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This document comprises a circular which has been prepared in accordance with the Listing Rules made under section 73A of the FSMA.

If you sell or transfer or have sold or otherwise transferred all your Hyve Shares, please send this document at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you sell or transfer or have sold or otherwise transferred only part of your holding of Hyve Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The release, publication or distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and, therefore, any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. This document has been prepared for the purposes of complying with English law and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of England.

HYVE GROUP PLC

(incorporated and registered in England and Wales with registered number 01927339)

Circular for information purposes only

Proposed Disposal of Russian Business

The whole of this document should be read. Your attention, in particular, is drawn to the risk factors set out in Part II (*Risk Factors*) of this document and the letter from the Chairman of Hyve that is set out in Part I (*Letter from the Chairman of Hyve*) of this document which sets out certain details of the Disposal.

On 8 April 2020, the FCA published a Statement of Policy aimed at assisting companies required to hold general meetings under the Listing Rules. To address the challenges faced by listed companies during the COVID-19 pandemic, the FCA has temporarily modified the Listing Rules with regards to Class 1 transactions and the requirement to hold general meetings in certain circumstances.

Pursuant to these modifications to the Listing Rules, the FCA has granted the Company a dispensation from the requirement to hold a general meeting as the Company has obtained written undertakings from Shareholders holding more than 50 per cent. of the Company’s issued share capital confirming that they approve of the Disposal and would vote in favour of the Resolution at a general meeting, if such meeting were to be held. On the basis the dispensation has been granted by the FCA on the publication of this document, the Company is therefore not proceeding with a general meeting with respect to the Resolution. Accordingly, the Disposal described in this

document may be implemented following publication of this document, subject only to the satisfaction or (where applicable) waiver of the remaining Conditions to which the Disposal is subject (as summarised in Part V (*Summary of the Principal Terms and Conditions of the Disposal and Reorganisation*) of this document). This document does not contain a notice of a general meeting of the Company and no further action needs to be taken.

Numis, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Hyve as sponsor and for no one else in connection with the matters described in this document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for affording advice in relation to the Disposal, the content of this document or any other matters described in this document.

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Capitalised terms have the meanings ascribed to them in Part VII (*Definitions*) of this document.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This document contains statements which are, or may be deemed to be, “**forward-looking statements**” which are prospective in nature. All statements other than statements of historical fact are forward-looking statements. They are based on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as “**plans**”, “**expects**”, “**is expected**”, “**is subject to**”, “**budget**”, “**scheduled**”, “**estimates**”, “**forecasts**”, “**intends**”, “**anticipates**”, “**believes**”, “**targets**”, “**aims**”, “**projects**” or words or terms of similar substance or the negative thereof, as well as variations of such words and phrases or statements that certain actions, events or results “**may**”, “**could**”, “**should**”, “**would**”, “**might**” or “**will**” be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements include statements relating to (a) future capital expenditures, expenses, revenues, earnings, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects, (b) business and management strategies and the expansion and growth of Hyve’s operations, and (c) the effects of global economic conditions on Hyve’s business.

Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors may cause actual results, performance or achievements of Hyve to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Important factors that could cause actual results, performance or achievements of Hyve to differ materially from the expectations of the Company include, among other things, general business and economic conditions globally, industry trends, competition, changes in

government and other regulation and policy, including in relation to the environment, health and safety and taxation, labour relations and work stoppages, interest rates and currency fluctuations, changes in its business strategy, political and economic uncertainty and other factors discussed in Part II (*Risk Factors*) of this document. Such forward-looking statements should therefore be construed in light of such factors.

Neither Hyve nor any of its directors, officers or advisers provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as at the date hereof.

Nothing in this paragraph headed "*Information Regarding Forward-Looking Statements*" should be taken as limiting the working capital statement in paragraph 12 of Part VI of this document.

Other than in accordance with its legal or regulatory obligations (including under the Listing Rules, MAR and the Disclosure Guidance and Transparency Rules), Hyve is not under any obligation and Hyve expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

NO PROFIT FORECAST

No statement in this document is intended as a profit forecast or a profit estimate and no statement in this document should be interpreted to mean that earnings per Hyve Share for the current or future financial years would necessarily match or exceed the historical published earnings per Hyve Share.

