

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Regulation 11 of the Market Abuse Regulations (Amendment) (EU Exit) Regulations 2019/310 ("MAR"). With the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

Aeorema Communications plc / Index: AIM / Epic: AEO / Sector: Media

22 March 2021

**Aeorema Communications plc ('Aeorema' or 'the Company' or 'the Group')**  
**Interim Report**

Aeorema Communications plc, the AIM-traded live events agency, announces its unaudited results for the six months ended 31 December 2020.

**Overview**

- Revenues of £1,677,311 (2019: £2,913,290)
- Loss after taxation of £247,576 (2019: loss of £57,021)
- Robust cash position of £1,342,548 (31 December 2019: £1,393,243)
- Returned to profitability in the final three-months of the period

**Chairman's Statement**

Our shareholders will be familiar with the proverb "*necessity is the mother of invention*" and this phrase became especially true for your Company as the hospitality and events industry experienced an immediate and full-blown shut down in the unprecedented times of the Covid-19 pandemic.

I am proud of our achievements during the period under review, having quickly re-invented ourselves at pace into an expert in virtual and hybrid conferencing following the collapse of the live events business as a result of Covid-19 last year. Equally, I am optimistic for the future as I believe we are well positioned to grow rapidly when live events return.

Faced with the extraordinary challenge of restructuring our business to service a new model focused on virtual events, our team adeptly stepped up to the plate. We developed new services, built our own virtual events platform, *KIT*, grew existing accounts, onboarded new clients, and impressively returned the Company to profitability in the final months of the period - an outstanding achievement following a period which necessitated substantial restructuring costs and saw a gradual take up of our new offerings. In addition to our traditional largely professional services client base, we are proud to have onboarded a technology giant, working across its four divisions, as well as working with a further five technology clients, all of whom trust our consultancy and technical expertise. These accounts continue to grow during this unprecedented period, and we anticipate further engagements going forward.

While we had expected revenues from live events of circa £3-5 million for July to December 2020, we replaced this lost income with £1,677,311 in revenue from virtual events. We also contained the loss after tax to £247,576 (2019: loss of £57,021) and ended the calendar year with £1,342,548 in

cash (2019: £1,393,243) despite restructuring costs. The trend is positive. With several new blue-chip clients and a strong pipeline, we are confident that the next six months will be profitable. The Company's cash position remains strong and as at the date of this announcement is circa £1.1 million.

We announced the opening of an office in New York in September 2020. This was a strategic decision signifying a dedicated approach to supporting the growing needs and requests of our clients in the US, and internationally, as we saw an increase in potential business in the region. I am pleased to report this has been a beneficial investment for the Company and we are expecting to make a profit from this division in its first year. Our presence in the US has enabled us to grow our existing clients as well as win new US based clients.

Whilst Eventful, acquired in March 2020, was naturally severely impacted by Covid-19 related travel bans and venue closures, the team has maintained its relationships with existing clients and been introduced to many new clients working with Cheerful Twentyfirst. During this quiet period, the team has been developing its strategy for 2021/22 and is excited about both returning to sourcing venues for live events and building an exceptional incentives programme for corporates. Holly Mills has joined Eventful as Head of Incentives (formerly Head of Incentives at Penguins Events) and is developing the new Incentives offering for a market with pent up demand and sizeable budgets.

Looking ahead, we believe live events will return; a number of clients have commented that there is no substitute for personal contact. However, regardless of when this happens, we have proven that we can operate as a profitable business in the virtual and hybrid space too and are excited at the prospect of new opportunities for the Group. Furthermore, we are growing our fee based strategic communications solutions as part of our new consultancy approach, supported by production excellence and networking solutions that continue to challenge the norm.

I would like to thank our team and our shareholders for their ongoing support and look forward to the next six months with growing optimism.

