

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

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FOR IMMEDIATE RELEASE: July 9, 2019

–July 9, 2019 - Aspen Group, Inc. (Nasdaq: ASPU)(“AGI”), an education technology holding company, today announced financial results for its 2019 fiscal fourth quarter ended April 30, 2019, highlighted by revenue of \$10.2 million, representing a sequential increase of 20% and an increase of 41% year-over-year. Aspen Group also announced its full year results highlighted by record revenues of \$34 million, an increase of 55% year-over-year, which are included in the consolidated financial statements at the end of this press release.

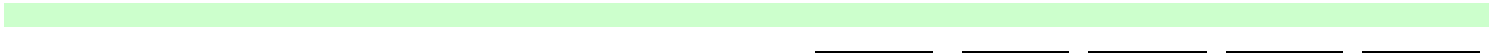
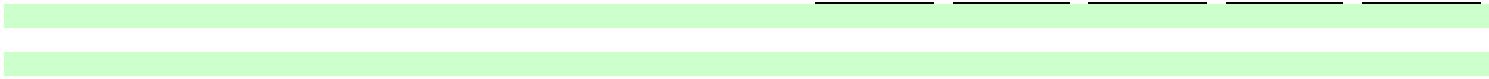
Michael Mathews, Chairman & CEO of Aspen Group, commented, “We delivered year-over-year enrollment growth of 36% in fiscal year 2019, but as a result of our business plan to drive the majority of enrollment growth in our highest LTV units (USU MSN-FNP and pre-licensure BSN program), the Company was able to increase its bookings by 90% from \$34.8 million to \$66.1 million. This sets the stage for sustained revenue growth and will expedite the achievement of our near-term goal of producing positive Adjusted EBITDA for fiscal year 2020.”

- Revenue totaled \$10,214,143, an increase of 41% as compared to the prior fiscal year fourth quarter;
- Gross Profit totaled \$5,683,536 or a 56% margin, a 62% increase as compared to the prior fiscal year fourth quarter;
- Net Loss applicable to shareholders of (\$1,609,923), as compared to Net Loss of (\$3,664,485) in the prior fiscal year fourth quarter; Diluted net loss per share was \$(0.09), as compared to a loss of \$(0.24) in the prior fiscal year fourth quarter;
- EBITDA, a non-GAAP financial measure, totaled a loss of \$(731,852) for the quarter ended April 30, 2019;
- Adjusted EBITDA, a non-GAAP financial measure, totaled \$72,935 for the quarter ended April 30, 2019;
- Cash used in operations totaled \$2,785,464, as compared to \$1,954,988 in the prior fiscal year fourth quarter.

Aspen Group, Inc. delivered 1,560 new student enrollments for the fiscal fourth quarter, a 23% increase year-over-year. Aspen University accounted for 1,243 new student enrollments (includes 113 Doctoral enrollments and 186 Pre-licensure BSN AZ campus enrollments). USU accounted for 317 new student enrollments (primarily Family Nurse Practitioner (“FNP”) enrollments), a 79% increase year-over-year. Enrollments for Aspen University’s Pre-Licensure BSN program increased 92% sequentially as the university began accepting enrollments for prerequisite students taking online courses in anticipation of entering the HonorHealth final two-year core campus program targeted to launch this upcoming September.

In the charts below, we have provided a full-year comparison of enrollments and bookings* from fiscal year 2018 to fiscal year 2019. Note that the company’s enrollments rose 36% year-over-year, however, the bookings increased 90% year-over-year.







[REDACTED]

Liabilities and Stockholders' Equity

Current liabilities:

| | | |
|--|------------------|------------------|
| Accounts payable | \$ 1,699,221 | \$ 2,227,214 |
| Accrued expenses | 651,418 | 658,854 |
| Deferred revenue | 2,456,865 | 1,814,136 |
| Refunds due students | 1,174,501 | 815,841 |
| Deferred rent, current portion | 47,436 | 8,160 |
| Convertible notes payable, current portion | 50,000 | 1,050,000 |
| Other current liabilities | 270,786 | 203,371 |
| Total current liabilities | <u>6,350,227</u> | <u>6,777,576</u> |

| | | |
|---|-------------------|------------------|
| Convertible note payable | — | 1,000,000 |
| Senior secured loan payable, net of discount of \$353,328 | 9,646,672 | — |
| Deferred rent | 746,176 | 77,365 |
| Total liabilities | <u>16,743,075</u> | <u>7,854,941</u> |

Commitments and contingencies - See Note 11

Stockholders' equity:

| | | |
|--|-------------------|-------------------|
| Preferred stock, \$0.001 par value; 1,000,000 shares authorized, 0 issued and outstanding at April 30, 2019 and April 30, 2018 | — | — |
| Common stock, \$0.001 par value; 40,000,000 shares authorized, 18,665,551 issued and 18,648,884 outstanding at April 30, 2019 18,333,521 issued and 18,316,854 outstanding at April 30, 2018 | 18,666 | 18,334 |
| Additional paid-in capital | 68,562,727 | 66,557,005 |
| Treasury stock (16,667 shares) | (70,000) | (70,000) |
| Accumulated deficit | (42,049,965) | (32,771,748) |
| Total stockholders' equity | <u>26,461,428</u> | <u>33,733,591</u> |

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| Total liabilities and stockholders' equity | <u>\$ 43,204,503</u> | <u>\$ 41,588,532</u> |
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