

Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information as stipulated under the UK Market Abuse Regulation. With the publication of this announcement, this information is now considered to be in the public domain.

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

25 March 2022

Aeorema Communications plc ('Aeorema' or 'the Company' or 'the Group')

Interim Results

Aeorema Communications plc, the AIM-traded live events agency, announces its unaudited results for the six months ended 31 December 2021.

Highlights

- Record revenue of £4,909,742 (H1 2020: £1,677,311)
- First profitable interim period for a number of years with profit before taxation of £255,677 (H1 2020: loss £287,676)
- Benefitting significantly from a strong performance from US office which continues to grow, deliver profits and has recently onboarded 3 new clients.
- Virtual online conferences and events have experienced high levels of demand, and the provision of consultancy services has further enhanced performance for the period
- Maintained a robust cash position of £1,534,217 (31 December 2020: £1,342,548)
- Confident of continued delivery for remainder of financial year

Chairman's Statement

The six months ended 31 December 2021 has been a significant period of growth for the Group and one which has seen us generate record revenue and return to profitability, an endorsement of our ability to meet our clients' continuously evolving needs. The pivot to

virtual and hybrid events over the last two years has been a true success and the team has repeatedly risen to any challenge and exceeded expectations with our results for the period a clear demonstration of this.

During the period under review, we have received an unprecedented demand for our bespoke services from a wide range of blue-chip clients across a number of industries. Alongside our existing offering, the strategic shift into providing consultancy services to engage with clients at an advisory level on their communication strategies has proved successful, utilising our team's combined expertise in events and communications. This division is seeing burgeoning demand and is performing well.

One of our biggest achievements has been opening our US office in New York (opened in September 2020), which has seen significant growth in the period; a strategic decision and demonstration of our dedication to our US-based clients and potential international clients. Our US office has seen strong performance and continues to win new US-based clients to complement our existing client portfolio. Indeed, the US business is confident of further strong growth in the 18 months ahead and, with flights returning to pre-pandemic levels, the UK team will be able to support more as and when is needed.

The move to virtual events remains a popular choice for companies, however live events are starting to return. Having spoken with a number of clients, there is still an interest for live events as there is no substitute for personal contact. There is an expectation that popular events, in person, will go ahead this year and this includes Cannes Lions which has been confirmed to take place - an event which has traditionally been a success for Aeorema. With live events on the rise, the team is focused and prepared for when B2B events shift back to being predominantly in-person.

Venue sourcing and luxury events division, Eventful, which was acquired in March 2020 and was inevitably impacted by the restrictions over the last 24 months, is well placed to return to profitability over the next year. Despite the quiet period for the company, it has maintained its relationships with existing clients and has been introduced to new clients, whilst its cross-selling opportunities continue to succeed. The upcoming year is due to see Eventful make a strong comeback as the core business remains in good shape and it has a healthy pipeline in place.

We ended the calendar year on a high note with a strong outlook for the second half of the financial year having experienced the best interim period on record with revenue of £4,909,742 and profit before tax of £255,677. These results represent the first profitable interim period in a number of years for the Company due to the sustained high levels of demand for virtual events, coupled with our consultancy services offering which further enhanced performance.

Aeorema has shown that it can operate profitably across the virtual, hybrid and live events space and that it is able to successfully adapt to the ever-changing communication needs of retained and potential clients. I am confident we will continue this upward momentum for the remainder of 2022.

I would once again like to take the opportunity to thank our dedicated team and shareholders for their ongoing support and I look forward to what the next six months will bring for us.