FINANCIAL INFORMATION

References to "£", "GBP", "pounds", "pounds sterling", "sterling", "p", "penny" and "pence" are to the lawful currency of the United Kingdom. References to "\$", "dollars", "US dollars" "c" and "cents" are to the lawful currency of the US.

ROUNDING

Certain data in this document, including financial, statistical and operating information, have been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. In certain instances, the sum of the numbers in a column or row in tables contained in this document may not conform exactly to the total figure given for that column or row. Percentages in tables have been rounded and accordingly may not add up to 100 per cent.

NO OFFER OR SOLICITATION

This document is not a prospectus and it does not constitute or form part of any offer or invitation to purchase, acquire, subscribe for, sell, dispose of or issue, or any solicitation of any offer to sell, dispose of, purchase, acquire or subscribe for, any security.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2022
Publication of this document	11 May
Expected date of Closing	on or by 13 May
Longstop Date	31 July

Notes:

All time references in this document are to London (UK) time.

These dates are provided by way of indicative guidance and are subject to change. If any of the above times and/or dates change, Hyve will give adequate notice by issuing an announcement through an RIS.

The date of Closing may also be changed by agreement between the relevant parties to any relevant agreement and, if so, an announcement will be made by the Company through an RIS.

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Richard Last (<i>Non-Executive Chairman</i>) Mark Shashoua (<i>Chief Executive Officer</i>) John Gulliver (<i>Chief Finance and Operations Officer</i>) Nicholas Backhouse (<i>Senior Independent Director, Non-Executive Director</i>) Rachel Addison (<i>Non-Executive Director</i>) Anna Bateson (<i>Non-Executive Director</i>)
Group Company Secretary	Jared Cranney
Registered Office	2 Kingdom Street London W2 6JG
Sponsor	Numis Securities Limited 45 Gresham Street London EX2V 7BF
Legal Advisers	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT
Auditor and Reporting Accountant	BDO LLP 55 Baker Street London W1U 7EU
Registrars	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA

PART I - LETTER FROM THE CHAIRMAN OF HYVE

HYVE GROUP PLC

(Incorporated and registered in England and Wales with registered number 01927339)

Directors:

Richard Last (*Non-Executive Chairman*)
Mark Shashoua (*Chief Executive Officer*)
John Gulliver (*Chief Finance and Operations Officer*)
Nicholas Backhouse (*Senior Independent Director, Non-Executive Director*)
Rachel Addison (*Non-Executive Director*)
Anna Bateson (*Non-Executive Director*)

Registered Office:

2 Kingdom Street
London
W2 6JG

11 May 2022

Dear Shareholder,

Proposed Disposal of Russian Business

and

Notice of General Meeting

1 Introduction

On 6 April 2022, the Company announced that it had entered into a conditional agreement with Rise Expo Limited (the “**Buyer**”) with respect to the sale of the Russian Business (the “**Disposal**”), which, at Closing, will be comprised of ITE Enterprises Limited and its subsidiary undertakings and which, following Hyve Dubai Closing and Hyve China Closing, will also include Hyve Dubai and its subsidiary undertakings and Hyve China.

Given the ongoing conflict between Russia and Ukraine and its implications, the Company announced on 15 March 2022 that it had taken the decision to formally exit the Russian market. This decision reflected the significant challenges from a moral, legal, compliance and operational standpoint that would arise from continuing to operate in Russia.

Under the terms of the Disposal, assuming that the Earn-out Consideration (which is the only consideration for the Disposal) is received in full, the Group will receive £72,000,000 in cash. After adjustment for estimated tax and other transaction costs, the net cash proceeds from the Disposal (again, assuming that the Earn-out Consideration is received in full) will be approximately £69,500,000 (the “**Net Cash Proceeds**”).

As part of the Reorganisation, the Board also currently expects to have retained approximately £10 million from the Russian Business prior to Closing.

The Company understands that the Buyer proposes to put in place post-Closing a cash incentive scheme in order to continue to incentivise key management of the Russian Business.

The Board believes that the Disposal achieves Hyve's objective of exiting the Russian market in a prompt manner with the prospect of some value being returned to the Company over the next ten years, while offering an outcome which provides some assurance and stability for those affected, including the staff of the Russian Business.

