



5 May 2016

WEY EDUCATION PLC
(“Wey” or “the Company” or “the Group”)

Unaudited Interim Results for the six months ended 29 February 2016
Solid growth in turnover and exciting outlook

Wey Education plc (AIM: WEY) the education group operating the UK’s only online fee paying secondary school, is pleased to announce its unaudited interim results for the six months ended 29 February 2016.

HIGHLIGHTS:

- Turnover increased significantly to £700,215 (2015: £68,363)
- Adjusted EBITDA improved to a loss of £37,855 (2015: loss £177,152)
- Student numbers up 41% to 583 compared with the equivalent date in 2015
- Move to AIM completed in December 2015
- Shareholder discount scheme launched
- Adjusted Loss per share of 0.06p (2015: loss 1.28p)

Commenting on the results, David Massie (Chairman) said:

“These results demonstrate the solid growth that the Group is experiencing. The monies raised in the Placing in December 2015 have enabled us to progress on a number of fronts and we are investing in all areas of the business in order to facilitate our expansion and to bring a better future to both our students and our shareholders. I look forward to reporting on further progress when we come to announce our results for the year to 31 August 2016 which will include a full year’s contribution from InterHigh.”

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CHAIRMAN'S STATEMENT

These are the Company's first interim results since its move to AIM in December 2015. Due to a change of accounting reference date to 31 August, the comparative figures relate to the six months period from 1 September 2014 to 28 February 2015.

Due to the successful acquisition and integration of InterHigh the turnover for the reported six months has significantly increased on the comparative period to £700,215 (2015: £68,363).

InterHigh traded profitably throughout the period even after charging £80,000 non-cash amortisation in relation to the acquisition.

Consolidated EBITDA (adjusted to remove the costs of the AIM Admission, legal costs incurred on legal action against the former CEO (see below) and the expensing of options granted in the period) was much improved with the loss of £37,855 compared with the 2015 loss of £177,152. The loss per share calculated on the same basis was 0.06p (2015: loss 1.28p)

	Unaudited 6 months ended 29 February 2016 £'000	Unaudited 6 months ended 28 February 2015 £'000
Total Revenue	700	68
Cost of Sales	<u>(396)</u>	<u>(28)</u>
Gross Profit	304	40
Adjusted administrative expenses *	<u>(342)</u>	<u>(217)</u>
Adjusted EBITDA **	<u><u>(38)</u></u>	<u><u>(177)</u></u>

* Adjusted to exclude amortisation of £80,000 (2015: £6,137), depreciation £2,596 (2015: £127) and non-recurring legal expenses £32,574 (2015: £63,402).

** Adjusted to exclude the costs of Admission £295,538 (2014: Nil) and share based payments £13,673 (2014: Nil).

The Group is debt free and as at 29 February 2016 had cash balances of £1,014,000.

Student recruitment by InterHigh in the period was strong. At the time of exchanging contracts to buy the business on 7 February 2015, the InterHigh student roll stood at 414. On the same day in 2016, the student roll stood at 583, representing growth in student numbers of 41%.

As a school, student numbers vary over time to reflect "natural" leavers who have completed their iGCSE or A Level exams and also others who move on for a variety of reasons. Whereas the majority of natural leavers are heavily concentrated at the end of the summer term, after public examinations, other leavers occur throughout the year, normally at the end



of term, but to balance this, InterHigh accepts new starters to the school throughout the year. Commencing this year, we intend to report by announcing the number of students on the school roll at end of the summer term calculated before that term's leavers so as to give a consistent method for measuring growth year on year.

The Group is expanding on a number of fronts:-

- a. Strong organic growth of student recruitment supported by increased subject options and a re-launch of the Sixth Form with more subject choices and standard teaching hours.
- b. Initial B2B contracts. A small pilot with Devon County Council is to be expanded from September 2016 and this is expected to be a catalyst for future growth in contracts with local authorities and similar institutions. The Company has also recently signed a framework agreement with Cambridge County Council to provide education services but it is too early to predict potential student numbers.
- c. A contract to support Sedgehill Sixth Form Academy in Lewisham with teaching of certain A Level subjects has proved the concept and further business with other schools both state and private is anticipated.
- d. The agent appointed to handle the East African market in late 2015 reports considerable interest in the local market but it may take some while to build volume.

