

July 27, 2016



Aspen Group Reports Record Fourth Quarter FY'2016 Results, Revenue Accelerates to 72% Growth YOY

Company introduces preliminary FY'2017 revenue & Adjusted EBITDA guidance

NEW YORK, July 27, 2016 (GLOBE NEWSWIRE) -- Aspen Group, Inc. (OTCQB:ASPU) ("Aspen"), a nationally accredited online post-secondary education company (Aspen University), today announced record financial results for its 2016 fiscal year and fourth quarter ended April 30, 2016. The Company will host a conference call to discuss its financial results on Wednesday, July 27, 2016, at 5:00 p.m. (ET).

Michael Mathews, Chairman & CEO of Aspen, commented, "Aspen is disrupting the online, higher education sector with a unique debtless education business model. The platform we have built is at a critical inflection point as evidenced by delivering positive EBITDA and positive Adjusted EBITDA during our fiscal fourth quarter, both significantly exceeding our prior guidance issued on May 23rd and a key milestone for our Company."

Fiscal 2016 Fourth Quarter Highlights:

- Revenue totaled \$2,670,616, an increase of 72% as compared to the same period the prior year;
- GAAP Gross Profit totaled \$1,578,785, a 104% increase as compared to the same period the prior year;
- Gross Margin was 59%, as compared to 50% Gross Margin for the same period the prior year;
- EBITDA, a non-GAAP financial measure, of \$64,268 or 2% margin, a 107% improvement from the comparable prior year period, represented the first quarter in the Company's history with positive EBITDA;
- Adjusted EBITDA, a non-GAAP financial measure, totaled \$304,073 or 11% margin, as compared to (\$268,685) or (17%) margin in the comparable year period;
- Net Loss applicable to shareholders of (\$108,616), as compared to a Net Loss of (\$1,028,344) for the same period the prior year, an improvement of 89%;
- Aspen's total degree-seeking student body increased by 46% year-over-year, from 3,309 to 4,818 students; with Aspen's School of Nursing adding 1,248 students to account for 83% of the growth;
- Aspen's School of Nursing grew to 54% of the total degree-seeking student body, from 1,374 to 2,622 students or 91% growth year-over-year; and accounted for 72% of the total revenues in the quarter.

Fiscal 2016 Fourth Quarter Financial and Other Results:

For the fourth quarter, revenues increased 72% to \$2,670,616 as compared to \$1,555,516 for the same period the prior year. The revenue increase was mainly attributable to growth in Nursing program revenues which rose 157% year-over-year to \$1,927,462.

Aspen set a quarterly enrollment record in the fourth quarter with 572 new student enrollments, as compared to 444 new student enrollments in the prior year, an increase of 29% year-over-year.

GAAP Gross Profit increased to \$1,578,785 or 59% Gross Margin. The 59% GAAP Gross Margin result represents a 1,100 basis point sequential improvement.

Adjusted EBITDA, a non-GAAP financial measure, was \$304,073 or 11% margin, a 213% improvement from the comparable prior year period. EBITDA, a non-GAAP financial measure, was \$64,268 or 2% margin, a 107% improvement from the comparable prior year period. Net loss applicable to shareholders was (\$108,616), an 89% improvement from the comparable prior year period.

Michael Mathews continued, "For the 2017 fiscal year we anticipate achieving revenue growth of at least 50% year-over-year and at least 12% Adjusted EBITDA margin. We are focused on turning profitable on a Net Income basis before the end of the 2017 fiscal year and we look forward to providing more formal guidance later in the year."

Fiscal 2016 Full Year Financial Results:

- Revenue totaled \$8,453,669, an increase of 62% as compared to the same period the prior year;
- GAAP Gross Profit totaled \$4,316,408, a 69% increase as compared to the same period the prior year;

- Adjusted EBITDA, a non-GAAP financial measure, totaled (\$455,425), as compared to (\$1,354,490) for the same period the prior year;
- Net Loss applicable to shareholders of (\$2,246,705), as compared to a Net Loss of (\$4,268,288) for the same period the prior year.