Any Net Cash Proceeds received will be used to repay the Group's existing debt facilities and, after a refinancing of its existing facilities, to support the continued development and execution of the Company's strategy, which sees an increased focus on omnichannel and market-leading events in the US and Western Europe (as described in more detail in paragraph 5 of this Part I (below)).

The principal terms of the Sale Agreement are described in more detail in Part V (*Summary of the Principal Terms and Conditions of the Disposal and Reorganisation*) of this document.

Prior to Closing, the Group will be reorganised as described in more detail in Part V (*Summary of the Principal Terms and Conditions of the Disposal and Reorganisation*) of this document, such that the Russian Business is separated from the rest of the Group (the "**Reorganisation**").

The Disposal constitutes a Class 1 transaction for the Company under the Listing Rules.

As further detailed in paragraph 10 below, the Company has sought and obtained a sufficient number of irrevocable undertakings from Shareholders confirming that they approve of the Disposal and would vote in favour of the Resolution at a general meeting, if such meeting were to be held. Accordingly, the Disposal described in this document may be implemented following publication of this document, subject only to the satisfaction or (where applicable) waiver of the remaining Conditions to which the Disposal is subject (as summarised in Part V (*Summary of the Principal Terms and Conditions of the Disposal and Reorganisation*) of this document).

The purpose of this document is: (i) to provide you with information on the Disposal, to explain the background to and reasons for the Disposal and why the Board believes the Disposal to be in the best interests of Shareholders taken as a whole; and (ii) the basis on which the Disposal has been approved by the requisite majority of Shareholders by way of irrevocable undertakings, in accordance with the FCA's Statement of Policy and the temporary modification to the Listing Rules.

This document is for information purposes only. In accordance with the FCA's Statement of Policy and the temporary modifications to the Listing Rules, in view of the irrevocable undertakings received from Shareholders (as described in paragraph 10 of this letter), the FCA has granted the Company a dispensation from the normal requirement to convene a general meeting for the purposes of considering and, if thought fit, approving the Disposal as a Class 1 transaction. Accordingly, no voting or other action is required from Shareholders. Following the publication of this document and subject to the satisfaction (or where applicable) waiver of the remaining Conditions to which the Disposal is subject (as summarised in Part V (*Summary of the Principal Terms and Conditions of the Disposal and Reorganisation*) of this document), the Disposal will be implemented on the terms set out in the Resolution.

2 **Background to and reasons for the Disposal**

The Company has, as part of its strategy over recent years, significantly evolved its portfolio of events and diversified the business geographically, particularly towards the US and Western Europe, with a focus on market-leading and omnichannel events. This has created a stronger portfolio of industry-leading events, significantly reducing the Group's geographic exposure to Russia to below 30 per cent. of revenue in FY19 on a pro forma basis (the last uninterrupted, pre-COVID, year of trading, normalised for subsequent changes to the Group's event portfolio). This has been achieved through targeted acquisitions of market-leading events, including Shoptalk, Groceryshop, 121 Group and Fintech Meetup, as well as the exiting of a significant number of smaller, regionally-focused events, including the disposal of 56 non-core events in Russia in 2018 and all of the Central Asian portfolio by 2021. The Group now runs a streamlined portfolio of 71 products, down from a high of 269 events in May 2017.

Given the ongoing conflict between Russia and Ukraine and its implications, the Company announced on 15 March 2022 that it had taken the decision to formally exit the Russian market. This decision was taken after careful consideration and reflected the significant challenges from a moral, legal, compliance and operational standpoint that would arise from continuing to operate in Russia.

The decision took into account feedback from a number of the Company's stakeholders, including several customers of the Company's events outside of Russia. These customers had expressed material concerns relating to any ongoing activities by the Group in Russia, with some indicating that this could lead to a boycott of the Group's Western events.

The Disposal also seeks to address the following concerns regarding Hyve's exposure to Russia and the country risk involved:

- the risk of expropriation or a fraudulent business sale in the current political environment;
- increasing risks (under Russian law) for local management from compliance with increased international sanctions versus potential criminal liability (under international sanctions and money laundering laws) for the rest of Hyve's companies, directors and employees from continued involvement with the Russian Business; and
- the degree of compliance risk being a material issue for Hyve's future refinancing.

