



18 April 2017

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

Unaudited Interim Results for the six months ended 28 February 2017
Momentum growing in core business
Turnover up 73%
Maiden Profit

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 28 February 2017.

HIGHLIGHTS:

- Turnover increased by 73% to £1,211,171 (2016: £700,215)
- Maiden profit before tax of £11,244 (2016: loss £466,582)
- Basic EPS of 0.01p (2016: loss 0.69p)
- Cash balances of £1,030,432 (2016: £1,014,179) after increased investment
- New IT Platform well advanced in rollout to provide base for further growth
- Result for the full year anticipated to be “much better” than 2015/16

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

“These results show a substantial improvement over previous years and we are yet to see the impact of the various initiatives commenced over the last 18 months where the real benefits will be seen in 2017/18 and beyond. Our product is one for the digital age and we see numerous opportunities for expansion. We will continue to invest with the aim of increasing the Group’s size, product range and international coverage. We continue to research the Chinese and other markets. We are now in our best ever position and are looking forward to the second half with confidence and excitement.”

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CHAIRMAN'S STATEMENT

These are the Company's interim results for the six months to 28 February 2017.

Turnover for the reported six months increased by 73% on the comparative period to £1,211,171 (2016: £700,215).

Profit before and after tax was £11,244 (2016: loss £466,582) and was calculated after depreciation and amortisation costs of £84,299 (2016: £82,596), share based payments of £42,485 (2016: £13,673) and exceptional items of £58,606 income (2016: £295,538 costs).

Earnings per share were 0.01p (2016: loss 0.69p).

The Group is debt free and had cash balances of £1,030,432 as at 28 February 2017 (2016: £1,014,179).

The benefits of the various initiatives taken over the last 18 months to ensure that the Group is well equipped for substantial sustainable expansion have yet to be reflected in results. The real benefit of those initiatives will start to be felt in the 2017/18 financial year and particularly thereafter.

The original InterHigh business continues to perform well. As previously announced, student recruitment in the period under review was strong and the student roll reached record levels during the Spring Term. It continues to serve its traditional pupil base of those seeking online home schooling for personal reasons which include bullying, anxiety, dedication to sport, music or the theatre. Increasingly the school recruits pupils for whom online education provides a cost-effective method of independent schooling. Parents find that their children achieve comparable results with other independent schools at a fraction of the price.

A new premium selective school (which might be likened to an online grammar school), Infinity Education, is to have its main launch for two year iGCSE and A level courses this September. While pupil numbers for 2017/18 are expected to be modest, rapid expansion is expected from 2018/19 onwards and particularly 2019/20 when the first graduates of the new school will have established its academic capabilities.

The Group has created "Wey ecademy" to offer B2B services to third parties, including Local Authorities, other schools etc. who do not require the full services of the Group's online schools. The marketing team is being built and this area has considerable potential, though given the nature of the demand, the average period of a pupil's attendance is likely to be measured in months' rather than in years. However, the Group believes that not only does Wey ecademy have a place in the market but it offers an attractive proposition to Local Authorities and other education providers seeking a solution for displaced children. Wey ecademy offers a clear pathway to take pupils from "non-attendance", through to iGCSEs and A levels and, for the most outstanding pupils, the ability to study at Infinity Education as an entry point to the best universities in the UK and overseas.

Significant investment has been made by the Group over the last 18 months to improve the in-house standards of its educational offering and bring those in line with best practice in the U.K. independent sector. This has included creating three new positions of Assistant Heads for the schools and improved safeguarding, teacher monitoring and development. The recently created Academic Advisory Board, chaired by non-executive director, Dame Erica Pienaar and supported by Dr. Elizabeth Sidwell, the former Schools Commissioner for England, has been mandated by the Board to continually improve standards across the Group and ensure the best outcomes for all pupils attending the Group's schools.

In tandem with this development in human resources the Group, last year, commissioned a new IT Platform to ensure that it has the IT resources to handle substantially increased pupil numbers and to utilise the latest technology to enhance the learning experience. The new IT Platform which both provides the online teaching platform and also automated schools

management is now substantially complete and is gradually being introduced with a view to general adoption across the Group from the beginning of the 2017/18 academic year. First impressions are that the Platform enhances both the teacher and pupil experience while providing automated data capture and administration to management. The Platform has been developed considerably below the budget anticipated at the time of the Company's admission to AIM in December 2015 and is scalable to a level consistent with the Group's ambitions.

The primary method of marketing to prospective pupils and parents is online and based upon this success and technical review the Company intends to further enhance its digital marketing over the coming year.

The Group continues to explore the Asian market and during the period has initiated technical trials and is currently running a pilot class in China to test practicalities. Interactive online teaching of the type the Group provides is not well known in the Chinese market and the Group is taking particular care to ensure that it meets the relevant regulatory requirements before it enters this market.

The Group is concentrating its administration services at its office in Crickhowell, Wales in accordance with its strategy of "one Company, several brands" and is aligning job responsibilities so that all staff including teachers are available to work across all of the Group's activities.

It was previously announced that Tom Scott, the COO, would be leaving the Group, and he resigned as a director with effect from 13 April 2017.

