claims regarding our institutions, including institutions that have ceased operations. The initial volume of several thousand has continued to significantly expand as the Department and outside interest groups have continued to promote different pathways for students to receive loan forgiveness or loan discharge. Despite our belief expressed in responses submitted to the Department that the applications fail to establish a valid borrower defense and the Department should therefore deny them, the Department has already agreed in the Sweet Settlement to discharge most of the applications we are aware of. Almost all of the applications we have been provided to date would be covered by procedures set forth in the Sweet Settlement. It remains unclear what loan discharge applications the Department may grant in the future and whether they will assert repayment claims against us regardless of the date the student loan was disbursed and the corresponding discharge standards and processes. Our defenses to the asserted repayment liability may not succeed. See Item 1, " Business – Student Financial Aid and Related Federal Regulation – Compliance with Federal Regulatory Standards and Effect of Federal Regulatory Violations – Borrower Defense to Repayment, " for more information about the borrower defense to repayment regulations and our responses to these applications. In addition to a borrower defense to repayment discharge of student loans based on an act or omission by a school, Department regulations provide that upon the closure of an institution participating in the Title IV Programs, including any location thereof, certain students who had attended such an institution or location may be eligible to obtain a " closed school loan discharge " of their federal student loans related to attendance at that institution or location, if they do not complete their educational programs at another location or online, or through transfer or teach- out with other postsecondary institutions. In

order to obtain a closed school loan discharge, a student generally must have been enrolled or on an approved leave of absence within 180 days from when the institution or location closed. Under Department regulations published on October 31, 2022, which take effect on July 1, 2023, the Department may grant automatic closed school loan discharges to students who do not re-enroll in another Title IV- participating institution within one year after becoming unable to complete their educational program due to a closure of their institution or institutional location. Recently, the Department has asserted loan discharge claims against us relating to closed campuses in our former All Other Campuses reporting segment for select students that withdrew or were dismissed from school just prior to a campus closure, despite the availability of a teach- out and opportunity to complete or other mitigating factors. In addition, pursuant to our acquisition of substantially all of the assets of Trident University, Trident University' s operations were brought within the scope of AIUS' state licensure, accreditation and Department approval, with Trident University relinquishing its accreditor and Department approvals. As a result, we may incur closed school discharge liabilities if Trident University students do not complete their educational program after the closing of the transaction. The Department' s interpretation and enforcement of the different versions of the borrower defense to repayment regulations, additional rule modifications regarding these regulations and other regulations regarding loan discharges, and the change in Department administration and policy objectives, has led to increased enforcement activities by the Department. For example, on February 16, 2022, the Department announced that nearly 16, 000 borrowers will receive $ 415 million in borrower defense to repayment discharges for several institutions following the approval of four new findings and the continued review of claims. This includes approximately 1, 800 former DeVry University students who will receive approximately $ 71. 7 million in full borrower defense discharges, with the Department anticipating an increase in these amounts. DeVry University is a for- profit postsecondary institution, and the Department noted in its announcement that these are the first approved borrower defense claims associated with a currently operating institution and that it will seek to recoup the cost of the discharges from DeVry University. If the Department determines, despite the Sweet Settlement, that a significant number of borrowers who attended our current, former, or acquired institutions have a defense to repayment of their student loans, and successfully asserts recoupment against the Company or its institutions, we could be subject to significant repayment liability to the Department, which may limit our ability to make investments in our business and negatively impact our future growth. In addition to potential liability associated with loan discharges, both the 2016 and 2019 borrower defense to repayment regulations include discussion of triggering events that may provide the Department discretion regarding periodic determinations of our financial responsibility and associated enhanced financial protection in the form of a letter of credit or other security it determines it needs. The 2022 negotiated rulemaking proposed changes to the financial responsibility regulations – including additional triggering events – but the Department has yet to publish a final rule on this topic. If in the future we are required to post a letter of credit pursuant to the borrower defense to repayment regulations, we may not have the capacity to do so. Even if we are able to post a required letter of credit, doing so may limit our ability to make investments in our business which could negatively impact our future growth. We cannot predict the impact various defense to repayment regulations will have on student enrollments, the volume of claims for loan discharge (including closed school discharge), the amount of claims for loan discharge the Department approves, the amount of discharged loans the Department asserts we have repayment liability for, our future financial responsibility as determined by the Department, or any sanctions or other actions the Department might take against our institutions based on loans discharged, all of which could be materially adverse to our business. Our institutions would lose their ability to participate in Title IV Programs if they fail to maintain their institutional accreditation, and our student enrollments could decline if certain of our programs fail to obtain or maintain programmatic accreditation. An institution must be accredited by an accrediting agency recognized by the Department in order to participate in Title IV Programs. See Item 1, " Business – Accreditation, Jurisdictional Authorizations and Other Compliance Matters – Institutional Accreditation. " The failure to comply with accreditation standards will subject an institution to additional oversight and reporting requirements, accreditation proceedings such as a show- cause directive, an action to defer or deny action related to an institution' s application for a new grant of accreditation, an action to suspend an institution' s accreditation or a program' s approval, or other negative actions. Future inquiries or actions by state or federal agencies could impact our accreditation status. If our institutions or programs are subject to accreditation actions or are placed on probationary or other negative accreditation status, we may experience adverse publicity, impaired