

*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

25 March 2024

**Aeorema Communications plc**  
**(“Aeorema”, the “Company” or the “Group”)**

**Interim Results and FY projections**

Aeorema Communications plc (AIM: AEO), a leading strategic communications group, today announces its unaudited interim results for the six months ended 31 December 2023 (“H1 2024”).

**OVERVIEW**

- Revenue of £6,553,779 (H1 2023: £7,121,103)
- Loss before taxation of £243,534 (H1 2023 Profit: £326,021)
- Cash at date of this release of £3,717,848
- Expecting to reaffirm commitment to shareholders by maintaining the dividend policy
- Winner of multiple industry awards
  - Cheerful Twentyfirst named Agency Team of the Year for the first time in the Experience category at industry-leading The Drum Awards Festival and nominated in four other award categories
  - Post period end, Cheerful Twentyfirst named Creative Team of the Year at the 2024 CN Agency Awards for sixth year running

**CHAIRMAN'S STATEMENT**

As we navigate the dynamic landscape of our 2024 financial year, I present our interim results for the six months ended 31 December 2023 and provide insight into our strategic direction moving forward.

We are confident of delivering a full year profit of not less than £400,000, despite the loss in the first half of this financial year. We also expect to have a near record profit of £650,000 in the second half of this financial year. This is based on projecting revenue for the full year of no less than £19 million, and with three months still remaining in the Company's financial year ending 30 June 2024 (“FY2024”), we are confident in achieving this revenue.

Having made significant investment in the structure and foundations of our business in FY 2023, during H1 2024 we have focussed on investing in our team, both in the US and UK, which has impacted our profit margin. We are therefore amending our business model to have a better balance in costs between the first half and second halves of our financial year and we are also aggressively chasing business for the first half to improve the balance between first and second half revenue.

Like many agencies in its sector, Aeorema’s clients are facing a challenging economic landscape which is resulting in delays in the decision-making process on committing spending and, consequently, in some cases, the temporary postponement of events. More particularly for Aeorema, several brands have delayed projects and pushed them into the first half of the 2024 calendar year (the second half of the Company’s financial year) or into Aeorema’s 2024/25 financial year, which is the case for approximately £2 million of contracted revenue.

Despite the disappointing impact of these timing shifts on both our half year and anticipated full year figures, we remain optimistic about the future. We have a robust pipeline of client projects and a resilient blue-chip client base. Importantly, Aeorema has maintained the loyalty of its client base, having not experienced any client losses during this period, which reflects the trust they place in our capabilities to deliver exceptional, world-class, experience events. This, and discussions with clients about future plans, gives us significant comfort in maintaining a positive outlook for the remainder of our 2023/24 financial year and for our 2024/25 financial year as we continue to grow organically and capitalise on an uptick in revenue driven by the realisation of postponed projects.

With a focus on adaptability and forward planning, Aeorema is well positioned for the future and is confident in its ability to deliver sustainable growth and value creation over the long term. We also expect to reaffirm our commitment to shareholders by maintaining our dividend policy.

While this half year's financial performance reflects the impact of project timing, we are encouraged by the underlying strength of our business and our pipeline. Our focus remains steadfast on delivering creative brilliance for our clients on a global scale, and sustained growth and value to our shareholders.

**M Hale**  
**Chairman**  
**22 March 2024**

**\*ENDS\***

Andrew Harvey	Aeorema Communications plc	+44 (0)20 7291 0444
John Depasquale / Liz Kirchner / Lauren Wright (Corporate Finance) Kelly Gardiner / Joscelin Pinnington (Sales and Corporate Broking)	Allenby Capital Limited (Nominated Adviser and Broker)	+44 (0)20 3328 5656
Paul Dulieu / Isabel de Salis	St Brides Partners Ltd (Financial PR)	aeorema@stbridespartners.co.uk

## **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 2023 reported record revenue and profits (before tax) of £20.2 million and £1.0 million 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.

**AEOREMA COMMUNICATIONS PLC**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
For the period ended 31 December 2023

		Unaudited 6 Months to 31 December 2023 £	Unaudited 6 Months to 31 December 2022 £	Audited Year to 30 June 2023 £
<b>Continuing Operations</b>				
<b>Revenue</b>		<b>6,553,779</b>	<b>7,121,103</b>	<b>20,230,231</b>
Cost of sales		(5,051,024)	(5,595,529)	(15,896,463)
<b>Gross profit</b>		<b>1,502,755</b>	<b>1,525,574</b>	<b>4,333,768</b>
Administrative expenses		(1,724,982)	(1,175,668)	(3,240,848)
<b>Operating (loss) / profit</b>		<b>(222,227)</b>	<b>349,906</b>	<b>1,092,920</b>
Finance income		20	80	215
Finance costs		(21,327)	(23,965)	(47,175)
<b>(Loss) / profit before taxation</b>		<b>(243,534)</b>	<b>326,021</b>	<b>1,045,960</b>
Taxation	4	125,253	(30,553)	(288,780)
<b>(Loss) / profit for the period from continuing operations</b>		<b>(118,281)</b>	<b>295,468</b>	<b>757,180</b>
<b>Other comprehensive income</b>				
<i>Items that may be reclassified to profit or loss</i>				
Exchange differences on translation of foreign entities		56,973	(29,245)	(119,547)
<b>Other comprehensive income for the period</b>		<b>56,973</b>	<b>(29,245)</b>	<b>(119,547)</b>
<b>Total comprehensive income for the period</b>		<b>(61,308)</b>	<b>266,223</b>	<b>637,633</b>
<b>Basic and diluted earnings per share from continuing operations</b>				
Basic (pence)	5	(1.24010)	3.18118	8.04398
Diluted (pence)	5	(1.05251)	2.71870	6.83499