As previously communicated, putting aside the Russian and Ukrainian assets and notwithstanding events continuing to be impacted in China by ongoing COVID-19 restrictions, the Group continues to trade well, with continued strong like-for-like customer spend, forward bookings and cash collection.

Having considered the options available to it with regards to the Russian Business, and taking into account the constraints under which it would be required to operate, including the significant implications of the current sanctions environment, the Board has concluded that the alternative to the Disposal would be to wind-down the Russian Business, which would give rise to a less beneficial financial result.

The Group's existing debt facilities expire in December 2023, with leverage and interest cover covenants waived up to and including March 2023, replaced by a minimum liquidity test. The next leverage and interest cover test date is therefore June 2023, by which time the Group expects to have refinanced (or it would otherwise require agreement from its lenders to provide further covenant waivers prior to that time). As part of the Reorganisation, the Board also currently expects to have retained approximately £10 million from the international part of the Russian Business prior to Closing, thereby strengthening the Group's balance sheet position. Were the Disposal not to proceed, the Group would expect a continuing presence in Russia to be a hindrance to a refinancing of its facilities, both because of lenders' risk appetite towards the associated legal and compliance issues resulting from the wide-ranging imposition of international sanctions, and because lender scenarios are considered likely to exclude revenues and profits generated in Russia given the present Russian legal restrictions on extracting cash from that jurisdiction.

Following the Disposal, the Group will carry out a review of its costs base to ensure that costs are aligned with the reduced size of the Group. Over the medium term the Group would expect to return to the level of operating margins it had achieved prior to the COVID-19 pandemic.

The Russian Business is managed as a largely independent division within the Group, simplifying the process for the Disposal. There are some shared services, principally as

regards information technology, which are proposed to be separated in the run up to, and following, Closing.

The Board remains committed to its omnichannel strategy, as well as expansion in developed markets, particularly the US and Western Europe. Hyve perceives a particular opportunity to benefit from the growth of sectors in which digital disruption is resulting in substantial underlying industry growth by acquiring or creating relevant industry-leading events. The sale of the Russian Business will allow Hyve management to focus more clearly on growth opportunities in the US and Western Europe. The first Shoptalk event under Hyve's ownership took place in Las Vegas in March 2022 and delivered an exceptionally strong performance, outperforming its last pre-COVID-19 edition and was the largest event by revenue that the Group has ever run, demonstrating the Company's strong progress in delivering its strategy.

Since the start of 2019, the Company has faced unprecedented challenges and successfully navigated disruption caused by the COVID-19 pandemic while continuing to evolve the portfolio and implement its omnichannel strategy. Hyve's resilience through this period underpins the Directors' confidence that the Company is well placed to execute on the significant opportunities ahead of it in the coming years.

The Board, having considered the circumstances set out above, has concluded that the Disposal is in the best interests of Shareholders and other key stakeholders. It achieves Hyve's objective of exiting the Russian market in a prompt manner with the prospect of value being returned to the Company over time, while offering an outcome which provides some assurance and stability for those affected, including the staff of the Russian Business. Since the outbreak of the conflict between Russia and Ukraine, the Board has focussed on the safety and welfare of its people. The Group will continue to provide support to its Ukrainian team and their families, including through financial, organisational and relocation assistance.

3 Information on the Disposal

The Group has operated in Russia since 1991, where its portfolio includes 15 wholly owned exhibitions serving the following industries: transportation and logistics, industrial equipment production, tourism, and agriculture and food production. The largest of these events are MosBuild (buildings and interiors), YugAgro (agricultural machinery and equipment) and RosUpack (packaging). The Russian Business employs approximately 200 individuals. Approximately one-third of the Russian Business's sales are to international customers, which are supported by the Group's international sales structure. The Group's Dubai and Beijing sales offices are to be included within the perimeter of the Disposal. The Russia Business is led by its General Director, Dmitry Zavgorodniy.

