

*The information contained within this announcement is deemed by the Company to constitute inside information for the purposes of Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310.*

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

29 March 2023

**Aeorema Communications plc**  
("Aeorema", the "Company" or the "Group")

**Interim Results**

Aeorema Communications plc (AIM: AEO), a leading strategic communications group, is pleased to announce its unaudited interim results for the six months ended 31 December 2022.

**Highlights**

- Record level revenue of £7,121,103 (H1 2021: £4,909,742)
- Record level profit before taxation of £326,021 (H1 2021: £255,677)
- A period of continued growth and major investment for the Group
- Eventful Limited returning to profitability
- Substantially increased cash position of £3,676,194 (31 December 2021: £1,534,217)

**Chairman's Statement**

The six-month period ended 31 December 2022 has been a period of continued growth and major investment for the Group, following the record financial year we announced in November.

Group revenue increased by 45% year-on-year to £7.12 million (H1 2021: £4.91 million) and profit before taxation by 28% to £0.33 million (H1 2021: £0.26 million). The Group continues to invest in the team, our processes, and offices, in order to put us in a strong position to achieve sustained growth and success in the future.

The team continues to adapt and diversify to meet the range of demands and evolving needs, of both new and existing clients. As a fully integrated agency, the Group has consistently delivered innovative and bespoke events on a live, virtual and hybrid basis to a range of clients across many sectors. Moreover, the team has been able to capitalise on the ever-changing nature of the industry by expanding our offerings to include long-term communication campaigns and consultancy services. The development of a longer-term client partnership approach has successfully been executed with leading brands across multiple regions and markets. The flexible nature of the business model has enabled the Group to maintain a loyal base of blue-chip clients.

I am thrilled that the team's remarkable efforts have been recognised with award nominations and successful wins, both during and post-period end. Cheerful Twentyfirst, Aeorema's main operating division, won *Creative Team of the Year* for the fifth year running at the Conference News Agency Awards, *Best Agency* at the Micebook V Award, and *Best Place to Work* and *Global Agency of the Year* at the C&IT awards. Winning these high-profile awards not only bears testament to the strong ability of our team, but also affirms the Group's leading position in the sector.

We are delighted to announce, as a post-period end event, that we are working with Stagwell Inc. a NASDAQ listed, multi-billion-dollar challenger in the marketing network, on a unique brand activation ' *Sport Beach* ' at Cannes Lions International Festival of Creativity. The activation is expected to be one of the largest brand activations in Cannes this year, and with discussions ongoing surrounding other additional contracts, 2023 has a promising outlook to be our biggest presence at the festival to date.

We continue to benefit from an increased global footprint, a growing presence in mainland Europe (with the opening of our Amsterdam office), and we continue to seek additional growth opportunities in line with our global growth strategy. Moreover, we look to serve the growing needs and requests of our clients operating in London and New York, by continuing the increased integration of the respective offices, as well as expanding our own presence in the North American market.

We are pleased to report that Eventful Limited, our venue sourcing and incentive travel agency, has had a strong six months with a record number of events. I am optimistic that we will be able to report a return to profitability at the end of the 2023 financial year.

Following the introduction of our client carbon measurement programme and the addition of a Sustainability Director in April 2022, post-period end we were pleased to launch our third annual Corporate Social Responsibility ("CSR") charter. The CSR charter was established as part of our transition into a value-led agency that views people, planet and prosperity as a balanced scale.

The 2023 CSR charter introduced several new environmental initiatives and commitments including the publication of our 2022 operational carbon footprint, and the offsetting of the Group's last three years' carbon emissions. A revised assessment tool, which considers the social and environmental impact of any new project also enables us to take on briefs that match our ethos and reinforce our commitment to become Net Zero by 2030.

We are very confident about the outlook for the remainder of the 2023 financial year. As mentioned earlier, we have more significant projects at Cannes this year than ever before. The investment we have made in strengthening our team and resources is a significant factor in the growth we have achieved, and it provides us with the structure to achieve significant revenue growth going forward. We are also confident that we can maintain our policy of paying a dividend to shareholders without limiting our growth opportunities.

Finally, I would like to take the opportunity to thank our dedicated team and our shareholders for their continued support and I look forward to what the rest of the year will bring.