**AEOREMA COMMUNICATIONS PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**For the period ended 31 December 2023**

	Unaudited 6 Months to 31 December 2023 £	Unaudited 6 Months to 31 December 2022 £	Audited Year to 30 June 2023 £
<b>Non-current assets</b>			
Intangible assets	565,181	567,682	566,431
Property, plant and equipment	379,137	389,668	428,509
Right-to-use assets	633,584	760,388	696,986
Deferred taxation	140,110	-	14,844
	<b>1,718,012</b>	<b>1,717,738</b>	<b>1,706,770</b>
<b>Current assets</b>			
Trade and other receivables	4,213,279	2,834,446	3,502,522
Cash and cash equivalents	1,342,729	3,676,194	2,444,100
Current tax receivable	-	101,426	-
	<b>5,556,008</b>	<b>6,612,066</b>	<b>5,946,622</b>
<b>Total assets</b>	<b>7,274,020</b>	<b>8,329,804</b>	<b>7,653,392</b>
<b>Current liabilities</b>			
Trade and other payables	3,584,467	4,713,051	3,882,938
Lease liabilities	109,808	141,278	109,058
Bank loans	69,445	69,445	83,333
Current tax payable	72,510	-	74,736
Provisions	35,000	35,000	35,000
	<b>3,871,230</b>	<b>4,958,774</b>	<b>4,185,065</b>
<b>Non-current liabilities</b>			
Lease liabilities	594,247	668,006	612,693
Bank loans	-	83,334	27,778
Provisions	18,000	9,000	13,500
Deferred taxation	-	4,629	-
	<b>612,247</b>	<b>764,969</b>	<b>653,971</b>
<b>Total liabilities</b>	<b>4,483,477</b>	<b>5,723,743</b>	<b>4,839,036</b>
<b>Net assets</b>	<b>2,790,543</b>	<b>2,606,061</b>	<b>2,814,356</b>
<b>Equity attributable to equity holder:</b>			
Share capital	1,192,250	1,192,250	1,192,250
Share premium	21,876	21,876	21,876
Merger reserve	16,650	16,650	16,650
Other reserve	270,870	205,730	233,375
Capital redemption reserve	257,812	257,812	257,812
Foreign translation reserve	(31,271)	2,058	(88,244)
Retained earnings	1,062,356	909,685	1,180,637
<b>Total equity</b>	<b>2,790,543</b>	<b>2,606,061</b>	<b>2,814,356</b>

**AEOREMA COMMUNICATIONS PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the period ended 31 December 2023**

	Share capital	Share premium	Merger reserve	Other reserve	Capital redemption reserve	Foreign translation reserve	Retained earnings	Total equity
	£	£	£	£	£	£	£	£
<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>
<b>At 1 January 2023</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>
Comprehensive income for the period	-	-	-	-	-	-	461,712	461,712
Dividend paid	-	-	-	-	-	-	(190,760)	(190,760)
Foreign currency translation	-	-	-	-	-	(90,302)	-	(90,302)
Share-based payments	-	-	-	27,645	-	-	-	27,645
<b>At 30 June 2023</b>	<b>1,192,250</b>	<b>21,876</b>	<b>16,650</b>	<b>233,375</b>	<b>257,812</b>	<b>(88,244)</b>	<b>1,180,637</b>	<b>2,814,356</b>
<b>At 1 July 2023</b>	<b>1,192,250</b>	<b>21,876</b>	<b>16,650</b>	<b>233,375</b>	<b>257,812</b>	<b>(88,244)</b>	<b>1,180,637</b>	<b>2,814,356</b>
Comprehensive income for the period	-	-	-	-	-	-	(118,281)	(118,281)
Foreign currency translation	-	-	-	-	-	56,973	-	56,973
Share-based payments	-	-	-	37,495	-	-	-	37,495
Share issue	-	-	-	-	-	-	-	-
<b>At 31 December 2023</b>	<b>1,192,250</b>	<b>21,876</b>	<b>16,650</b>	<b>270,870</b>	<b>257,812</b>	<b>(31,271)</b>	<b>1,062,356</b>	<b>2,790,543</b>