ability to attract and retain students and substantial expense to obtain unqualified accreditation status. The inability to obtain reaccreditation following periodic reviews or any final loss of institutional accreditation after exhaustion of the administrative agency processes would result in a loss of Title IV Program funds for the affected institution and its students. In addition, if an accrediting body of our institutions loses recognition by the Department, that institution could lose its ability to participate in Title IV Programs. See Item 1," Business- Student Financial Aid and Related Federal Regulation- Eligibility and Certification by the Department," for more information. Many states and professional associations require professional programs to be accredited. While programmatic accreditation is not a sufficient basis to qualify for institutional Title IV Program certification, programmatic accreditation may be a prerequisite for or improve employment opportunities for program graduates in their chosen field. Those of our programs that do not have such programmatic accreditation, where available, or fail to maintain such accreditation, may experience adverse publicity, declining enrollments, litigation or other claims from students or suffer other adverse impacts, which could result in it being impractical for us to continue offering such programs. A failure to demonstrate" financial responsibility" or" administrative capability" would have negative impacts on our operations. All higher education institutions participating in Title IV Programs must, among other things, satisfy financial and administrative standards. Failure to meet these standards may subject an institution to: (1) additional monitoring and reporting procedures, the costs of which may be significant,; (2) alterations in the timing and process for receipt of cash pursuant to Title IV Programs; (3) a requirement to submit an irrevocable letter of credit to the Department in an amount equal to 10- 100 % of the Title IV Program funds received during its most recently completed fiscal year, which we may not have the capacity to provide; or (4) provisional certification for up to three years, in each case depending on the level of compliance with the standards and the

Department' s discretion. See Item 1, " Business – Student Financial Aid and Related Federal Regulation – Compliance with Federal Regulatory Standards and Effect of Federal Regulatory Violations, " for more information. Accreditor and state regulatory requirements also address financial responsibility and administrative capability, and these requirements vary among agencies and also may differ from Department requirements. Any developments relating to our satisfaction of the Department' s financial responsibility requirements or administrative capability may lead to additional focus or review by our accreditors or applicable state agencies regarding their respective financial responsibility requirements. If our institutions fail to maintain financial responsibility or administrative capability, they could lose their eligibility to participate in Title IV Programs, have that eligibility adversely conditioned or be subject to similar negative consequences under accreditor and state regulatory requirements, which would have a material adverse effect on our operations. In particular, limitations on participation in Title IV Programs resulting from the failure to demonstrate financial responsibility or administrative capability could materially reduce the enrollments and revenue at the impacted institution, and a termination of participation would cause a dramatic decline in revenue and we would be unable to continue our business as it currently is conducted. 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 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. We believe the risk of outside parties attempting to perpetrate fraud in connection with the award and disbursement of Title IV program funds, including as a result of identity theft, is heightened due to being an exclusively online education provider. The Department requires institutions that participate in Title IV programs to refer to the Department of Education Office of the Inspector General, credible information about fraud or other illegal conduct involving Title IV programs. If the systems and processes that our institutions have established to detect and prevent fraud are inadequate, the Department may find that our institutions do not satisfy the Department' s administrative capability requirements, which could have the adverse effects described in the risk factor captioned " A failure to demonstrate" financial responsibility" or" administrative capability" would have negative impacts on our operations. " In addition, our ability to participate in Title IV programs is conditioned on maintaining accreditation by an accrediting agency that is recognized by the Department. Any significant failure to adequately detect fraudulent activity related to student enrollment and financial aid could cause us to fail to meet accreditors' standards. Furthermore, accrediting agencies that evaluate institutions offering online 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. Our agreements with multiple state attorneys general and the FTC may lead to unexpected impacts on our student enrollments or higher than anticipated expenses, a failure to comply may lead to additional enforcement actions and continued scrutiny may result in additional costs or new enforcement actions. As discussed above, states and other regulatory bodies have increased their focus on the for- profit postsecondary education sector. This includes increased activity by state attorneys general and the FTC in their review of the sector. In recent years, we entered into various agreements with state attorneys general and the FTC to bring closure to inquiries by them. See Item 1, " Business – Accreditation, State Regulation and Other Compliance Matters – Other Compliance Matters " for information about these agreements. These agreements could ultimately result in negative impacts on our business, any one of which could be material. For example, pursuant to the 2019 agreements with the attorneys general we agreed to work with a third- party administrator that reports annually on our compliance with various obligations under these agreements. Any negative findings by the third-party administrator may result in negative consequences to us, such as an extension of the time period during which we must work with the third- party administrator or an action by one or more attorneys general seeking enforcement of the agreements. Further, our provision of materials and information in accordance with the terms of the agreements that do not align with those provided by other institutions could negatively impact student decisions to enroll or remain enrolled at our institutions. Pursuant to the agreement with the FTC, we agreed to various operating provisions including the operation of a system to monitor lead aggregators and generators involving a compliance review by, or on behalf of, the Company of the various sources a prospective student interacts with prior to the Company' s purchase and use of the prospective student lead. The compliance costs related to these agreements may be greater than anticipated and may have a negative impact on our ability to compete effectively and maintain and grow student enrollments at our institutions, and a failure to comply may lead to additional enforcement actions by the state attorneys general and the FTC. In addition, we continue to receive requests from state and other regulatory