



January 18th, 2018

Dear fellow Legacy Education Alliance stockholder:

As we roll into 2018, but some weeks before we issue our full year results for 2017, I thought it timely to talk with you about some of the highlights and headwinds your company has experienced in 2017.

In my last letter to you, I talked about Tigrent Inc.'s distribution of the Legacy Education Alliance shares it owned. The announcement of that distribution was made on October 4<sup>th</sup>, 2016. On that day, LEAI shares closed at \$0.22 a share. As I write this letter to you our LEAI stock closed this evening at \$0.50. While our stock is subject to volatility, I trust that you will take some satisfaction in the better than doubling of our stock price, and consequently, our market capitalization, since that distribution.

You should not take that comment to indicate management's satisfaction with our stock price. Probably the most significant headwind the company faces is in getting the financial markets to recognize the true value of our company, which is, in our opinion, significantly undervalued. We will continue our efforts to overcome this. As I mentioned in my last letter, we engaged CORE IR as our investor relations firm, amongst other advisors. We were also pleased to see the analyst's coverage from Zacks Small Cap Research, the latest update on which was posted on November 2017.

While our primary management objective will continue to be growing sales and profits of our company, please rest assured that your company's Board and management continues to focus sharply on obtaining the sort of market recognition of our company's longevity, solid sales and profitability that it deserves.

Speaking of results, our Q3/2017 are available in the investor pages of our company website at [www.legacyeducationalliance.com](http://www.legacyeducationalliance.com) together with all our SEC filings. That said, our GAAP revenue for the nine months to 9/30/17 showed a 7% increase over the same period for the prior year. Our cash sales results showed an increase of 15.6% for the first nine months of 2017 versus 2016. Our published GAAP net income showed an increase of 8.6%. This was *after* investing \$702,000 on our new Netsuite enterprise software, which expenditure may not be capitalized. The strength of the \$US coupled with weakness in other currencies, notably the £GBP also proved to be a headwind in 2017 compared to 2016.

Which comments segue neatly into two other areas:

Many CEOs speak glowingly of the technological enhancements they hope will yield results in their future operations, but with variable results. Having once been closely involved in the implementation of enterprise software and, having seen how so many of our sales, operational and finance staff have been hobbled by our old enterprise softwares, I believe that the implementation of our Netsuite enterprise software, which went live on January 1<sup>st</sup> this year, can be a truly transformational milestone for our company. I want to thank our IT and management staff for focusing on this important implementation,

and, to let you know that your executives will be focused in 2018 on getting the most of Netsuite to enhance operational efficiencies.

While I spoke of the headwinds we have experienced as a result of currency translations, it would be remiss of me not to highlight, conversely, the continuing and growing contribution our “Other Foreign Markets” segment. We saw a 58% increase in total consolidated revenue in these markets from YTD Q3 2017 compared to YTD Q3 2016, and, an increase from 13% to 19% of total consolidated revenue from this segment. Long story short: Our patient investment in South Africa, SE Asia and Australasia is adding significantly to your company whilst also adding to our geographic diversification.

We are very proud of the results we have obtained by reaching out beyond our historic national borders. In 2018 we aim to add brand diversification to this mix to optimize the experience and results for our students and investors.

Finally, and somewhat related to our international expansion, I am incredibly proud to tell you something of our first, and in our industry, unprecedented, International Hall of Fame (“HOF”) ceremony that was co-located with our Orlando symposium at a top-shelf resort in Orlando, Florida. This is the first time that we have extended our HOF awards to the whole universe of our global student base. We also offered both US and UK classes at this symposium. Frankly, there is no other company in our industry that could do this. If we continue to add value by completely changing lives for our students, I believe we will be hugely rewarded. The stories we heard from our awardees were truly compelling. In the words of our Chairman, Mr. Jim Bass, who attended the ceremonies with other Board members:

“The 2017 Hall of Fame celebration was an incredibly exciting event showcasing Legacy Education's ability to positively transform peoples' lives and provide them with the capability to improve their financial wellbeing. The real and tangible impact was overwhelmingly demonstrated by hearing the very personal and inspiring stories of our students' journeys towards achieving their own financial success. It was both motivating and gratifying to be part of this event. This remarkable celebration was a testament to our outstanding dedicated employees and most of all to our students whose lives have been forever enriched.”

In closing, should you have any questions for me please feel free to e-mail me at [ah@legacyea.com](mailto:ah@legacyea.com). Rest assured that I receive all e-mails sent there personally. Depending upon your question I may forward your e-mail to a fellow executive who is better able to answer you, but I will read all your communications myself.

On behalf of your Board, executive team, the employees and customers of your company, I would like to take this opportunity to thank you for your support of Legacy Education Alliance, Inc.

Sincerely,  
**Legacy Education Alliance, Inc.**



Anthony C. Humpage  
Director and Chief Executive Officer

*This communication may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (which Sections were adopted as part of the Private Securities Litigation Reform Act of 1995). Statements preceded by, followed by or that otherwise include the words "believe," "anticipate," "estimate," "expect," "intend," "plan," "project," "prospects," "outlook," and similar words or expressions, or future or conditional verbs such as "will," "should," "would," "may," and "could" are generally forward-looking in nature and not historical facts. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements to be materially different from any anticipated results, performance or achievements. The Company disclaims any intention to, and undertakes no obligation to, revise any forward-looking statements, whether as a result of new information, a future event, or otherwise. For additional risks and uncertainties that could impact the Company's forward-looking statements, please see the Company's Annual Report on Form 10-K (including but not limited to the discussion under "Risk Factors" therein) filed with the SEC on March 31, 2017 and which may be viewed at (<http://www.sec.gov>).*