**AEOREMA COMMUNICATIONS PLC**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the period ended 31 December 2023

	Unaudited 6 Months to 31 December 2023	Unaudited 6 Months to 31 December 2022	Audited Year to 30 June 2023
	£	£	£
<b>Cash flow from operating activities</b>			
(Loss) / profit before taxation	(243,534)	326,021	1,045,960
Adjustments for:			
Depreciation of property, plant and equipment	67,827	48,873	109,764
Depreciation of right-of-use assets	63,402	63,384	126,786
Amortisation of intangible fixed assets	1,250	1,250	2,500
Loss on disposal of fixed assets	-	-	9,141
Share-based payment	37,495	36,774	64,419
Interest on lease liabilities	17,804	20,244	39,212
Finance income	(20)	(80)	(215)
Dilapidations	4,500	4,500	9,000
Exchange rate differences on translation	60,590	(28,902)	(119,455)
<b>Operating cash flow before movement in working capital</b>	<b>9,314</b>	<b>472,064</b>	<b>1,287,112</b>
Increase/(decrease) in trade and other payables	(298,470)	1,752,830	922,716
(Increase)/decrease in trade and other receivables	(710,757)	295,592	(372,487)
<b>Cash (used in) / generated from operating activities</b>	<b>(999,913)</b>	<b>2,520,486</b>	<b>1,837,341</b>
<b>Taxation paid</b>	<b>(2,241)</b>	<b>(279,218)</b>	<b>(380,753)</b>
<b>Cash flow from investing activities</b>			
Finance income	20	80	215
Purchase of property, plant and equipment	(22,071)	(216,406)	(325,027)
Repayment of leasing liabilities	(35,500)	(71,000)	(177,500)
<b>Net cash used in investing activities</b>	<b>(57,551)</b>	<b>(287,326)</b>	<b>(502,312)</b>
<b>Cash flow from financing activities</b>			
Share issue	-	49,500	49,500
Dividends paid to owners of the company	-	-	(190,760)
Repayment of bank loans	(41,666)	(41,665)	(83,333)
<b>Net cash used in financing activities</b>	<b>(41,666)</b>	<b>7,835</b>	<b>(224,593)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(1,101,371)</b>	<b>1,961,777</b>	<b>729,683</b>
Cash and cash equivalents at beginning of period	2,444,100	1,714,417	1,714,417
<b>Cash and cash equivalents at end of period</b>	<b>1,342,729</b>	<b>3,676,194</b>	<b>2,444,100</b>

**AEOREMA COMMUNICATIONS PLC**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the period ended 31 December 2023**

**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 2023 (including comparatives for the periods ended 31 December 2022 and 30 June 2023) were approved by the board of directors on 22 March 2024.

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 2023, 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 2023 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: 101 New Cavendish Street, 1st Floor South, London, W1W 6XH.

**2. Basis of preparation**

These condensed consolidated interim financial statements for the period ended 31 December 2023 have been prepared in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the United Kingdom. The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 30 June 2023, which have been prepared in accordance with IFRS as adopted by the United Kingdom.

**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 2023 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 25 per cent (2022: 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 2023</b>	<b>Unaudited 6 Months to 31 December 2022</b>	<b>Audited Year to 30 June 2023</b>
(Loss) / profit for the year attributable to owners of the Company	<b>(£118,281)</b>	<b>£295,468</b>	<b>£757,180</b>
<b>Number of shares</b>			
Basic weighted average number of shares	<b>9,538,000</b>	<b>9,288,000</b>	<b>9,413,000</b>
Effect of dilutive share options	1,700,000	1,580,000	1,665,000
Diluted weighted average number of shares	<b>11,238,000</b>	<b>10,868,000</b>	<b>11,078,000</b>

## **6. Dividends**

During the interim period a dividend of 3 pence per share (2022: 2 pence per share) was declared to holders of the Company's ordinary shares in respect of the full year ended 30 June 2023.

**AEOREMA COMMUNICATIONS PLC**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**For the period ended 31 December 2023**

**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 2023 £</b>	<b>Unaudited 6 months to 31 December 2022 £</b>
<b>Subsidiaries</b>		
Amounts owed by/(to) subsidiaries	503,557	370,342
<b>Amounts owed by/(to) subsidiaries</b>	<b>503,557</b>	<b>370,342</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 2023 £</b>	<b>Unaudited 6 Months to 31 December 2022 £</b>
<b>Harris &amp; Trotter LLP</b>		
Aeorema Communications plc	12,950	9,450
Aeorema Limited	7,750	9,500
	<b>20,700</b>	<b>18,950</b>

Fees charged to Aeorema Communications plc include £10,000 (2022: £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 2023 £</b>	<b>Unaudited 6 Months to 31 December 2022 £</b>
Short-term employee benefits	361,004	266,375
Post-employment benefits	10,101	7,496
	<b>371,105</b>	<b>273,871</b>

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

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