bodies to provide ongoing proof that we are complying with applicable law and regulations and meeting our contractual obligations pursuant to these agreements. Compliance with these requests results in significant additional costs and a failure to respond, whether required or not, could result in additional enforcement actions. If we are unable to successfully resolve pending or future litigation and regulatory and governmental inquiries involving us, or face increased regulatory actions or litigation, our financial condition and results of operations could be adversely affected. We have been named as defendants in the past and / or currently in various lawsuits, investigations and claims covering a range of matters, including, but not limited to, violations of the federal securities laws, breaches of fiduciary duty and claims made by current and former students and employees of our institutions. Current claims include a qui tam action filed in federal court by an individual plaintiff on behalf of themselves and the federal government alleging that we submitted false claims or statements to the Department in violation of the False Claims Act. Qui tam actions are filed under seal, and remain under seal until the government decides whether it will intervene in the case. If the government elects to intervene in an action, it assumes primary control of that matter; if the government elects not to intervene, then individual plaintiffs may continue the litigation at their own expense on behalf of the government. See Note 12"

Contingencies" to our consolidated financial statements for discussion of these and certain other current matters. Additional actions may arise in the future. Given the highly regulated nature of our industry, we and our institutions are also subject to and have regular audits, compliance reviews, inquiries, investigations, and claims of non- compliance by the Department, federal and state regulatory agencies, accrediting agencies, state attorney general offices, present and former students and employees, and others that may allege violations of statutes, regulations, accreditation standards, consumer protection and other legal and regulatory requirements applicable to us or our institutions. See Note 12" Contingencies" to our consolidated financial statements and Item 1," Business- Student Financial Aid and Related Federal Regulation- Compliance with Federal Regulatory Standards and Effect of Federal Regulatory Violations" for additional discussion of these and certain other current matters. If the results of any such audits, reviews, inquiries, investigations, claims, or actions are unfavorable to us, we may be required to pay monetary damages or be subject to fines, operational limitations, loss of federal funding, injunctions, undertakings, additional oversight and reporting, or other civil or criminal penalties. Even if we maintain compliance with applicable governmental and accrediting body regulations, increased regulatory scrutiny or adverse publicity arising from allegations of non- compliance may increase our costs of regulatory compliance and adversely affect our financial results, growth rates and prospects. We are subject to a variety of other claims and litigation that arise from time to time alleging non- compliance with or violations of state or federal regulatory matters including, but not limited to, claims involving students, graduates and employees. In the event the extensive changes in the overall federal and state regulatory construct results in additional statutory or regulatory bases for these types of matters, or other events result in more of such claims or unfavorable outcomes to such claims, there exists the possibility of a material adverse impact on our business, reputation, financial position, cash flows and results of operations for the periods in which the effects of any such matter or matters becomes probable and reasonably estimable. We cannot predict the ultimate outcome of these and future matters and expect to continue to incur significant defense costs and other expenses in connection with them. We may be required to pay substantial damages or settlement costs in excess of our insurance coverage related to these matters. Government investigations and any related legal and administrative proceedings may result in the institution of administrative, civil injunctive or criminal proceedings against us and / or our current or former directors, officers or employees, or the imposition of significant fines, penalties or suspensions, or other remedies and sanctions. Any such costs and expenses could have a material adverse effect on our financial condition and results of operations and the market price of our common stock. We need timely approval by applicable regulatory agencies to offer new programs or make substantive changes to existing programs. Our institutions frequently need to obtain approvals from regulatory agencies in the conduct of their business. For example, to establish a new educational program or substantive changes to existing programs, we are required to obtain the appropriate approvals from the Department and applicable state and accrediting regulatory agencies. Staffing levels at the Department and other regulatory agencies and the volume of applications and other requests may delay our receipt of necessary approvals. Further, approvals may be conditioned or denied in a manner that could significantly affect our strategic plans and future growth. Approval by these regulatory agencies may also be negatively impacted due to regulatory inquiries or reviews and any adverse publicity relating to such matters or the industry generally. If our institutions become ineligible to participate in educational assistance programs benefitting military or veteran personnel, it could have a material negative impact on student enrollments and could have other adverse consequences. Some students at our institutions receive education- related benefits pursuant to programs for military or veteran personnel. If any decision is made that reduces our institutions' eligibility to participate in educational assistance programs benefitting military or veteran personnel, and if appeals to that decision are not successful, we could experience a material decline in student enrollments and revenue. Risks Related to Our Business Our financial performance depends on the level of student enrollments in our institutions. Enrollment of students at our institutions is impacted by many of the regulatory risks discussed above and business risks discussed below, many of which are beyond our control. We also believe that the level of our student enrollments is affected by changes in economic conditions, although the nature and magnitude of this effect are uncertain and may change over time. For example, during periods when the unemployment rate declines or remains stable, prospective students may have more employment options, leading them to choose to work rather than to pursue postsecondary education. On the other hand, high unemployment rates may affect the willingness of students to incur loans to pay for postsecondary education or to pursue postsecondary education in general. Affordability concerns and negative perception of the value of a college degree increase reluctance to take on debt and make it more challenging for us to attract and retain students. We may experience decreasing enrollments in our institutions due to changing demographic trends in family size, overall declines in enrollment in postsecondary institutions, job growth in fields unrelated to our core disciplines or other societal factors. Further, we continue to make investments