

26 March 2018

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

Aeorema Communications plc, the AIM-traded live events agency, announces its results for the six months ended 31 December 2017.

Financial & Operational Overview

- Revenue up 19% to £1,869,439 (2016: £1,575,470)
- Operating profit before exceptional items up 5% to £81,028 (2016: £76,820)
- Robust cash position of £1,038,130 (2016: £1,151,766)
- Management restructuring including the promotion of Steve Quah and Andrew Harvey to the role of Joint MD and the departure of two long-term directors
- Several notable events undertaken for blue-chip clients including a global media brand, a leading international law firm and a big four professional services firm
- Building presence in rapidly growing experiential events sector - appointed Julian Staveley as Director of Experiential post period end

Chairman's Statement

This has been a positive period for Aeorema, which has seen the Company maintain its position as a leading London-based live events agency, with revenues up to £1,869,439 (2016: £1,575,470).

The period under review saw several notable board changes, including the promotion of Steve Quah and Andrew Harvey to the role of Joint Managing Director. Both Steve and Andrew have been pivotal in advancing Aeorema into a new phase of growth and innovation following the departures of Peter Litten and Gary Fitzpatrick, who stepped down from their board positions having worked for the Company for 21 years.

Work undertaken during the period has included a major event in Cannes for a global media brand, a large partner event for a top global law firm, as well as an experiential event for one of the big four professional services firms. Experiential events use experiences to connect brands with consumers; it is a form of events that is rapidly growing in popularity and is an area of business which we believe represents a significant and highly exciting growth opportunity. In light of this, and as part of our drive to build on the success of our core business through complementary offerings to our clients, we are delighted to announce the addition to the Aeorema team of Julian Staveley, the founder of London-based experiential events agency, Thrive London Ltd ("ThriveLondon").

As Director of Experiential, a non-board position, Julian will be responsible for building our presence in experiential events, strengthening our pipeline of new business opportunities as well as supporting our existing client base. He has delivered global activations for clients including Barclaycard, Glenfiddich and Sky and I am confident that his extensive experience and contacts will be invaluable to the Company moving forward as we provide an enhanced service offering to both current and new

clients. Aeorema will continue to use the ThriveLondon name and website, along with having exclusive access to ThriveLondon's database.

Revenues for the period were £1,869,439 (2016: £1,575,470), delivering operating profits before exceptional items of £81,028 (2016: £76,820). Costs associated with the change of management generated exceptional items of £231,357; these were associated with the restructuring of the business and are a one-off, non-recurring cost.

Looking ahead, we remain focused on building an industry-leading, profitable, dividend-paying business with an illustrious blue-chip client base. To this end, we continue to drive growth and innovation both in-house and via value accretive growth opportunities.

Finally, I would like to thank all our employees for their hard work and commitment, as well as our shareholders for their continued support.

M Hale
Chairman
23 March 2018

AEOREMA COMMUNICATIONS PLC
CONDENSED CONSOLIDATED INCOME STATEMENT
For the period ended 31 December 2017

		Unaudited 6 Months to 31 December 2017	Unaudited 6 Months to 31 December 2016	Audited Year to 30 June 2017
	Notes	£	£	£
Continuing Operations				
Revenue		1,869,439	1,575,470	4,156,592
Cost of sales		(1,081,034)	(798,814)	(2,495,487)
Gross profit		788,405	776,656	1,661,105
Administrative expenses pre exceptional and non-recurring items		(707,377)	(699,836)	(1,412,737)
Operating profit pre exceptional and non-recurring items		81,028	76,820	248,368
Exceptional and non-recurring items	4	(231,357)	-	-
Operating profit / (loss) post exceptional and non-recurring items		(150,329)	76,820	248,368
Finance income		162	360	519
Profit / (loss) before taxation		(150,167)	77,180	248,887
Taxation	6	26,587	(24,847)	(37,284)
Profit / (loss) for the period from continuing operations		(123,580)	52,333	211,603
Basic and diluted earnings per share from continuing operations				
Basic (pence)	7	(1.36545)	0.57823	2.33803
Diluted (pence)	7	(1.30156)	0.55968	2.26301

There are no other comprehensive income items

AEOREMA COMMUNICATIONS PLC
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the period ended 31 December 2017

	Unaudited 6 Months to 31 December 2017	Unaudited 6 Months to 31 December 2016	Audited Year to 30 June 2017
	£	£	£
Non-current assets			
Intangible assets	365,154	365,154	365,154
Property, plant and equipment	31,898	50,958	31,341
Deferred taxation	22,274	-	2,861
	419,326	416,112	399,356
Current assets			
Trade and other receivables	872,650	651,502	1,007,592
Cash and cash equivalents	1,038,130	1,151,766	1,897,212
	1,910,780	1,803,268	2,904,804
Total assets	2,330,106	2,219,380	3,304,160
Current liabilities			
Trade and other payables	772,303	636,320	1,615,603
Dividends payable	45,252	-	-
Current tax payable	23,868	83,205	31,042
	841,423	719,525	1,646,645
Non-current liabilities			
Deferred taxation	-	1,610	-
	-	1,610	-
Net assets	1,488,683	1,498,245	1,657,515
Equity attributable to equity holder:			
Share capital	1,131,313	1,131,313	1,131,313
Share premium	7,063	7,063	7,063
Merger reserve	16,650	16,650	16,650
Capital contribution reserve	257,812	257,812	257,812
Retained earnings	75,845	85,407	244,677
Total equity	1,488,683	1,498,245	1,657,515