M Hale  
Chairman  
19 March 2021

**AEOREMA COMMUNICATIONS PLC**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**For the period ended 31 December 2020**

		Unaudited 6 Months to 31 December 2020	Unaudited 6 Months to 31 December 2019	Audited Year to 30 June 2020
	Notes	£	£	£
<b>Continuing Operations</b>				
<b>Revenue</b>		<b>1,677,311</b>	<b>2,913,290</b>	<b>5,475,425</b>
Cost of sales		(829,741)	(2,044,591)	(3,629,770)
<b>Gross profit</b>		<b>847,570</b>	<b>868,699</b>	<b>1,845,655</b>
Other income		49,616	-	82,601
Administrative expenses		(1,175,117)	(958,677)	(2,103,299)
<b>Operating (loss) / profit pre-exceptional items</b>		<b>(277,931)</b>	<b>(89,978)</b>	<b>(175,043)</b>
Exceptional items		-	-	(23,184)
<b>Operating (loss) / profit post exceptional items</b>		<b>(277,931)</b>	<b>(89,978)</b>	<b>(198,227)</b>
Finance income		539	328	556
Finance costs		(10,284)	-	(20,253)
<b>(Loss) / profit before taxation</b>		<b>(287,676)</b>	<b>(89,650)</b>	<b>(217,924)</b>
Taxation	4	40,100	32,629	20,497
<b>(Loss) / profit for the period from continuing operations</b>		<b>(247,576)</b>	<b>(57,021)</b>	<b>(197,427)</b>
<b>Other comprehensive income</b>				
<i>Items that may be reclassified to profit or loss</i>				
Exchange differences on translation of foreign entities		(7,479)	-	-
<b>Other comprehensive income for the period</b>		<b>(7,479)</b>	-	-
<b>Total comprehensive income for the period</b>		<b>(255,055)</b>	<b>(57,021)</b>	<b>(197,427)</b>
<b>Basic and diluted earnings per share from continuing operations</b>				
Basic (pence)	5	(2.67997)p	(0.63003)p	(2.16920)p
Diluted (pence)	5	N/A	N/A	N/A

**AEOREMA COMMUNICATIONS PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**For the period ended 31 December 2020**

	Unaudited 6 Months to 31 December 2020	Unaudited 6 Months to 31 December 2019	Audited Year to 30 June 2020
	£	£	£
<b>Non-current assets</b>			
Intangible assets	572,682	365,154	573,931
Property, plant and equipment	76,832	98,070	85,952
Right-to-use assets	333,983	425,070	379,530
Deferred taxation	47,710	25,100	7,611
	<b>1,031,207</b>	<b>913,394</b>	<b>1,047,024</b>
<b>Current assets</b>			
Trade and other receivables	1,007,548	1,480,984	597,497
Cash and cash equivalents	1,342,548	1,393,243	1,721,217
	<b>2,350,096</b>	<b>2,874,227</b>	<b>2,318,714</b>
<b>Total assets</b>	<b>3,381,303</b>	<b>3,787,621</b>	<b>3,365,738</b>
<b>Current liabilities</b>			
Trade and other payables	1,298,948	1,472,303	1,186,670
Lease liabilities	87,219	82,973	85,070
Bank loans	13,889	-	-
Current tax payable	3,711	74,616	68,490
	<b>1,403,767</b>	<b>1,629,892</b>	<b>1,340,230</b>
<b>Non-current liabilities</b>			
Lease liabilities	256,538	343,756	300,689
Bank loans	236,112	-	-
Provisions	25,020	25,020	25,020
	<b>517,670</b>	<b>368,776</b>	<b>325,709</b>
<b>Total liabilities</b>	<b>1,921,437</b>	<b>1,998,668</b>	<b>1,665,939</b>
<b>Net assets</b>	<b>1,459,866</b>	<b>1,788,953</b>	<b>1,699,799</b>
<b>Equity attributable to equity holder:</b>			
Share capital	1,154,750	1,131,313	1,154,750
Share premium	9,876	7,063	9,876
Merger reserve	16,650	16,650	16,650
Other reserve	96,480	56,358	81,358
Capital contribution reserve	257,812	257,812	257,812
Retained earnings	(75,702)	319,757	179,353
<b>Total equity</b>	<b>1,459,866</b>	<b>1,788,953</b>	<b>1,699,799</b>