M Hale  
Chairman  
28 March 2023

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## Notes to Editors

Aeorema Communications plc, (AIM: AEO) is a leading strategic communications group with offices in London, New York and Amsterdam. The Group provides bespoke event services, comprising live, virtual, and hybrid experiences to an established international blue-chip client base spanning a broad range of sectors, including

finance, professional services, advertising, IT, gaming, fashion, fintech, and beverages. The Group also provides high level consultancy services to help clients maximise and deliver on their long-term communication strategies over multiple event and film touchpoints.

Aeorema delivers these services via its fully owned companies Cheerful Twentyfirst and Cheerful Twentyfirst, Inc. (the North American arm of Cheerful Twentyfirst) ([cheerfultwentyfirst.com](http://cheerfultwentyfirst.com)), two live events agencies with film capabilities that specialise in devising and delivering corporate communication solutions. The Group also operates Eventful Limited ([www.eventful.co.uk](http://www.eventful.co.uk)), which provides consultative, high-touch services including assisting clients with venue sourcing, event management and incentive travel. With more than 56 years of combined operating experience and extensive award wins, Aeorema is a recognised industry thought leader and for the year ended 30 June 2022 reported record revenue and profits (before tax) of £12.2 million and £843,564 respectively, and also declared a dividend for the year.

Central to all that the Group does is its Corporate Social Responsibility charter, which is focussed on ensuring sustainable, inclusive and ethical business operations. To this end, the Group is a pioneer in delivering innovative strategies and services, including a client carbon measurement programme to establish a formal structure and approach around reducing emissions and offsetting both its own and its clients' carbon footprint.

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
For the period ended 31 December 2022

		Unaudited 6 Months to 31 December 2022	Unaudited 6 Months to 31 December 2021	Audited Year to 30 June 2022
Notes	£	£	£	
<b>Continuing Operations</b>				
Revenue		7,121,103	4,909,742	12,207,253
Cost of sales		(5,595,529)	(3,734,995)	(9,169,691)
<b>Gross profit</b>		<b>1,525,574</b>	<b>1,174,747</b>	<b>3,037,562</b>
Other income		-	3,743	3,743
Administrative expenses		(1,175,668)	(919,366)	(2,170,129)
<b>Operating profit / (loss)</b>		<b>349,906</b>	<b>259,124</b>	<b>871,176</b>
Finance income		80	109	241
Finance costs		(23,965)	(3,556)	(27,853)
<b>Profit / (loss) before taxation</b>		<b>326,021</b>	<b>255,677</b>	<b>843,564</b>
Taxation	4	(30,553)	48,105	(204,222)
<b>Profit / (loss) for the period from continuing operations</b>		<b>295,468</b>	<b>303,782</b>	<b>639,342</b>
<b>Other comprehensive income</b>				
<i>Items that may be reclassified to profit or loss</i>				
Exchange differences on translation of foreign entities		(29,245)	11,552	42,347

Other comprehensive income for the period		(29,245)	11,552	42,347
Total comprehensive income for the period		266,223	315,334	681,689
Basic and diluted earnings per share from continuing operations				
Basic (pence)	5	3.18118	3.28840	6.92078
Diluted (pence)	5	2.71870	2.72255	5.80797

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
For the period ended 31 December 2022

	Unaudited 6 Months to 31 December 2022	Unaudited 6 Months to 31 December 2021	Audited Year to 30 June 2022
	£	£	£
<b>Non-current assets</b>			
Intangible assets	567,682	570,182	568,931
Property, plant and equipment	389,668	121,138	222,479
Right-to-use assets	760,388	-	823,772
Deferred taxation	-	182,179	25,925
	<b>1,717,738</b>	<b>873,499</b>	<b>1,641,107</b>
<b>Current assets</b>			
Trade and other receivables	2,834,446	2,337,399	3,130,035
Cash and cash equivalents	3,676,194	1,534,217	1,714,417
Current tax receivable	101,426	36,942	-
	<b>6,612,066</b>	<b>3,908,558</b>	<b>4,844,452</b>
<b>Total assets</b>	<b>8,329,804</b>	<b>4,782,057</b>	<b>6,485,559</b>
<b>Current liabilities</b>			
Trade and other payables	4,713,051	2,514,347	2,960,221
Lease liabilities	141,278	-	121,999
Bank loans	69,445	83,334	83,333
Current tax payable	-	136,132	177,790
Provisions	35,000	25,020	35,000
	<b>4,958,774</b>	<b>2,758,833</b>	<b>3,378,343</b>
<b>Non-current liabilities</b>			
Lease liabilities	668,006	-	738,041
Bank loans	83,334	152,778	111,111
Provisions	9,000	-	4,500
Deferred taxation	4,629	-	-
	<b>764,969</b>	<b>152,778</b>	<b>853,652</b>
<b>Total liabilities</b>	<b>5,723,743</b>	<b>2,911,611</b>	<b>4,231,995</b>