in and changes to our business which are designed to improve student experiences, retention and academic outcomes and support the long- term sustainable and responsible growth of our institutions. These initiative may not be successful or the success of these initiatives may reduce over time. Our student enrollments could suffer from any of these circumstances. It is likely that legislative, regulatory, and economic uncertainties will continue, and thus it is difficult to assess our long- term growth prospects. Reduced enrollments at our institutions, for any of the reasons mentioned or otherwise, generally reduce our profitability, which, depending on the level of the decline, could be material. We compete with a variety of educational institutions, especially in the online education market, and if we are unable to compete effectively, our student enrollments and revenue could be adversely impacted. The postsecondary education industry is highly fragmented and increasingly competitive. Our institutions compete with traditional public and private two- year and four- year colleges and universities, other for- profit institutions, other online education providers, and alternatives to higher education, such as immediate employment and military service. Some public and private institutions charge lower tuition for courses of study similar to those offered by our institutions due, in part, to government subsidies, government and foundation grants, tax- deductible contributions and other financial resources not available to for- profit institutions, and this competition may increase if additional subsidies or resources become available to those institutions. For example, a typical community college is subsidized by local or state government and, as a result, tuition

rates for associate' s degree programs may be much lower at community colleges than at our institutions. Most states have adopted or proposed programs to enable residents to attend community colleges for free. Some of our competitors are more widely known and have more established reputations than our institutions. In addition, some of our competitors are subject to fewer regulatory burdens on enrollment and financial aid processes, which may enable them to compete more effectively for potential students. In particular, some of our publicly traded for- profit competitors have converted to a structure where a for-profit service company provides services to a non- profit educational institution, which reduces the impact of certain regulations on their operations, such as the 90- 10 Rule. We also expect to experience increased competition as more postsecondary education providers increase their online program offerings (in particular programs that are geared towards the needs of working adults), including traditional and community colleges that had not previously offered online education programs, and increase their use of personalized learning technologies. This trend has been accelerated by the COVID- 19 pandemic and companies that provide and / or manage online learning platforms for traditional colleges and community colleges. Increased competition may create greater pricing or operating pressure on us, which could have a material adverse effect on our institutions' enrollments, revenues and profit margins. We may also face increased competition in maintaining and developing new corporate partnerships and other relationships with employers, particularly as employers become more selective as to which online universities they will encourage or offer scholarships to their employees to attend and from which online universities they will hire prospective employees. Congress, the Department and other agencies have required increasing disclosure of information to prospective students (with some disclosures only required by for- profit institutions), and our agreements with multiple state attorneys general require additional disclosures that are not required by our competitors. Some of these disclosures may negatively impact a prospective student' s decision to enroll in one of our institutions. An increase in competition, particularly from traditional colleges with well- established reputations for excellence, may affect the success of our recruiting efforts to enroll and retain students who are likely to succeed in our educational programs, or cause us to reduce our tuition rates and increase our marketing and other recruiting expenses, which could adversely impact our profitability and cash flows. Our financial performance depends on our ability to develop awareness among, and enroll and retain, students in our institutions and programs in a cost- effective manner. If our institutions are unable to successfully market and advertise their educational programs, our institutions' ability to attract and enroll prospective students in those programs could be adversely affected. We have been investing in our student admissions and advising functions and other initiatives to improve student experiences, retention and academic outcomes. If these initiatives do not continue to succeed, our ability to attract, enroll and retain students in our programs could be adversely affected. Further, Internet and other technology, including data gathering and marketing and advertising, is changing fast and we may be unable to adapt our initiatives to attract, enroll and retain students in a timely manner. Consequently, our ability to increase revenue or maintain profitability could be impaired. Some of the factors that could prevent us from successfully marketing our institutions and the programs that they offer include, but are not limited to: student or employer dissatisfaction with our educational programs and services; diminished access to prospective students; our failure to maintain or expand our brand names or other factors related to our marketing or advertising practices; FTC or Federal Communications Commission restrictions on contacting prospective students, Internet, mobile phone and other advertising and marketing media; costs and effectiveness of Internet, mobile phone and other advertising programs; and changing media preferences of our target audiences. We use third- party lead aggregators and generators to help us identify prospective students. The practices of some lead aggregators and generators have been questioned by various regulatory bodies, which could lead to changes in the quality and number of prospective student leads provided by these lead aggregators and generators as well as the cost thereof, which could in turn result in a reduction in the number of students we enroll. Further, the highly regulated nature of the postsecondary education industry and the resulting compliance measures undertaken by the industry are burdensome and some lead aggregators may choose not to work with us in favor of providing their services to different industries. In addition, the number of lead aggregators and generators has reduced over time due to consolidation in that industry, and this could exaggerate the indirect impact on us of any negative developments within that industry or with respect to any lead aggregator or generator with which we do business. We may not be able to retain our key personnel or hire, train and retain the personnel we need to sustain and grow our business. Our future success depends largely on the skills, efforts and motivation of our executive officers and other key personnel, as well as on our ability to attract and retain qualified managers and our institutions' ability to attract and retain qualified faculty members and administrators. If any of our executive officers leave the Company, it may be difficult