

December 12, 2016



Aspen Group Reports 81% Revenue Growth and Positive Net Income in the Fiscal 2017 Second Quarter

811 New Student Enrollments Drive Record Gross Profits, Net Income and EBITDA

NEW YORK, Dec. 12, 2016 (GLOBE NEWSWIRE) -- Aspen Group, Inc. (OTCQB:ASPU) ("Aspen"), a nationally accredited online post-secondary education company (Aspen University), today announced financial results for its 2017 fiscal second quarter ended October 31, 2016. The Company will host a conference call to discuss its financial results on Monday, December 12, 2016, at 4:30 p.m. (ET).

"I'd like to take this opportunity to congratulate all of Aspen's operational constituencies; including faculty, academic operations, technology, enrollment, and management, on achieving profitability on a Net Income basis," said Chairman & CEO, Michael Mathews. "We've always been convinced that our dedication to providing a high-quality, affordable distance learning education to working professionals, and Registered Nurses in particular, would deliver profitability at scale. That day has arrived, and we're excited to continue scaling our monthly payment method business model for the benefit of tens of thousands more working professionals in the years to come," continued Mathews.

Fiscal 2017 Second Quarter Highlights:

- Revenue totaled \$3,465,026, an increase of 81% as compared to the same period the prior year;
- GAAP Gross Profit totaled \$2,101,373, a 130% increase as compared to the same period the prior year;
- Operating Income totaled \$171,512 or 5% margin, a 124% increase as compared to the same period the prior year;
- Net Income applicable to shareholders of \$116,541 or 3% margin, as compared to a Net Loss of (\$744,420) for the same period the prior year, an improvement of 116%;
- EBITDA, a non-GAAP financial measure, totaled \$310,517 or 9% margin, a 155% improvement from the comparable prior year period;
- Adjusted EBITDA, a non-GAAP financial measure, totaled \$469,629 or 14% margin, a 268% improvement from the comparable prior year period;
- As previously announced, Aspen set a quarterly enrollment record in the second quarter with 811 new student enrollments, as compared to 557 new student enrollments in the prior year, an increase of 46% year-over-year.

Fiscal 2017 Second Quarter Financial Results:

For the second quarter, revenues increased 81% to \$3,465,026 as compared to \$1,913,161 for the same period the prior year.

GAAP Gross Profit increased to \$2,101,373 or 61% Gross Margin. The 61% GAAP Gross Margin result represents a 1,300 basis point improvement year-over-year, based on instructional costs and marketing costs each rising year-over-year by only 42%.

General and Administrative costs were \$1,919,653 as compared to \$1,610,202 for the same period the prior year, an increase of \$309,451 or 19%. From a sequential perspective, excluding the one-time, non-recurring expenses incurred in the July 30, 2016 quarter of \$269,000 (warrant extinguishment and litigation settlement), General and Administrative costs rose by only \$12,575 quarter-over-quarter.

Operating income was \$171,512 or 5% margin, a 124% improvement from the comparable prior year period. Cash provided from operations for the six months ended October 31, 2016 was \$26,323, a 103% improvement from the comparable prior year period.

Net Income applicable to shareholders was \$116,541 or 3% margin, a 116% improvement from the comparable prior year period. EBITDA, a non-GAAP financial measure, was \$310,517 or 9% margin, a 155% improvement from the

comparable prior year period. Adjusted EBITDA, a non-GAAP financial measure, was \$469,629 or 14% margin, a 268% improvement from the comparable prior year period.

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

	For the Three Months Ended October 31,	
	2016	2015
Net Income (Loss)	\$ 116,541	\$ (744,420)
Interest expense, net of income	54,971	31,320
Depreciation and amortization	139,005	148,258
EBITDA (Loss)	<u>310,517</u>	<u>(564,842)</u>
Bad debt expense	-	67,299
Stock-based compensation	61,728	56,046
Non-Recurring and Other expenses*	97,384	162,145
Adjusted EBITDA (Loss)	<u>\$ 469,629</u>	<u>\$ (279,352)</u>

Conference Call:

Aspen Group, Inc. will host a conference call to discuss its October 31, 2016 fiscal year 2017 second quarter financial results and business outlook on Monday, December 12, 2016, at 4:30 p.m. (ET). The conference call can be accessed by dialing toll-free (844) 452-6823 (U.S.) or (731) 256-5216 (international). 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 - 57% of our 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. The line identified as 'non-recurring and other expenses' includes non-recurring expenses and other expenses which do not reflect the core nature of our operations. 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 above. Aspen Group excludes these expenses because they are non-cash or non-recurring in nature or otherwise not reflective of our core business.

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.

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Source: Aspen Group, Inc.