<b>Net assets</b>	<b>2,606,061</b>	<b>1,870,446</b>	<b>2,253,564</b>
<b>Equity attributable to equity holder:</b>			
Share capital	1,192,250	1,154,750	1,154,750
Share premium	21,876	9,876	9,876
Merger reserve	16,650	16,650	16,650
Other reserve	205,730	152,193	168,956
Capital contribution reserve	257,812	257,812	257,812
Foreign Translation reserve	2,058	-	31,303
Retained earnings	909,685	279,165	614,217
<b>Total equity</b>	<b>2,606,061</b>	<b>1,870,446</b>	<b>2,253,564</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the period ended 31 December 2022

	Share capital	Share premium	Merger reserve	Other reserve	Capital contribution reserve	Foreign translation reserve	Retained earnings	Total equity
	£	£	£	£	£	£	£	£
<b>At 1 July 2021</b>	<b>1,154,750</b>	<b>9,876</b>	<b>16,650</b>	<b>112,061</b>	<b>257,812</b>	<b>(11,044)</b>	<b>(25,125)</b>	<b>1,514,980</b>
Comprehensive income for the period	-	-	-	-	-	-	315,334	315,334
Share-based payments	-	-	-	40,132	-	-	-	40,132
<b>At 31 December 2021</b>	<b>1,154,750</b>	<b>9,876</b>	<b>16,650</b>	<b>152,193</b>	<b>257,812</b>	<b>(11,044)</b>	<b>290,209</b>	<b>1,870,446</b>
<b>At 1 January 2022</b>	<b>1,154,750</b>	<b>9,876</b>	<b>16,650</b>	<b>152,193</b>	<b>257,812</b>	<b>(11,044)</b>	<b>290,209</b>	<b>1,870,446</b>
Comprehensive income for the period	-	-	-	-	-	-	324,008	324,008
Foreign currency translation	-	-	-	-	-	42,347	-	42,437
Share-based payments	-	-	-	16,763	-	-	-	16,763
<b>At 30 June 2022</b>	<b>1,154,750</b>	<b>9,876</b>	<b>16,650</b>	<b>168,956</b>	<b>257,812</b>	<b>31,303</b>	<b>614,217</b>	<b>2,253,564</b>
<b>At 1 July 2022</b>	<b>1,154,750</b>	<b>9,876</b>	<b>16,650</b>	<b>168,956</b>	<b>257,812</b>	<b>31,303</b>	<b>614,217</b>	<b>2,253,564</b>
Comprehensive income for the period	-	-	-	-	-	-	295,468	295,468
Foreign currency translation	-	-	-	-	-	(29,245)	-	(29,245)
Share-based payments	-	-	-	36,774	-	-	-	36,774
Share issue	37,500	12,000	-	-	-	-	-	49,500
<b>At 31 December 2022</b>	<b>1,192,250</b>	<b>21,876</b>	<b>16,650</b>	<b>205,730</b>	<b>257,812</b>	<b>2,058</b>	<b>909,685</b>	<b>2,606,061</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the period ended 31 December 2022