In the financial year ended 30 September 2021, the Russian Business generated revenues of £27.3 million (Group¹: £55.2 million) and a profit before tax of £7.6 million (Group: £(20.6) million). As at 30 September 2021, the Russian Business had gross assets of £49.8 million (Group £420.9 million)². All of these figures relating to the Group are audited and all of the figures relating to the Russian Business are unaudited.

The following summary of the financial results of the Russian Business for each of the years ended 30 September 2019, 2020 and 2021 has been extracted without material adjustments from, respectively, the consolidation schedules used in preparing the Company's audited consolidated financial statements for each of the years ended 30 September 2019, 2020 and 2021.

Shareholders should read the entirety of this document and not rely solely on the

¹ Group from continuing operations (including Russia).

² The proportion the Russian Business contributed to total Group revenues and profit before tax in the financial year ended 30 September 2021 was abnormally large as a result of stricter COVID-19 restrictions in the Group's jurisdictions outside of Russia in the period.

summary financial information contained in this paragraph. For further financial information relating to the Russian Business, please see Part III (*Financial Information Relating to the Russian Business*) of this document.

	Year ended 30 September 2019 £ million	Year ended 30 September 2020 £ million	Year ended 30 September 2021 £ million
Revenue	63.1	21.8	27.3
Profit/(loss) before tax	26.3	(4.4)	7.6
Gross assets			49.8

Unless otherwise stated in this document:

- (a) financial information relating to the Group has been extracted without material adjustment from the audited consolidated financial statements incorporated by reference, set out in paragraph 14 in Part VI (*Additional Information*) of this document; and
- (b) financial information relating to the Russian Business has been extracted without material adjustment from Part III (*Financial Information Relating to the Russian Business*) of this document.

Unless otherwise indicated, financial information in this document relating to Hyve has been prepared in accordance with IFRS and those parts of the Companies Act applicable to companies preparing their accounts under IFRS and is prepared in a form that is consistent with the Company's accounting policies as set out in its latest audited accounts for the year ended 30 September 2021, except for the implementation of IFRS 16 Leases, which was initially adopted by the Group from 1 October 2019. The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings on 1 October 2019. Accordingly, the information presented for the year ended 30 September 2019 has not been restated.

4 **Summary of Terms of the Disposal**

In addition to the Group's Russian subsidiaries, the Dubai and other international sales operations relevant to the Russian Business are being sold to the Buyer.

Earn-out consideration (the "**Earn-out Consideration**") is payable to Hyve Holdings Limited (the "**Seller**") in cash in respect of each financial year following Closing (each an "**Earn-out Period**"). The first Earn-out Period is from Closing until 30 September 2022 and the final Earn-out Period ends on 30 September 2032. For each Earn-out Period, the amount of consideration payable is equal to (i) 100 per cent. of the profit after tax of the Russian Business for that Earn-out Period until the aggregate of all earn-out payments across all Earn-out Periods is £1,300,000; and (ii) thereafter 70 per cent. of the profit after tax of the Russian Business for that Earn-out Period, to be assessed through an agreed or determined earn-out statement to be drawn up following the end of the relevant Earn-out Period. The Earn-out Consideration is capped so that:

- it does not exceed £72,000,000 in aggregate; and
- if it would exceed £60,000,000 in aggregate across all Earn-out Periods ending on or before 30 September 2027, it shall be reduced to ensure that the aggregate amount paid is £60,000,000, and no further Earn-out Consideration

shall be due.

Payment of the Earn-out Consideration is subject to the Buyer having sufficient available cash or cash equivalents at the end of the relevant Earn-out Period and the Seller having received (to the extent it considers that it needs to do so) regulatory clearances in relation to the receipt of such payments. Earn-out Consideration not previously paid due to insufficient cash or cash equivalents is payable in future Earn-Out Periods (again, subject to the Buyer having sufficient available cash or cash equivalents at the end of the relevant Earn-Out Period). No Earn-out Consideration is due in respect of any period subsequent to the final Earn-out Period (including in respect of Earn-out Consideration not paid due to the Buyer having insufficient cash or cash equivalents).