Evaluation of the Group's entry into the Asian / Chinese market is progressing satisfactorily.

InterHigh accepts students on a non-selective basis. To expand the services offered a separate premium school brand is to be opened in January 2017, on a semi-selective basis aimed at students seeking top quality academic results.

The Company has initiated a major upgrade of the school software platform to ensure that the school is scalable and to facilitate the launch of the premium brand academic school referred to above.

The "A" Level offering is to be expanded still further in September 2016 by offering for the first time A Levels in Biology, Chemistry and Physics. These can be studied with or without a "practical" element as arrangements have been agreed with other schools for our students to use their laboratory facilities.

Shareholders

The number of shares in issue at the date hereof is 95,771,241. This figure may be used by shareholders to determine the percentage of issued share capital they hold in Wey Education Plc.

Litigation

The Company's claim against its former CEO, Zenna Atkins, (also known as Zenna Hopkins) for breach of fiduciary and statutory duties to the Group, was heard in the High Court in London between 11 April 2016 and 19 April 2016. Judgement has been reserved and is expected within a few weeks. A further announcement will be made in due course.



Shareholder Discount Scheme

The Group has introduced a shareholder discount scheme entitling shareholder's holding a qualifying shareholding to a 10% discount on future fees for themselves, their children or grandchildren. Full details are available on the Company's website.

David L. Massie

Chairman

5 May 2016



**Consolidated Statement of Comprehensive Income
For the six months ended 29 February 2016**

	Unaudited 6 months ended 29 February 2016 £'000	Unaudited 6 months ended 28 February 2015 £'000	Audited 8 months ended 31 August 2015 £'000
Total Revenue	700	68	522
Cost of Sales	<u>(396)</u>	<u>(28)</u>	<u>(300)</u>
Gross Profit	304	40	222
Administrative expenses	(457)	(287)	(458)
Equity based share payments	(14)	-	(52)
Exceptional items	<u>(296)</u>	<u>-</u>	<u>(56)</u>
Operating loss and loss for the period before taxation	(463)	(247)	(344)
Finance Costs	<u>(4)</u>	<u>(9)</u>	<u>(12)</u>
(Loss) before tax	(467)	(256)	(356)
Taxation	<u>-</u>	<u>-</u>	<u>-</u>
Retained loss for period	<u>(467)</u>	<u>(256)</u>	<u>(356)</u>
Total Comprehensive loss for the period	<u>(467)</u>	<u>(256)</u>	<u>(356)</u>
Loss from continuing activities	<u>(467)</u>	<u>(256)</u>	<u>(356)</u>

All activities are classed as continuing.



**Unaudited Consolidated Statement of Financial Position
As at 29 February 2016**

	Unaudited As at 29 February 2016 £'000	Unaudited As at 28 February 2015 £'000	Audited As at 31 August 2015 £'000
NON CURRENT ASSETS			
Goodwill	201	201	201
Intangible assets	684	844	763
Tangible assets	28	11	18
Total non current assets	<u>913</u>	<u>1,056</u>	<u>982</u>
CURRENT ASSETS			
Trade and other receivables	377	64	219
Cash and cash equivalents	1,014	145	98
Total current assets	<u>1,391</u>	<u>209</u>	<u>317</u>
TOTAL ASSETS	<u><u>2,304</u></u>	<u><u>1,265</u></u>	<u><u>1,299</u></u>
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Issued share capital	958	139	440
Share premium	2,696	560	1,475
Share option reserve	62	33	52
Profit and loss account	(2,063)	(1,346)	(1,598)
Total equity and reserves	<u>1,653</u>	<u>(614)</u>	<u>368</u>
CURRENT LIABILITIES			
Trade and other payables	651	1,690	743
Total current liabilities	<u>651</u>	<u>1,690</u>	<u>743</u>
NON CURRENT LIABILITIES			
Provision for liabilities	-	189	189
Total non current liabilities	<u>-</u>	<u>189</u>	<u>189</u>
TOTAL EQUITY AND LIABILITIES	<u><u>2,304</u></u>	<u><u>1,265</u></u>	<u><u>1,299</u></u>