	Unaudited 6 Months to 31 December 2022	Unaudited 6 Months to 31 December 2021	Audited Year to 30 June 2022
	£	£	£
<b>Cash flow from operating activities</b>			
(Loss) / profit before taxation	326,021	255,677	843,564
Adjustments for:			
Depreciation of property, plant and equipment	48,873	24,586	56,036
Depreciation of right-of-use assets	63,384	18,995	82,361
Amortisation of intangible fixed assets	1,250	1,250	2,500
Loss on disposal of fixed assets	-	2,096	4,646
Share-based payment	36,774	40,132	56,895
Interest on lease liabilities	20,244	-	21,191
Finance income	(80)	(109)	(241)
Dilapidations	4,500	-	-
Exchange rate differences on translation	(28,902)	11,552	42,138
<b>Operating cash flow before movement in working capital</b>	<b>472,064</b>	<b>354,179</b>	<b>1,109,090</b>
Increase/(decrease) in trade and other payables	1,752,830	1,096,880	1,557,234
(Increase)/decrease in trade and other receivables	295,592	(908,336)	(1,700,972)
<b>Cash (used in) / generated from operating activities</b>	<b>2,048,422</b>	<b>188,544</b>	<b>(143,738)</b>
 <b>Taxation paid</b>	 <b>(279,218)</b>	 <b>(26,185)</b>	 <b>(43,657)</b>
 <b>Cash flow from investing activities</b>			
Finance income	80	109	241
Purchase of property, plant and equipment	(216,406)	(44,343)	(179,475)
Repayment of leasing liabilities	(71,000)	(25,912)	(74,201)
<b>Net cash used in investing activities</b>	<b>(287,326)</b>	<b>(70,146)</b>	<b>(253,435)</b>
 <b>Cash flow from financing activities</b>			
Share issue	49,500	-	-
Repayment of bank loans	(41,665)	(13,888)	(55,556)
<b>Net cash used in financing activities</b>	<b>7,835</b>	<b>(13,888)</b>	<b>(55,556)</b>
 <b>Net increase / (decrease) in cash and cash equivalents</b>	 <b>1,961,777</b>	 <b>432,504</b>	 <b>612,704</b>
 Cash and cash equivalents at beginning of period	 1,714,417	 1,101,713	 1,101,713
 <b>Cash and cash equivalents at end of period</b>	 <b>3,676,194</b>	 <b>1,534,217</b>	 <b>1,714,417</b>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
For the period ended 31 December 2022

**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 87 New Cavendish Street, London, W1W 6XD. 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 2022 (including comparatives for the periods ended 31 December 2021 and 30 June 2022) were approved by the board of directors on 28 March 2023.

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 2022, 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 2022 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 2022 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 2022, 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 2022 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 (2021: 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 2022	Unaudited 6 Months to 31 December 2021	Audited Year to 30 June 2022
Profit / (loss) for the year attributable to owners of the Company	£295,468	£303,782	£639,342
<b>Number of shares</b>			
Basic weighted average number of shares	9,288,000	9,238,000	9,238,000
Effect of dilutive share options	1,580,000	1,920,000	1,770,000
Diluted weighted average number of shares	10,868,000	11,158,000	11,008,000

## 6. Dividends

During the interim period a dividend of 2 pence per share (2021: Nil) was declared to holders of the Company's ordinary shares in respect of the full year ended 30 June 2022.

## 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.

	Unaudited 6 months to 31 December 2022	Unaudited 6 months to 31 December 2021
	£	£
<b>Subsidiaries</b>		
Amounts owed by/(to) subsidiaries	370,342	397,759
<b>Amounts owed by/(to) subsidiaries</b>	<b>370,342</b>	<b>397,759</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.

	Unaudited 6 Months to 31 December 2022	Unaudited 6 Months to 31 December 2021
	£	£
<b>Harris &amp; Trotter LLP</b>		
Aeorema Communications plc	9,450	7,500
Aeorema Limited	9,500	5,750
	<b>18,950</b>	<b>13,250</b>

Fees charged to Aeorema Communications plc include £7,500 (2021: £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 2022	Unaudited 6 Months to 31 December 2021
	£	£
Short-term employee benefits	266,375	162,933
Post-employment benefits	7,496	7,496
	<b>273,871</b>	<b>170,429</b>

During the period S Quah received an interest-free loan of £40,000 which has now been repaid. As at 31 December 2022 £50,000 (2021: £10,000) was outstanding.

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