The following table presents a reconciliation of Adjusted EBITDA to Net loss, a GAAP financial measure:

	Three Months Ended	
	<u>4/30/2016</u>	<u>4/30/2015</u>
Net Loss	\$ (108,616)	\$ (1,028,344)
Interest expense, net of income	17,894	30,460
Depreciation and amortization	154,990	138,790
EBITDA (Loss)	<u>64,268</u>	<u>(859,094)</u>
Bad debt expense	-	38,426
Stock-based compensation	84,603	122,148
Non-recurring charges	155,202	429,835
Adjusted EBITDA (Loss)	<u>\$ 304,073</u>	<u>\$ (268,685)</u>

The following table presents a reconciliation to gross profit calculated in accordance with GAAP:

	For the Three Months Ended April 30,	
	<u>2016</u>	<u>2015</u>
Revenues	\$ 2,670,616	\$ 1,555,516
Costs of revenues (exclusive of amortization shown separately)	949,592	651,537
Amortization expenses excluded from cost of revenues	<u>142,239</u>	<u>128,403</u>
GAAP gross profit	<u>\$ 1,578,785</u>	<u>\$ 775,576</u>

Conference Call:

Aspen Group, Inc. will host a conference call to discuss its April 30, 2016 fiscal year 2016 fourth quarter financial results and business outlook on Wednesday, July 27, 2016, at 5:00 p.m. (ET). The conference call can be accessed by dialing toll-free (844) 452-6823 (U.S.) or (731) 256-5216 (international). Subsequent to the call, a transcript of the audiocast will be available from the Company's website at ir.aspen.edu.

About Aspen Group, Inc.:

Aspen Group, Inc. is an online postsecondary education company. Aspen University's mission is to offer any motivated college-worthy student the opportunity to receive a high quality, responsibly priced distance-learning education for the purpose of achieving sustainable economic and social benefits for themselves and their families. Aspen is dedicated to providing the highest quality education experiences taught by top-tier faculty - 61% of our adjunct faculty hold doctoral degrees. To learn more about Aspen, visit www.aspen.edu.

*** Non-GAAP – Financial Measures**

This press release includes both financial measures in accordance with Generally Accepted Accounting Principles, or GAAP, as well as non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP financial measures should be viewed as supplemental to, and should not be considered as alternatives to net income, operating income, and cash flow from operating activities, liquidity or any other financial measures. They may not be indicative of the historical operating results of Aspen Group nor are they intended to be predictive of potential future results. Investors should not consider non-GAAP financial measures in isolation or as substitutes for performance measures calculated in accordance with GAAP.

Our management uses and relies on Adjusted EBITDA and EBITDA, each of which are non-GAAP financial measures. We believe that both management and shareholders benefit from referring to the following non-GAAP

financial measures in planning, forecasting and analyzing future periods. Our management uses these non-GAAP financial measures in evaluating its financial and operational decision making and as a means to evaluate period-to-period comparison. Our management recognizes that the non-GAAP financial measures have inherent limitations because of the excluded items described below.

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

We have included a reconciliation of our non-GAAP financial measures to the most comparable financial measures calculated in accordance with GAAP. We believe that providing the non-GAAP financial measures, together with the reconciliation to GAAP, helps investors make comparisons between Aspen Group and other companies. In making any comparisons to other companies, investors need to be aware that companies use different non-GAAP measures to evaluate their financial performance. Investors should pay close attention to the specific definition being used and to the reconciliation between such measure and the corresponding GAAP measure provided by each company under applicable SEC rules.

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

Investor Contact:
Capital Markets Group, LLC
PH: (914) 669-0222
info@CapMarketsGroup.com
www.CapMarketsGroup.com



Source: Aspen Group, Inc.