**AEOREMA COMMUNICATIONS PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the period ended 31 December 2020

	Share capital	Share premium	Merger reserve	Other reserve	Capital contribution reserve	Retained earnings	Total equity
	£	£	£	£	£	£	£
<b>At 1 July 2019</b>	<b>1,131,313</b>	<b>7,063</b>	<b>16,650</b>	<b>34,261</b>	<b>257,812</b>	<b>467,283</b>	<b>1,914,382</b>
Payment of dividends	-	-	-	-	-	(90,505)	(90,505)
Comprehensive income for the period	-	-	-	-	-	(57,021)	(57,021)
Share-based payments	-	-	-	22,097	-	-	22,097
<b>At 31 December 2019</b>	<b>1,131,313</b>	<b>7,063</b>	<b>16,650</b>	<b>56,358</b>	<b>257,812</b>	<b>319,757</b>	<b>1,788,953</b>
<b>At 1 January 2020</b>	<b>1,131,313</b>	<b>7,063</b>	<b>16,650</b>	<b>56,358</b>	<b>257,812</b>	<b>319,757</b>	<b>1,788,953</b>
Comprehensive income for the period	-	-	-	-	-	(140,404)	(140,404)
Share-based payments	-	-	-	25,000	-	-	25,000
Share issue	23,437	2,813	-	-	-	-	26,250
<b>At 30 June 2020</b>	<b>1,154,750</b>	<b>9,876</b>	<b>16,650</b>	<b>81,358</b>	<b>257,812</b>	<b>179,353</b>	<b>1,699,799</b>
<b>At 1 July 2020</b>	<b>1,154,750</b>	<b>9,876</b>	<b>16,650</b>	<b>81,358</b>	<b>257,812</b>	<b>179,353</b>	<b>1,699,799</b>
Comprehensive income for the period	-	-	-	-	-	(255,055)	(255,055)
Share-based payments	-	-	-	15,122	-	-	15,122
<b>At 31 December 2020</b>	<b>1,154,750</b>	<b>9,876</b>	<b>16,650</b>	<b>96,480</b>	<b>257,812</b>	<b>(75,702)</b>	<b>1,459,866</b>

**AEOREMA COMMUNICATIONS PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the period ended 31 December 2020

	Unaudited 6 Months to 31 December 2020	Unaudited 6 Months to 31 December 2019	Audited Year to 30 June 2020
	£	£	£
<b>Cash flow from operating activities</b>			
(Loss) / profit before taxation	(287,676)	(89,650)	(217,924)
Adjustments for:			
Depreciation of property, plant and equipment	18,209	14,064	31,871
Depreciation of right-of-use assets	45,546	43,848	89,392
Amortisation of intangible fixed assets	1,250	-	417
Loss on disposal of fixed assets	769	1,424	1,648
Share-based payment	15,122	22,097	47,097
Interest on lease liabilities	8,996	10,222	20,253
Finance income	(539)	(327)	(556)
Exchange rate differences on translation	(7,479)	-	-
<b>Operating cash flow before movement in working</b>	<b>(205,802)</b>	<b>1,678</b>	<b>(27,802)</b>

<b>capital</b>			
Increase/(decrease) in trade and other payables	112,278	(755,036)	(1,075,254)
(Increase)/decrease in trade and other receivables	(410,049)	131,361	1,014,847
<b>Cash (used in) / generated from operating activities</b>	<b>(503,573)</b>	<b>(621,997)</b>	<b>(88,209)</b>
<b>Taxation paid</b>	<b>(64,779)</b>	<b>-</b>	<b>(10,797)</b>
<b>Cash flow from investing activities</b>			
Payment for Acquisition of Subsidiary, net of cash acquired	-	-	(128,331)
Finance income	539	327	556
Purchase of intangible assets	-	-	(10,000)
Purchase of property, plant and equipment	(9,856)	(55,710)	(61,400)
Disposal of property, plant and equipment	-	224	-
Repayment of leasing liabilities	(51,000)	(50,257)	(101,258)
<b>Net cash used in investing activities</b>	<b>(60,317)</b>	<b>(105,416)</b>	<b>(300,433)</b>
<b>Cash flow from financing activities</b>			
Dividends paid	-	(90,505)	(90,505)
Bank loans	250,000	-	-
<b>Net cash used in financing activities</b>	<b>250,000</b>	<b>(90,505)</b>	<b>(90,505)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(378,669)</b>	<b>(817,918)</b>	<b>(489,944)</b>
Cash and cash equivalents at beginning of period	1,721,217	2,211,161	2,211,161
<b>Cash and cash equivalents at end of period</b>	<b>1,342,548</b>	<b>1,393,243</b>	<b>1,721,217</b>

**AEOREMA COMMUNICATIONS PLC**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the period ended 31 December 2020**

**1. General information**

Aeorema Communications plc is a public limited company incorporated within the United Kingdom. The company is domiciled in the United Kingdom and its principal place of business is 23-31 Great Titchfield Street, London, W1W 7PA. The Company's ordinary shares are traded on the AIM market of the London Stock Exchange.