to hire a replacement with similar experience and skills due to the highly regulated nature of our business. The political and regulatory uncertainty facing the for- profit postsecondary education industry may make it difficult to retain key personnel, in particular long- tenured senior officers. Loss of key personnel in the future could impact our growth, lead to changes in or create uncertainty about our business strategies or otherwise impact management' s attention to operations. Our success and ability to grow depends on the ability to hire, train and retain significant numbers of talented people. We face competition from companies in postsecondary education and other industries in attracting, hiring and retaining personnel who possess the combination of skills and experiences that we seek to implement our business strategy. In particular, our performance is dependent upon the availability and retention of qualified personnel for our student support operations. The negative publicity surrounding our industry sometimes makes it difficult and more expensive to attract, hire and retain qualified and experienced personnel, and the Department' s regulations related to incentive compensation affect our ability to compensate admissions and financial aid personnel. Our ability to effectively train our student support personnel and the length of time it takes them to become productive also impacts our results of operations. In addition, as a result of the overall tightening of the labor market and the competitive world for quality employees that has emerged during the pandemic, we have had increasing difficulty in filling our open positions. This may result in additional costs in the future as we are required to provide increased compensation in order to attract and retain qualified employees. Regulatory changes impacting the for- profit postsecondary education sector may require us to make substantial changes to our business and explore alternative business strategies to maintain or grow our business. If

~~our executive officers and other key personnel lack experience necessary to support these changes, we may be unable to timely attract the talent that we need. Key personnel may leave us and subsequently compete against us after any period they are contractually obligated not to pursue such activities. The loss of the services of our key personnel, or our failure to attract, train and retain other qualified and experienced personnel on acceptable terms and in a timely manner could adversely affect our results of operations and growth prospects. Our financial performance depends, in part, on our ability to keep pace with changing market needs and technology. Increasingly, prospective employers of students who graduate from our institutions demand that their new employees possess appropriate technological skills and also appropriate " soft " skills, such as communication, critical thinking and teamwork skills. These desired skills can evolve rapidly in a changing economic and technological environment, so it is important for our institutions' educational programs to evolve in response to those economic and technological changes. Current or prospective students or the employers of our graduates may not accept expansion of our existing programs, improved program content and the development of new programs. Students and faculty increasingly rely on personal communication devices and expect that we will be able to adapt our information technology platforms and our educational delivery methods to support these devices and any new technologies that may develop. Even if our institutions are able to develop acceptable new and improved programs in a cost- effective manner, our institutions may not be able to begin offering them as quickly as prospective students and employers would like or as quickly as our competitors offer similar programs. If we are unable to adequately respond to changes in market requirements due to regulatory or financial constraints, rapid technological changes or other factors, our ability to attract and retain students could be impaired and our revenue and profitability could be adversely affected. Our future results of operations could be materially adversely affected if we are required to write down the carrying value of non- financial assets and non- financial liabilities, such as goodwill. In accordance with U. S. GAAP, we review our non- financial assets and non- financial liabilities, including goodwill, for impairment on at least an annual basis through the application of fair value- based measurements. On an interim basis, we review our assets and liabilities to determine if a triggering event had occurred that would result in it being more likely than not that the fair value would be less than the carrying amount for any of our reporting units or indefinite- lived intangible assets. Some factors that management considers when determining if a triggering event has occurred include reviewing the significant inputs to the fair value calculation and any events or circumstances that could affect the significant inputs, including, but not limited to, financial performance, legal, regulatory, contractual, competitive, economic, political, business or other factors, industry and market conditions as well as the most recent quantitative fair value analysis for each reporting unit and the amount of the difference between the estimated fair value and the carrying value. We determine the fair value of our reporting units using a combination of an income approach, based on discounted cash flow, and a market- based approach. To the extent the fair value of a reporting unit is less than its carrying amount, we will be required to record an impairment charge in the consolidated statements of income. Our estimates of fair value are based primarily on projected future results and expected cash flows consistent with our plans to manage the underlying businesses, including projections of newly acquired businesses. However, should we encounter unexpected economic conditions or operational results, have unforeseen complications with integration of newly acquired businesses or need to take additional actions not currently foreseen to comply with current and future regulations, the assumptions used to calculate the fair value of our assets, estimate of future cash flows, revenue growth, and discount rates, could be negatively impacted and could result in an impairment of goodwill which could materially adversely affect our results of operations. We rely on proprietary rights and intellectual property in conducting our business, which may not be adequately protected under current laws, and we may encounter disputes from time to time relating to our use of intellectual property of third parties. Our success depends in part on our ability to protect our proprietary rights. We rely on a combination of copyrights, trademarks, service marks, trade secrets, domain names and agreements to protect our proprietary rights. We rely on service mark and trademark protection in the United States and select foreign jurisdictions to protect our rights to our marks as well as distinctive logos and other marks associated with our services. These measures may not be adequate, and we can' t be certain that we have secured, or will be able to secure, appropriate protections for all of our proprietary rights. Unauthorized third parties may attempt to duplicate the proprietary aspects of our curricula, online resource material and other content despite our efforts to protect these rights. Our management' s attention may be diverted by these attempts, and we may need to use funds for lawsuits to protect