AEOREMA COMMUNICATIONS PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 31 December 2017

	Share capital £	Share Premium £	Merger reserve £	Capital contribution reserve £	Retained earnings £	Total equity £
At 1 July 2016	1,131,313	7,063	16,650	257,812	214,084	1,626,922
Payment of dividends	-	-	-	-	(181,010)	(181,010)
Comprehensive income for the period	-	-	-	-	52,333	52,333
At 31 December 2016	1,131,313	7,063	16,650	257,812	85,407	1,498,245
At 1 January 2017	1,131,313	7,063	16,650	257,812	85,407	1,498,245
Payment of dividends	-	-	-	-	-	-
Comprehensive income for the period	-	-	-	-	159,270	159,270
At 30 June 2017	1,131,313	7,063	16,650	257,812	244,677	1,657,515
At 1 July 2017	1,131,313	7,063	16,650	257,812	244,677	1,657,515
Payment of dividends	-	-	-	-	(45,252)	(45,252)
Comprehensive income for the period	-	-	-	-	(123,580)	(123,580)
At 31 December 2017	1,131,313	7,063	16,650	257,812	75,845	1,488,683

AEOREMA COMMUNICATIONS PLC
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 31 December 2017

	Unaudited 6 Months to 31 December 2017 £	Unaudited 6 Months to 31 December 2016 £	Audited Year to 30 June 2017 £
Cash flow from operating activities			
Profit/(loss) before taxation	(150,167)	77,180	248,887
Adjustments for:			
Depreciation of property, plant and equipment	11,850	25,235	51,454
Finance income	(162)	(360)	(519)
Operating cash flow before movement in working capital	(138,479)	102,055	299,822
Decrease in trade and other payables	(843,300)	(704,264)	275,021
Decrease in trade and other receivables	134,942	522,835	166,745
Cash (used in) / generated from operating activities	(846,837)	(79,374)	741,588
Taxation paid	-	-	(69,072)
Cash flow from investing activities			
Finance income	162	360	519
Purchase of property, plant and equipment	(12,407)	(15,933)	(22,536)
Net cash used in investing activities	(12,245)	(15,573)	(22,017)
Cash flow from financing activities			
Dividends paid	-	(181,010)	(181,010)
Net cash used in financing activities	-	(181,010)	(181,010)
Net increase / (decrease) in cash and cash equivalents	(859,082)	(275,957)	469,489
Cash and cash equivalents at beginning of period	1,897,212	1,427,723	1,427,723
Cash and cash equivalents at end of period	1,038,130	1,151,766	1,897,212

AEOREMA COMMUNICATIONS PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the period ended 31 December 2017

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 2017 (including comparatives for the periods ended 31 December 2016 and 30 June 2017) were approved by the board of directors on 23 March 2018.

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 2017, 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 2017 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 2017 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 2017, which have been prepared in accordance with IFRS as adopted by the European Union

3. Summary of significant accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 30 June 2017, as described in those annual financial statements. There has been no impact on the Group's financial position or performance from new and amended IFRS and IFRIC interpretations mandatory as of 1 July 2017.

4. Exceptional and non-recurring items

Items that are material either because of their size or their nature, or that are non-recurring, are considered as exceptional. During the interim period, the Group incurred expenditure totalling £231,357 (2016: £nil) in relation to the departure of its two founders, Peter Litten and Gary Fitzpatrick, from the board of directors. This expenditure related to final salary payments, pension payments and associated legal costs. This cost has been included in the condensed consolidated interim Income Statement as an operating exceptional cost.

AEOREMA COMMUNICATIONS PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the period ended 31 December 2017

5. 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, have determined that for the period ended 31 December 2017 there is only one reportable operating segment.

6. Income tax charge

Income period tax is accrued based on the estimated average annual effective income tax rate of 19 percent (2016: 20 percent).

7. 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 in ordinary shares.

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

	Unaudited 6 Months to 31 December 2017	Unaudited 6 Months to 31 December 2016	Audited Year to 30 June 2017
Profit/(loss) for the year attributable to owners of the Company	(123,580)	52,333	211,603
Number of shares			
Basic weighted average number of shares	9,050,500	9,050,500	9,050,500
Effect of dilutive share options	444,262	300,000	300,000
Diluted weighted average number of shares	9,494,762	9,350,500	9,350,500

8. Dividends

During the interim period a dividend of 0.5 pence (2016: 2 pence) per share was declared to holders of the Company's ordinary shares.

AEOREMA COMMUNICATIONS PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the period ended 31 December 2017

9. 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 December 2017 £	Unaudited 6 months to 31 December 2016 £
Subsidiaries		
Amounts owed by/(to) subsidiaries	1,020,183	504,015
Amounts owed by/(to) subsidiaries	1,020,183	504,015

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

	Unaudited 6 Months to 31 December 2017 £	Unaudited 6 Months to 31 December 2016 £
Harris & Trotter LLP		
Aeorema Communications plc	7,500	7,500
Aeorema Limited	17,900	2,450
	25,400	9,950

Fees charged to Aeorema Communications plc include £7,500 (2016: £7,500) for the services of Stephen 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 2017 £	Unaudited 6 Months to 31 December 2016 £
Short-term employee benefits	197,153	112,000
Post-employment benefits	50,666	20,496
	247,819	132,496

For further information visit www.aeorema.com or contact:

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