These condensed consolidated interim financial statements for the period ending 31 December 2020 (including comparatives for the periods ended 31 December 2019 and 30 June 2020) were approved by the board of directors on 20 March 2021.

The financial information set out in this interim report does not constitute statutory accounts for the purposes of section 434 of the Companies Act (2006). The Group's statutory financial statements for the year ended 30 June 2020, prepared under International Financial Reporting Standards (IFRS), have been filed with the Registrar of Companies. The auditor's report for those financial statements was unqualified and did not contain a statement under section 498 (2) or section 498 (3) of the Companies Act (2006).

The interim financial statements have been prepared using the accounting policies set out in the Group's 2020 statutory accounts and have not been audited.

Copies of the annual statutory financial statements and the interim report can be found on our website at [www.aeorema.com](http://www.aeorema.com) or can be requested from the Company Secretary at the Company's registered office: 64 New Cavendish Street, London, W1G 8TB.

**2. Basis of preparation**

These condensed consolidated interim financial statements for the period ended 31 December 2020 have been prepared in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 30 June 2020, which have been prepared in accordance with IFRS as adopted by the European Union.

### 3. Revenue and segmental results

The Company uses several factors in identifying and analysing reportable segments, including the basis of organisation such as differences in products and geographical areas. The Board of Directors, being the chief operating decision makers, has determined that for the period ended 31 December 2020 there is only one reportable operating segment.

### 4. Income tax charge

Income period tax is accrued based on the estimated average annual effective income tax rate of 19 per cent. (2019: 19 per cent).

### 5. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the profit attributable to ordinary owners of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would have been issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used and dilutive earnings per share computations:

	<b>Unaudited 6 Months to 31 December 2020</b>	<b>Unaudited 6 Months to 31 December 2019</b>	<b>Audited Year to 30 June 2020</b>
(Loss) / profit for the year attributable to owners of the Company	(247,576)	(57,021)	(197,427)
<b>Number of shares</b>			
Basic weighted average number of shares	<b>9,238,000</b>	<b>9,050,500</b>	<b>9,101,356</b>
Effect of dilutive share options	1,020,000	1,020,000	1,020,000
Diluted weighted average number of shares	<b>10,258,000</b>	<b>10,070,500</b>	<b>10,121,356</b>

### 6. Dividends

During the interim period no dividend (2019: 1 pence per share) was declared to holders of the Company's ordinary shares in respect of the full year ended 30 June 2020.

## 7. Related party transactions

The Group has a related party relationship with its subsidiaries and its directors. Transactions between Group companies, which are related parties, have been eliminated on consolidation and are therefore not included in these consolidated interim financial statements.

	<b>Unaudited 6 months to 31 December 2020 £</b>	<b>Unaudited 6 months to 31 December 2019 £</b>
<b>Subsidiaries</b>		
Amounts owed by/(to) subsidiaries	504,694	1,027,839
<b>Amounts owed by/(to) subsidiaries</b>	<b>504,694</b>	<b>1,027,839</b>

Harris & Trotter LLP is a firm in which S Haffner is a member. The following was charged to the Group in respect of professional services.

	<b>Unaudited 6 Months to 31 December 2020 £</b>	<b>Unaudited 6 Months to 31 December 2019 £</b>
<b>Harris &amp; Trotter LLP</b>		
Aeorema Communications plc	7,500	7,500
Aeorema Limited	10,450	11,750
	<b>17,950</b>	<b>19,250</b>

Fees charged to Aeorema Communications plc include £7,500 (2019: £7,500) for the services of S Haffner as a non-executive director of that company.

The compensation of key management (including directors) of the Group is as follows:

	<b>Unaudited 6 Months to 31 December 2020 £</b>	<b>Unaudited 6 Months to 31 December 2019 £</b>
Short-term employee benefits	140,500	110,667
Post-employment benefits	2,992	5,024
	<b>143,492</b>	<b>115,691</b>

During the period A Harvey received an interest-free loan of £10,000. At 31 December 2020, £10,000 (2019: £10,000) was outstanding.

During the period S Quah received an interest-free loan of £10,000. At 31 December 2020, £10,000 (2019: £Nil) was outstanding.

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For further information visit [www.aeorema.com](http://www.aeorema.com) or contact:



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