our proprietary rights against any infringement or violation. We may encounter disputes from time to time over rights and obligations concerning intellectual property, and we may not prevail in these disputes. Third parties may raise a claim against us alleging an infringement or violation of the intellectual property of that third party. Some third party intellectual property rights may be extremely broad, and it may not be possible for us to conduct our operations in such a way as to avoid those intellectual property rights. Any such intellectual property claim could subject us to costly litigation and impose a significant strain on our financial resources and management personnel regardless of whether such claim has merit. We may incur liability for the unauthorized duplication or distribution of class materials posted online for class discussions. In some instances, our faculty members or our students may post various articles or other third- party content on class discussion boards or download third- party content to personal computers. We may incur claims or liability for the unauthorized duplication or distribution of this material. Any such claims could subject us to costly litigation and could impose a strain on our financial resources and management personnel regardless of whether the claims have merit. The acquisition, integration and growth of acquired businesses may present challenges that could harm our business.~~ The successful integration and profitable operation of an acquired institution or business, including the realization of anticipated cost savings and additional revenue opportunities, can present challenges, and the failure to overcome these challenges can have an adverse effect on our business, financial condition, cash flows and results of operations. Some of these challenges include: **The** ~~• the~~ inability to maintain uniform standards, controls, policies and procedures; ~~•~~ distraction of management' s attention from normal business operations during the integration process; ~~•~~ the inability to attract and / or retain key management personnel to operate the acquired entity; ~~•~~ the inability to obtain, or delay in obtaining, regulatory or other approvals necessary to operate the business; ~~•~~ the inability to

correctly estimate the size of a target market or accurately assess market dynamics; • expenses associated with the integration efforts; and • unidentified issues not discovered in the due diligence process, including legal contingencies. An acquisition related to an institution or other educational business often requires various regulatory approvals. If we are unable to obtain such approvals, or we obtain them on unfavorable terms, our ability to consummate a transaction may be impaired or we may be unable to operate the acquired entity in a manner that is favorable to us. If we fail to properly evaluate an acquisition, we may be required to incur costs in excess of what we anticipated, and we may not achieve the anticipated benefits of such acquisition. Risks Related to Our Business Technology Infrastructure **If we, our third- party vendors, our regulators or any other quasi- governmental organization we are required to report information to are subject to cyberattacks, data breaches or other security incidents, or if there is a disruption or failure of our information technology systems or software, such events could expose us to liability and could adversely affect our financial condition and operating results. As part of our business, we collect, process, use, and store sensitive data and certain personal information from our students and employees. We also utilize third- party vendors and provide information about our students and employees to governmental and quasi- governmental external agencies to satisfy different legal and regulatory requirements and use electronic payment methods to process and store some of this information, including credit card information. Our business relies on information technology networks and systems to store this data, process financial and personal information, manage a variety of business processes, and comply with regulatory, legal and tax requirements. Additionally, we maintain other confidential, proprietary or otherwise sensitive information relating to our business and from third parties. The information technology networks and systems owned, operated, controlled or used by us, our third- party vendors or other external agencies may be vulnerable to damage, disruptions or shutdowns, software or hardware vulnerabilities, data breaches, security incidents, failures during the process of upgrading or replacing software or databases or components thereof, power outages, natural disasters, hardware failures, attacks by computer hackers, telecommunication failures, user errors, user malfeasance, computer viruses, unauthorized access, phishing or social engineering attacks, ransomware attacks, distributed denial- of- service attacks, brute force attacks, robocalls and other real or perceived cyberattacks or catastrophic events, all of which may not be prevented by our efforts to secure our networks and systems. Security incidents can also occur as a result of non- technical issues, including intentional or inadvertent actions by our employees, our third- party vendors, external agencies or their personnel, or other parties. Security incidents are becoming increasingly prevalent and severe, as well as increasingly difficult to detect. Any of these incidents could lead to interruptions or shutdowns of our platforms, disruptions in our ability to process service requests, record or analyze the use of our services, loss or corruption of data, or unauthorized access to, or acquisition of, personal information or other sensitive information, such as our intellectual property. We maintain policies and practices and operational safeguards, measures and controls aimed at reducing our cyber risk, protecting and recovering our data and ensuring business continuity, which include reasonable efforts to ensure that our third- party vendors maintain reasonable security, including encryption and authentication technology, and will notify us promptly if a security incident occurs. However, none of our or our vendors' or external agencies' security measures can provide absolute security. Advances in computer capabilities, increasingly sophisticated tools and methods used by hackers and cyber terrorists, new discoveries in the field of cryptography or other developments may result in our failure or inability, or the failure or inability of our vendors or external agencies, to adequately protect personal or other sensitive information, and there can be no assurance that we, our vendors or external agencies will not suffer a cyberattack, that hackers or other unauthorized parties will not gain access to or exfiltrate personal information or other sensitive data or that any such data compromise or unauthorized access will be discovered in a timely fashion. Like many businesses, we, our third- party vendors and external agencies have in the past and will in the future continue to be subject to cyberattacks, cybersecurity threats and attempts to compromise and penetrate our data security and systems and disrupt our services. Regular patching of each of our respective computer systems and frequent updates to our virus detection and prevention software with the latest virus and malware signatures may not catch newly introduced malware, ransomware, viruses or " zero- day " viruses prior to their infecting our, our third- party vendors and / or external agencies' computer systems or networks. Future cyberattacks