**Unaudited Consolidated Cash Flow Statement
For the six months ended 29 February 2016**

	Unaudited 6 months ended 29 February 2016 £'000	Unaudited 6 months ended 28 February 2015 £'000	Audited 8 months ended 31 August 2015 £'000
Cash flows from operating activities			
Profit/(Loss) before taxation	(467)	(250)	(356)
Adjustments for:			
Amortisation	80	6	86
Depreciation	2	-	2
Loss on disposal of fixed assets	-	-	-
Interest expense	4	10	12
Equity based share payments	14	-	52
Changes in working capital:			
Trade and other receivables	(158)	16	(141)
Trade and other payables	96	166	46
Net cash generated from/(used in) operating activities	<u>(429)</u>	<u>(52)</u>	<u>(299)</u>
Cash flow from financing activities			
Funding provided by related parties	(305)	10	(35)
Issue of shares	1,663	-	663
Net cash (used in)/generated from financing activities	<u>1,358</u>	<u>10</u>	<u>628</u>
Cash flow from investing activities			
Investment in subsidiary	-	-	-
Acquisition of business net of cash	-	160	(228)
Purchase of fixed assets	(13)	-	(9)
Net cash (used in)/generated from investing activities	<u>(13)</u>	<u>160</u>	<u>(237)</u>
Net increase/(decrease) in cash and cash equivalents	916	118	92
Cash and cash equivalents brought forward	98	27	6
Cash and cash equivalents carried forward	<u><u>1,014</u></u>	<u><u>145</u></u>	<u><u>98</u></u>



Notes to the Interim Results For the six months ended 29 February 2016

1. The interim results (approved by the Board of Directors and authorised for issue on 5 May 2016) are neither audited nor reviewed and do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The financial information for the preceding period is extracted from the statutory accounts for the financial period ended 31 August 2015 and the statutory accounts for the financial year ended 31 December 2014. The audited accounts for the year ended 31 December 2014 and the period ended 31 August 2015, upon which the auditors issued an unqualified opinion, and which did not contain a statement under Section 498 (2) and (3) of the Companies Act 2006, have been delivered to the Registrar of Companies. As permitted, this interim report has been prepared in accordance with UK AIM listing rules and not in accordance with IAS 34 'Interim Financial Reporting', therefore it is not fully in compliance with IFRS.
2. Wey Education plc is a public limited company incorporated in the United Kingdom. The Company is domiciled in the United Kingdom and its ordinary shares are traded on the AIM market of the London Stock Exchange plc. Wey is the holding company of an educational group with two trading divisions. Through InterHigh the Company owns and operates a fully interactive, online independent secondary school in the UK, offering IGCSEs, 'AS' Levels and 'A' Levels. Through Wey Consultancy it operates an educational consultancy business.
3. The consolidated interim results have been prepared in accordance with the recognition and measurement principles of IFRS including standards and interpretations issued by the International Accounting Standards Board, as adopted by the European Union. They have been prepared using the historical cost convention.
4. The preparation of the interim results requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. If in the future such estimates and assumptions, which are based on management's best judgement at the reporting date, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. The interim results are presented in sterling and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.
5. The interim results of the Group for the period ended 29 February 2016 have been prepared in accordance with the accounting policies expected to apply in respect of the financial statements for the year ended 31 August 2016.
6. There is no tax charge for the period due to the availability of tax losses brought forward.
7. The basic earnings per share is calculated on the weighted average number of shares in issue during the period. The weighted average number of ordinary shares in issue for the six months to 29 February 2016 was 66,627,485 shares (28 February 2015: 13,865,198 shares and 31 August 2015 32,684,985 shares).
8. Copies of this report will be available to download from the investor relations section of the Company's website www.weyeducation.com.