M Hale

Chairman

25 March 2022

ENDS

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AEOREMA COMMUNICATIONS PLC
CONDENSED CONSOLIDATED INCOME STATEMENT
For the period ended 31 December 2021

		Unaudited 6 Months to 31 December 2021	Unaudited 6 Months to 31 December 2020	Audited Year to 30 June 2021
	Notes	£	£	£
Continuing Operations				
Revenue		4,909,742	1,677,311	5,094,518
Cost of sales		(3,734,995)	(1,337,873)	(3,912,376)
Gross profit		1,174,747	339,438	1,182,142
Other income		3,743	49,616	61,651
Administrative expenses		(919,366)	(666,985)	(1,431,898)
Operating profit / (loss) pre- exceptional items		259,124	(277,931)	(188,105)
Exceptional items		-	-	50,000
Operating profit / (loss) post exceptional items		259,124	(277,931)	(138,105)
Finance income		109	539	489
Finance costs		(3,556)	(10,284)	(22,082)
Profit / (loss) before taxation		255,677	(287,676)	(159,698)
Taxation	4	48,105	40,100	(5,228)
Profit / (loss) for the period from continuing operations		303,782	(247,576)	(164,926)
Other comprehensive income				
<i>Items that may be reclassified to profit or loss</i>				

Exchange differences on translation of foreign entities		11,552	(7,479)	(11,044)
Other comprehensive income for the period		11,552	(7,479)	(11,044)
Total comprehensive income for the period		315,334	(255,055)	(175,970)
Basic and diluted earnings per share from continuing operations				
Basic (pence)	5	3.28840	(2.67997)	(1.78529)
Diluted (pence)	5	2.72255	(2.67997)	(1.78529)

AEOREMA COMMUNICATIONS PLC
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the period ended 31 December 2021

	Unaudited 6 Months to 31 December 2021 £	Unaudited 6 Months to 31 December 2020 restated £	Audited Year to 30 June 2021 £
Non-current assets			
Intangible assets	570,182	572,682	571,431
Property, plant and equipment	121,138	76,832	103,477
Right-to-use assets	-	333,983	18,995
Deferred taxation	182,179	47,710	-
	873,499	1,031,207	693,903
Current assets			
Trade and other receivables	2,337,399	1,007,548	1,429,064
Cash and cash equivalents	1,534,217	1,342,548	1,101,713
Current tax receivable	36,942	-	10,758
	3,908,558	2,350,096	2,541,535
Total assets	4,782,057	3,381,303	3,235,438
Current liabilities			
Trade and other payables	2,514,347	1,338,500	1,417,467
Lease liabilities	-	87,219	25,912
Bank loans	83,334	13,889	54,089
Current tax payable	136,132	3,711	-
Provisions	25,020	-	25,020
	2,758,833	1,443,319	1,522,488
Non-current liabilities			
Lease liabilities	-	256,538	-
Bank loans	152,778	236,112	195,911
Provisions	-	25,020	-
Deferred taxation	-	-	2,059
	152,778	517,670	197,970
Total liabilities	2,911,611	1,960,989	1,720,458
Net assets	1,870,446	1,420,314	1,514,980

Equity attributable to equity holder:

Share capital	1,154,750	1,154,750	1,154,750
Share premium	9,876	9,876	9,876
Merger reserve	16,650	16,650	16,650
Other reserve	152,193	96,480	112,061
Capital contribution reserve	257,812	257,812	257,812
Retained earnings	279,165	(115,254)	(36,169)

Total equity

1,870,446	1,420,314	1,514,980
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AEOREMA COMMUNICATIONS PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 31 December 2021

	Share capital	Share premium	Merger reserve	Other reserve	Capital contribution reserve	Retained earnings	Total equity
	£	£	£	£	£	restated £	restated £
At 1 July 2020	1,154,750	9,876	16,650	81,358	257,812	139,801	1,660,247
Comprehensive income for the period	-	-	-	-	-	(255,055)	(255,055)
Share-based payments	-	-	-	15,122	-	-	15,122
At 31 December 2020	1,154,750	9,876	16,650	96,480	257,812	(115,254)	1,420,314
At 1 January 2021	1,154,750	9,876	16,650	96,480	257,812	(115,254)	1,420,314
Comprehensive income for the period	-	-	-	-	-	79,085	79,085
Share-based payments	-	-	-	15,581	-	-	15,581
At 30 June 2021	1,154,750	9,876	16,650	112,061	257,812	(36,169)	1,514,980
At 1 July 2021	1,154,750	9,876	16,650	112,061	257,812	(36,169)	1,514,980
Comprehensive income for the period	-	-	-	-	-	315,334	315,334
Share-based payments	-	-	-	40,132	-	-	40,132
At 31 December 2021	1,154,750	9,876	16,650	152,193	257,812	279,165	1,870,446