against us, our third- party vendors or external agencies could lead to operational disruptions that could have an adverse effect on our ability to provide services to clients and customers and on our results of operations and financial results. Any general decline in Internet use for any reason, including security or privacy concerns, cost of Internet service or changes in government regulation, could result in less demand for online educational services and inhibit growth in our online programs. Failure of our systems to operate effectively or a compromise in the security of our systems, or the systems of our affiliates or other third parties, that results in unauthorized persons or entities obtaining personal information or other sensitive information could materially and adversely affect our reputation, operations, operating results and financial condition. Actual or anticipated cyberattacks may cause us to incur costs, including costs to deploy additional personnel and protection technologies, train employees, pay higher insurance premiums and engage third- party specialists for additional services. Breaches in our data security or that of our affiliates or other third parties could expose us to risks of data loss, inappropriate disclosure of confidential or proprietary information, potential claims, investigations, regulatory proceedings, litigation penalties and liability, could impede our processing of transactions and our financial reporting and could result in a disruption of our operations. In addition, we may incur other substantial costs in connection with remediating and otherwise responding to any data security incident, including potential liability for stolen client, student or employee data, repairing system damage, or providing credit monitoring or other benefits to clients, students or employees affected by the incident. Additionally, if we, our third- party service providers or external agencies experience security incidents that result in a decline in performance of necessary services, availability problems or the loss, corruption of, unauthorized access to or**

disclosure of personal data or confidential information, people may become unwilling to provide us the information necessary to receive our services, and our reputation and market position could be harmed. Existing students may also decrease their use of our services or cease using our services altogether. The impact of these security threats, incidents and other disruptions are difficult to predict. Our insurance coverage for such security threats, incidents and other disruptions may not be adequate to cover all related costs, and we may not otherwise be fully indemnified for them. This may result in an increase in our costs for insurance or insurance not being available to us on economically feasible terms or at all. Insurers may also deny us coverage as to any future claim. Any of these results could harm our growth prospects, financial condition, business and reputation. The personal information that we collect may be vulnerable to breach, theft or loss which could adversely affect our reputation ~~and~~ **,** operations **and ability to attract and retain students** . In the ordinary course of our business, we maintain on our network systems, ~~and~~ on the networks of our third- party providers, **and have reported to external agencies** certain information that is confidential, proprietary, personal (such as student information), or otherwise sensitive in nature, including financial information and confidential business information. Our computer networks ~~and~~ **,** those of our vendors that manage confidential information for us or provide services to our students or us **and those of external agencies** can be accessed globally through the internet and are vulnerable to unauthorized access, inadvertent access or display, theft or misuse, hackers, installation of ransomware and malware and computer viruses, during regular use and in connection with hardware and software upgrades and changes. These attacks have become more prevalent and sophisticated. Unauthorized access, misuse, theft or hacks can evade our intrusion detection and prevention precautions without alerting us to the breach or loss for some period of time or may never be detected. A user who circumvents security measures could misappropriate confidential or proprietary information or personal information about our students or employees **,** ~~or could~~ cause interruptions or malfunctions in operations or commit fraud. We have experienced malware and virus attacks on our systems which went undetected by our virus detection and prevention software. **The FTC passed** ~~Regular patching of our computer systems and~~ - **an** ~~frequent~~ **amendment to the Safeguards Rule under the Gramm- Leach- Bliley Act (" GLBA"), effective on June 9, 2023, that** ~~updates~~ **updated data security requirements for financial institutions, including all Title IV institutions of higher education. The Department has increased enforcement authority by requiring auditors** to **verify** ~~our virus detection and~~ - **an** ~~prevention software~~ **institution' s compliance** with **components of** the ~~latest virus~~ **Safeguards Rule. If the Department determines that** ~~and~~ - **an institution has** ~~malware signatures may~~ not **implemented a compliant information security program with** ~~catch newly introduced malware, ransomware, viruses or " zero- day " viruses, prior to their~~ -- **the** ~~infecting our systems~~ **required elements by December 31, 2023, the institution would receive** ~~and~~ - **an** ~~potentially disrupting our data integrity~~ **audit finding and must submit a corrective action plan. Failure to comply with the applicable GLBA requirements may result in FTC enforcement** , ~~taking sensitive information or affecting financial transactions~~ **which could include the imposition of conditions, penalties, monitoring and oversight** . In addition to being subject to privacy and information security laws and regulations in the U. S., because our services can be accessed globally via the Internet, we may also be subject to privacy laws in countries outside the U. S. from which students access our services, which laws may constrain the way we market and provide our services. Any breach of student or employee privacy or errors in storing, using or transmitting personal information could violate privacy laws and regulations resulting in fines or other penalties. The adoption of new or modified state or federal data or cybersecurity legislation could increase our costs and require changes in our operating procedures or systems. An example of this is the California Consumer Privacy Act which became effective January 1, 2020. **The reliability of our program infrastructure and mechanisms to protect the personal information of our students is critical to our operations, reputation and ability to attract and retain students.