The Sale Agreement contains customary earn-out protections for the Seller. The Buyer has the ability to accelerate the payment of the Earn-out Consideration by making a payment to the Seller of £72,000,000 (or £60,000,000 if made prior to 30 September 2027), in each case less Earn-out Consideration previously paid (the “**Earn-out Acceleration Payment**”). The Seller’s earn-out protections fall away on the earlier of: (i) the end of the final Earn-out Period; (ii) the receipt by the Seller of the Earn-out Acceleration Payment; and (iii) the Seller competing with the Russian Business in relation to events held in Russia.

No consideration will be paid by the Buyer on Closing.

Closing is subject to completion of the Reorganisation, consent from the Group’s existing lenders, and the Buyer having demonstrated to the satisfaction of the Seller (acting reasonably) that Christophe Renevier owns 75 per cent. of the Buyer.

The Board confirms that the Disposal is in accordance with the relevant legal and regulatory restrictions, including applicable sanctions.

Further details of the Disposal and the Reorganisation are set out in Part V (*Summary of the Principal Terms and Conditions of the Disposal and Reorganisation*) of this document.

5 **Use of proceeds and financial effects of the Disposal**

The Net Cash Proceeds arising from the Disposal (assuming that the Earn-Out Consideration is received in full) are expected to be £69,500,000.

The Company intends to use the Net Cash Proceeds to repay its existing debt facilities and, after a refinancing of its existing facilities, support the continued development and execution of the Company’s strategy, which sees an increased focus on omni-channel and market-leading events. As set out in paragraph 2 above, the Group’s existing facilities expire in December 2023, with leverage and interest cover covenants waived up to and including March 2023, replaced by a minimum liquidity test (the first leverage and interest cover test date therefore being in June 2023).

Following Hyve’s announcement of its decision to exit the Russian market, and the subsequent steps taken with respect to securing a sale, Hyve expects to recognise a loss on Closing of approximately £27,446,000. This includes a loss of £27,242,000 that is expected to be recognised on Closing in respect of the recycling of amounts previously recognised in Hyve’s foreign translation reserve in respect of the Russian Business. Following Closing, the Company will no longer benefit from the financial contribution that the Russian Business contributes to it. The Disposal does, however, offer the Company an opportunity to realise some value over time from the decision to exit the Russian market.

6 Current trading and prospects

Hyve published a trading update on 6 April 2022 for its half year to 31 March 2022, providing further details of the Company's strong trading performance in that period, reporting revenue of approximately £58 million, excluding Russian revenues of c. £17 million, and included the following additional information in relation to its current trading and prospects:

- Forward bookings³ for the full year of £103 million, excluding bookings for Russian and Ukrainian events, despite continued COVID-19 disruption in some geographies.
- The Group's liquidity position is as follows:
 - adjusted debt⁴ as at 31 March 2022 was approximately £62 million⁵ (2021 H1: £92 million) and total available liquidity⁶ was approximately £143 million⁷ (2021 H1: £123 million); and
 - the Group anticipates net debt for the year ending 30 September 2022 to be in the range of £80 million to £100 million, adjusted for the Disposal of the Russian Business. This compares to previous guidance of £70 million to £90 million, which included the Russian Business.
- The Group's existing facilities expire in December 2023, with leverage and interest cover covenants waived up to and including March 2023, replaced by a minimum liquidity test. The next leverage and interest cover test date is therefore June 2023, by which time the Group expects to have refinanced (or it would otherwise require agreement from its lenders to provide further covenant waivers prior to that time).

7 Information on the Buyer

The Buyer, Rise Expo Limited, is a newly incorporated entity incorporated in the Ras Al Khaimah International Corporate Centre, United Arab Emirates, as an International Business Company. On Closing, the Buyer will be controlled by Christoph Renevier, a German national with significant experience in the events industry. Following Closing, Mr Renevier will be a 75 per cent. shareholder of the Buyer. The Company has completed due diligence in relation to the Buyer, as well as in respect of those parties who will hold an interest in the Buyer. No member of the Retained Group or any of their respective employees or directors has any ongoing interest in the equity of the Russian Business or the Buyer.

8 Risk factors

For a discussion of the risks and uncertainties which you should take into account when considering whether to vote in favour of the Resolution, please refer to Part II (*Risk Factors*) of this document.