AEOREMA COMMUNICATIONS PLC
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 31 December 2021

	Unaudited 6 Months to 31 December 2021	Unaudited 6 Months to 31 December 2020	Audited Year to 30 June 2021
	£	£	£
Cash flow from operating activities			
(Loss) / profit before taxation	255,677	(287,676)	(159,698)
Adjustments for:			
Depreciation of property, plant and equipment	24,586	18,209	40,885
Depreciation of right-of-use assets	18,995	45,546	91,092
Amortisation of intangible fixed assets	1,250	1,250	2,500
Loss on disposal of fixed assets	2,096	769	769
Share-based payment	40,132	15,122	30,703
Interest on lease liabilities	-	8,996	16,932
Finance income	(109)	(539)	(489)
Exchange rate differences on translation	11,552	(7,479)	(11,044)
Revaluation of right-to-use asset	-	-	(5,311)
Operating cash flow before movement in working capital	354,179	(205,802)	6,339
Increase/(decrease) in trade and other payables	1,096,880	112,278	191,244
(Increase)/decrease in trade and other receivables	(908,336)	(410,049)	(831,592)
Cash (used in) / generated from operating activities	542,723	(503,573)	(634,009)
Taxation paid	(26,185)	(64,779)	(74,805)
Cash flow from investing activities			
Finance income	109	539	489
Purchase of property, plant and equipment	(44,343)	(9,856)	(59,179)
Disposal of property, plant and equipment	-	-	-
Repayment of leasing liabilities	(25,912)	(51,000)	(102,000)
Net cash used in investing activities	(70,146)	(60,317)	(160,690)
Cash flow from financing activities			
Bank loans	-	250,000	250,000
Repayment of bank loans	(13,888)	-	-
Net cash used in financing activities	(13,888)	250,000	250,000

Net increase / (decrease) in cash and cash equivalents	432,504	(378,669)	(619,504)
Cash and cash equivalents at beginning of period	1,101,713	1,721,217	1,721,217
Cash and cash equivalents at end of period	1,534,217	1,342,548	1,101,713

AEOREMA COMMUNICATIONS PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the period ended 31 December 2021

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 ended 31 December 2021 (including comparatives for the periods ended 31 December 2020 and 30 June 2021) were approved by the board of directors on 25 March 2022.

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 2021, 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 2021 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 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 2021 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 2021, 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 2021 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 (2020: 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:

	Unaudited 6 Months to 31 December 2021	Unaudited 6 Months to 31 December 2020	Audited Year to 30 June 2021
Profit / (loss) for the year attributable to owners of the Company	£303,782	£(247,576)	£(164,926)
Number of shares			
Basic weighted average number of shares	9,238,000	9,238,000	9,238,000
Effect of dilutive share options	1,920,000	1,020,000	1,920,000
Diluted weighted average number of shares	11,158,000	10,258,000	11,158,000

6. Dividends

During the interim period no dividend (2020: nil) was declared to holders of the Company's ordinary shares in respect of the full year ended 30 June 2021.

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.

Unaudited 6 months to 31	Unaudited 6 months to 31
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	December 2021 £	December 2020 £
Subsidiaries		
Amounts owed by/(to) subsidiaries	397,759	504,694
Amounts owed by/(to) subsidiaries	397,759	504,694

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.

	Unaudited 6 Months to 31 December 2021 £	Unaudited 6 Months to 31 December 2020 £
Harris & Trotter LLP		
Aeorema Communications plc	7,500	7,500
Aeorema Limited	5,750	10,450
	13,250	17,950

Fees charged to Aeorema Communications plc include £7,500 (2020: £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:

	Unaudited 6 Months to 31 December 2021 £	Unaudited 6 Months to 31 December 2020 £
Short-term employee benefits	162,933	140,500
Post-employment benefits	7,496	2,992
	170,429	143,492

During the previous period S Quah received an interest-free loan of £10,000. At 31 December 2021 £10,000 (2020: £10,000) was outstanding.