** A breach, theft or loss of personal information held by us ~~or~~ **,** our vendors **or an external agency** , or a violation of the laws and regulations governing privacy, could have a material adverse effect on our reputation **and ability to attract and retain students,** or result in lawsuits, additional regulation, remediation and compliance costs or investments in additional security systems to protect our computer networks, the costs of which may be substantial ~~. System disruptions and vulnerability from security risks to our online technology infrastructure could have a material adverse effect on our ability to attract and retain students. For our online and ground- based campuses, the performance and reliability of program infrastructure is critical to their operations, reputation and ability to attract and retain students. Any computer system or software error or failure, significant increase in traffic on our computer networks, or any significant failure or unavailability of our computer networks or third- party software, including but not limited to those as a result of natural disasters and network and telecommunications failures, could materially disrupt our delivery of these programs. Any interruption to our institutions' computer systems or operations could have a material adverse effect on our student enrollments. As discussed above, our computer networks and those of our vendors are also vulnerable to unauthorized access, installation of ransomware or malware, computer hackers, computer viruses, denial of service attacks and other security threats. A user who circumvents security measures could misappropriate proprietary information or cause interruptions or malfunctions in operations. Due to the sensitive nature of the information contained on our networks, hackers may target our networks. We expend significant resources to protect against the threat of these security breaches and may incur significant expenditures to alleviate problems caused by these breaches. We cannot ensure that our efforts will protect our computer networks against security breaches despite our regular monitoring of our technology infrastructure security. Any general decline in Internet use for any reason, including security or privacy concerns, cost of Internet service or changes in government regulation, could result in less demand for online educational services and inhibit growth in our online programs~~ . Our remote work environment may exacerbate the risks related to our business technology infrastructure. ~~We transitioned almost~~ **Almost** all of our employees ~~to remote~~ work **remotely** , as ~~have~~ **do** a number of our third- party service vendors. This ~~transition to a~~ remote work environment may exacerbate certain risks to our business, including increasing the stress on, and our vulnerability to disruptions of, our technology infrastructure and systems ~~,~~ and ~~increased~~ **the** ~~risk~~ **risks** of phishing and other cybersecurity attacks, unauthorized dissemination of confidential information and social engineering attempts. If a natural

disaster, power outage, connectivity issue or other event occurs that impacts the ability of employees to work remotely, it may be difficult or, in certain cases, impossible , for us to continue our business for a period of time, which could be substantial . While most of our operations can be performed remotely, there is no guarantee that we will be as effective while working remotely because our team is dispersed, many employees may have additional personal needs to attend to (such as looking after children as a result of school closures or family who become sick), and employees may become sick themselves and be unable to work. Government regulations relating to the Internet could increase our cost of doing business or otherwise have a material adverse effect on our business. The increasing use of the Internet and other online services has led and may lead to the adoption of new laws and regulatory practices in the United States or in foreign countries and to new interpretations of existing laws and regulations. These new laws and interpretations may relate to issues such as online privacy, copyrights, trademarks and service marks, sales and use taxes, fair business practices and the requirement that online education institutions qualify to do business as foreign corporations or be licensed in one or more jurisdictions where they have no physical location or other presence. New laws, regulations or interpretations related to doing business over the Internet could increase our costs and adversely affect enrollments . Risk Related to Our Common Stock The trading price of our common stock may continue to fluctuate substantially in the future, and as a result returns on an investment in our common stock may be volatile. The trading price of our common stock has **previously** and may **continue to** fluctuate significantly as a result of a number of factors, some of which are not in our control. These factors include: • the actual, anticipated or perceived impact of changes in the political environment or government policies; • the outcomes and impacts on our business of the Department' s rulemakings, and other changes in the legal or regulatory environment in which we operate; • negative media coverage of the for- profit education industry; • general **economic conditions or** conditions in the postsecondary education field, including declining enrollments; • the initiation, pendency or outcome of litigation, accreditation reviews, regulatory reviews, inquiries and investigations, and any related adverse publicity; • failure of certain of our institutions or programs to maintain compliance under the 90- 10 Rule or other regulatory standards; • our ability to meet or exceed, or changes in, expectations of analysts or investors, or the extent of analyst coverage of our company **; • any reduction or elimination of dividends** ; • decisions by any significant investors to reduce their investment in us; • quarterly variations in our operating results, which sometimes occur due to the academic calendar and significant expense items that do not regularly occur; • loss of key personnel; **and** • price and volume fluctuations in the overall stock market, which may cause the market price for our common stock to fluctuate significantly more than the market as a whole ; and • general economic conditions . Changes in the trading price of our common stock may occur without regard to our operating performance, and the price of our common stock could fluctuate based upon factors that have little or nothing to do with our company. Further, the trading volume of our common stock is relatively low, which may cause our stock price to react more to the above and other factors. The fluctuations in the trading price of our common stock may impact an investor' s ability to sell their shares at the **a** desired time **or** at a price considered satisfactory, including at or above the price at which the investor acquired them. **You may not receive the level of dividends previously provided under the dividend policy our Board of Directors has adopted, or any dividends at all. We declared our first quarterly cash dividend in the third quarter of 2023 and have paid a quarterly dividend since then. However, we are not obligated to pay dividends on our common stock. Despite our history of paying dividends, the declaration and payment of all future dividends to holders of our common stock are subject to the discretion of our Board of Directors, which may amend, revoke or suspend our dividend policy at any time and for any reason, including earnings and cash flows, capital spending plans, financial conditions and other factors our Board of Directors may deem relevant. The terms of our indebtedness and any limitations imposed by regulatory authorities, among other factors, may also restrict us from paying cash dividends on our common stock under certain circumstances. Over time, our capital and other cash needs may change significantly from our current needs, which could affect whether we pay dividends and the level of any dividends we may pay in the future. Accordingly, you may not receive dividends in the previously issued amounts, or at all. Any reduction or elimination of dividends may cause the market price of our common stock to decline.**