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

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

Operations & Trading Update – Strategic Hire of Unicorn Events Team

Aeorema Communications plc, the AIM-traded live events agency, is pleased to announce an operations and trading update along with the addition to the Group of the founder and senior team members of Unicorn Events Limited.

Strategic Hires

Aeorema is delighted to confirm it has appointed Hannah Luffman as Strategy Director, focussing on brand strategy and communications. Hannah was the founder of Unicorn Events Limited ('Unicorn'), a highly successful creative and award-winning brand experience agency delivering events worldwide, helping brands connect with audiences both internally and externally through live event experiences. Fast-tracking Unicorn to a highly respected challenger agency with significant year-on-year increase in turnover over a short period, Hannah and her team worked with clients including a number of large and blue-chip companies, such as Google UK, InterContinental Hotels Group, Boots and Soap&Glory, to name a few. Also joining Hannah are two of her senior team from Unicorn, all of which retain strong ties with their clients and hope to assist them with their events going forward.

With 15 years' experience in developing global campaigns and complex communications programmes, Hannah will be responsible for taking a client's campaign purpose and bringing it to life with cutting edge messaging and global activation. In addition, she will head up the Group's global strategic direction, unifying its messaging, value proposition and offering to the Company's diverse client base. As part of Aeorema's drive to build on the success of its core business through complementary offerings to clients, Hannah's experience and knowledge in offering learning & development workshops to shape a client's strategy will provide the Company with a point of difference in its service offering, expanding on the opportunities which the board anticipates will be presented going forward.

The addition of Hannah and team will reinforce the Company's current offering during the Covid-19 lockdown restrictions, with recent and foreseeable events moving to purely virtual as well as hybrid (being a combination of smaller physical events alongside an online event) which are expected to become more prevalent in the final quarter of 2020 and into 2021, subject to worldwide governments' guidelines.

As well as being able to use the Unicorn name and website and reference its case studies and industry awards, Aeorema will importantly benefit from introductions to the team's contact base which is already proving advantageous with pitching for new business taking place.

Operations and Trading Update

As announced on 24 March 2020, the Company acquired the entire issued share capital of Eventful Limited ("Eventful"), a boutique events and incentive travel company. In the first 8 weeks since acquisition, integration is going as planned, despite the Covid-19 restrictions that are currently placed upon the business. Collaboration amongst the teams is starting to pay off with the sharing of client relationships creating opportunities for cross-selling boutique incentive events in particular, a differentiated client market to that of Cheerful Twentyfirst, Aeorema's live events business. The Board remains confident that the acquisition of Eventful will strengthen and add to the Company's offerings to current and new clients supporting the Company's business model and long-term strategy of enhancing the services provided to grow the Group.

The Company continues to monitor closely the continuing developments regarding Covid-19. As previously announced, the Company has seen the postponement of a number of its scheduled live events. The Board took swift action to reduce costs and made immediate significant reductions in overheads, including, regrettably, reducing the workforce by 25%. The Company has extended this and is utilising the Government's furlough scheme for certain members of staff in the immediate term, along with implementing a number of other cost saving initiatives.

As a result of continued close monitoring of costs along with some visibility over future revenue streams for the year ending 30 June 2020, the Company is encouraged to update that the envisaged loss before tax for FY20, subject to audit, will be at the lower end of the £150,000 - £250,000 range previously announced. As set out above, Aeorema has been agile in pivoting its offering in the Covid-19 environment, recognising that companies still wish to reach internal and external audiences. The Directors continue to anticipate that clients will look to start holding live events during calendar Q4 20/Q1 21 and therefore remain confident that the revenue and profit from postponed events will now fall into the financial year ending 30 June 2021. Aeorema has maintained its strong cash position with a cash balance in excess of £1 million, after allowing for the permitted deferral of taxes which will become due later in the year.

The Company will continue to take a measured approach to acquisitions of businesses, teams and talent. As has been demonstrated of late, Aeorema is cognisant of opportunities that are emerging where service offerings can be added for existing and new clients, positioning the Group to win new business across its divisions, all of which is anticipated to ultimately create value for shareholders.

Mike Hale, Chairman, said: *"We are delighted that Hannah and her team from Unicorn Events have joined Aeorema, and we know they will be an excellent addition to the Group providing additional offerings to existing and new clients. Their work with a blue-chip roster of companies is impressive and we hope we can continue to assist such businesses with their live events. The cultures of Aeorema and Unicorn are complementary and the Board are confident that Hannah's 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.*

"Notwithstanding we remain in uncharted territory with the current Covid-19 virus outbreak, we believe Aeorema is well placed to weather this storm, particularly with our strong cash balance. Strengthening and adding to the Company's offerings to current and new clients at this time supports our business model and long term strategy of enhancing the services we provide to grow the Group."

Hannah Luffman, Strategy Director, commented: *"I am delighted to be joining Aeorema's established and respected live events agency, a forward-thinking and dynamic company, one that understands brand messaging and the importance of strategic communications. Myself and the senior Unicorn team are thrilled to be enhancing the successful work of Aeroema Communications PLC to date, and look forward to contributing to the future growth and diverse offering of the agency. "*

****ENDS****

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