Outlook

The Company believes that turnover for the second half will be substantially ahead of the comparative period in 2015/16 and similar to that in the reported period. The financial result for the year is anticipated to be much better than that achieved for the year ended 31 August 2016. While it is pleasing for the Company to post a maiden interim pre-tax profit in the period under review, the Board considers the expansion opportunities open to it to be attractive and the Group will continue to invest in increased marketing and development both in the UK and overseas throughout the second half of the current financial year.

Preliminary results for the year to 31 August 2017 are likely to be announced in October 2017 but a further announcement will be made on progress prior to the Close Period for such results.

The Company is now in its best ever position and the Board looks forward to the second half with both confidence and excitement as to the challenges ahead. Looking forward, the Board sees no reason why financial growth should not accelerate further if any of the current initiatives come to fruition.

Shareholder Discount Scheme

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

David L. Massie
Chairman
18 April 2017

Consolidated Statement of Comprehensive Income
For the six months ended 28 February 2017

	Unaudited 6 months ended 28 February 2017 £'000	Unaudited 6 months ended 29 February 2016 £'000	Audited Year ended 31 August 2016 £'000
Total Revenue	1,211	700	1,516
Cost of Sales	(575)	(396)	(800)
Gross Profit	636	304	716
Administrative expenses	(641)	(454)	(1,108)
Equity based share payments	(43)	(14)	(12)
Exceptional items	59	(296)	(398)
Operating profit/(loss) for the period before taxation	11	(460)	(802)
Finance Costs	-	(4)	(4)
Profit/(loss) before tax	11	(464)	(806)
Taxation	-	-	-
Total Comprehensive loss for the period from continuing activities	11	(464)	(806)
Loss from discontinued operations	-	(3)	(19)
Retained profit/(loss) for period	11	(467)	(825)
Total Comprehensive profit/(loss) for the period	11	(467)	(825)
Profit/(loss) from continuing activities	11	(464)	(806)

**Unaudited Consolidated Statement of Financial Position
As at 28 February 2017**

	Unaudited As at 28 February 2017 £'000	Unaudited As at 29 February 2016 £'000	Audited As at 31 August 2016 £'000
NON CURRENT ASSETS			
Goodwill	201	201	201
Intangible assets	736	684	630
Tangible assets	49	28	29
Total non current assets	<u>986</u>	<u>913</u>	<u>860</u>
CURRENT ASSETS			
Trade and other receivables	287	377	217
Cash and cash equivalents	1,030	1,014	910
Total current assets	<u>1,317</u>	<u>1,391</u>	<u>1,127</u>
TOTAL ASSETS	<u><u>2,303</u></u>	<u><u>2,304</u></u>	<u><u>1,987</u></u>
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Issued share capital	988	958	958
Share premium	2,783	2,696	2,696
Share option reserve	91	62	48
Profit and loss account	(2,398)	(2,063)	(2,410)
Total equity and reserves	<u>1,464</u>	<u>1,653</u>	<u>1,292</u>
CURRENT LIABILITIES			
Trade and other payables	839	651	695
Total current liabilities	<u>839</u>	<u>651</u>	<u>695</u>
TOTAL EQUITY AND LIABILITIES	<u><u>2,303</u></u>	<u><u>2,304</u></u>	<u><u>1,987</u></u>

Unaudited Consolidated Cash Flow Statement
For the six months ended 28 February 2017

	Unaudited 6 months ended 28 February 2017 £'000	Unaudited 6 months ended 29 February 2016 £'000	Audited Year ended 31 August 2016 £'000
Cash flows from operating activities			
Profit/(Loss) before taxation			
- Continuing operations	11	(464)	(806)
- Discontinued operations	-	(3)	(19)
Adjustments for:			
Amortisation	80	80	160
Depreciation	4	2	5
Interest expense	-	4	4
Equity based share payments	43	14	12
Changes in working capital:			
Trade and other receivables	(70)	(158)	2
Trade and other payables	263	96	216
Net cash generated from/(used in) operating activities	<u>331</u>	<u>(429)</u>	<u>(426)</u>
Cash flow from financing activities			
Funding provided by related parties	-	(305)	(267)
Issue of shares	-	1,663	1,663
Net cash generated from financing activities	<u>-</u>	<u>1,358</u>	<u>1,396</u>
Cash flow from investing activities			
Acquisition of business net of cash	-	-	(77)
Interest paid	-	-	(38)
Development costs	(187)	-	(26)
Purchase of fixed assets	(24)	(13)	(16)
Net cash (used in) investing activities	<u>(211)</u>	<u>(13)</u>	<u>(157)</u>
Net increase in cash and cash equivalents	120	916	813
Cash and cash equivalents brought forward	910	98	97
Cash and cash equivalents carried forward	<u><u>1,030</u></u>	<u><u>1,014</u></u>	<u><u>910</u></u>

Notes to the Interim Results
For the six months ended 28 February 2017

1. The interim results (approved by the Board of Directors and authorised for issue on 18 April 2017) 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 year ended 31 August 2016. The audited accounts for the year ended 31 August 2016, 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 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.
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 28 February 2017 have been prepared in accordance with the accounting policies expected to apply in respect of the financial statements for the year ending 31 August 2017.
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 28 February 2017 was 96,446,001 shares (29 February 2016: 66,627,485 shares and 31 August 2016: 81,299,404 shares).
8. Copies of this report will be available to download from the investor relations section of the Company's website www.weyeducation.com.