9 FCA dispensation from the requirement to convene a general meeting

On 8 April 2020, the FCA published its Statement of Policy aimed at assisting companies required to hold general meetings under the Listing Rules. To address the challenges faced by listed companies during the COVID-19 pandemic, the FCA has temporarily modified the Listing Rules with regards to Class 1 transactions and the

³ Forward bookings are contracted revenues for the financial year. This includes revenues on events that have taken place in the first half.

⁴ Cash and cash equivalents after deducting bank loans.

⁵ Excluding cash held in Russia.

⁶ Cash and cash equivalents plus undrawn debt facilities.

⁷ Excluding cash held in Russia.

requirement to hold a general meeting.

Pursuant to these modifications to the Listing Rules, the FCA has granted the Company a dispensation from the normal requirement to convene a general meeting of its Shareholders, as the Company has obtained irrevocable undertakings from Shareholders holding more than 50 per cent. of the Company's issued share capital (being the required majority for the purposes of approving the Disposal as a Class 1 transaction under Chapter 10 of the Listing Rules) confirming that they approve of the Disposal and would vote in favour of the Resolution at a general meeting. As further referred to in paragraph 10 below, the Company has received irrevocable undertakings from Shareholders to vote in favour of the Resolution in respect of, in aggregate, 148,338,080 Ordinary Shares representing, in aggregate, approximately 50.86 per cent. of the Company's issued share capital (excluding shares held in treasury).

The following text comprises the Resolution approved by the Shareholders pursuant to the written undertakings further detailed in paragraph 10 below and which the Company would have put to its Shareholders at a general meeting to approve the Disposal for the purposes of Chapter 10 of the Listing Rules had the Company been required to convene such a meeting in the event the dispensation available under the Statement of Policy was not granted.

"That

- (i) the Disposal as described in the draft circular set out in schedule 2 to this letter [being a document in substantially the form of this document], be and it is hereby approved; and*
- (ii) the directors of the Company (the "**Directors**") (or any duly constituted committee thereof) be and are hereby authorized to do all necessary or desirable things to implement, complete or to procure the implementation or completion of the Disposal and give effect thereto with such modifications, variations, revisions or amendments (not being modification, variations, revisions or amendments of a material nature) as the Directors (or any duly authorised committee thereof) may deem necessary, expedient or appropriate in connection with the Disposal."*

As further detailed in paragraph 10 below, the Company has received irrevocable undertakings from Shareholders holding more than 50 per cent. of the Company's issued share capital (being the requisite majority for the purposes of approving the Disposal as a Class 1 transaction under Chapter 10 of the Listing Rules) confirming that they approve of the Disposal and would vote in favour of the Resolution at a general meeting of the Company. This exceeds the threshold required to pass the Resolution. On the basis the dispensation has been granted by the FCA upon publication of this Circular, the Company is therefore not proceeding with a general meeting with respect to the Resolution.

10 **Irrevocable undertakings**

The Company has received irrevocable undertakings from Shareholders holding, in aggregate, 148,338,080 Hyve Shares, amounting to approximately 50.86 per cent. of the total issued share capital of the Company as at 10 May 2022 (being the last practicable date prior to the publication of this document), that they approve the Disposal and would vote in favour of the Resolution at a general meeting were it to be held. This includes irrevocable undertakings from each of the Directors who are Shareholders that they approve the Disposal and would vote in favour of the Resolution at a general meeting were it to be held in respect of their own beneficial holdings, amounting to, in aggregate, 1,309,122 Hyve Shares and representing approximately 0.45 per cent. of the total issued share capital of the Company as at 10 May 2022 (being the last practicable date prior to the publication of this document).

11 **Further Information**

The expected timetable of principal events for the Disposal is set out on page 2 of this document. Further information regarding the terms of the Disposal and the Reorganisation is set out in Part V (*Summary of the Principal Terms and Conditions of the Disposal and Reorganisation*) of this document. **Shareholders are advised to read the whole of this document and not merely rely on the summarised information set out in this letter.**

12 **No action to be taken**

This document is published for information purposes only. No voting or other action is required from Shareholders. Following the publication of this document, and subject to the satisfaction or (where applicable) waiver of the remaining Conditions to which the Disposal is subject (as summarised in Part V (*Summary of the Principal Terms and Conditions of the Disposal and Reorganisation*) of this document), the Disposal will be implemented on the terms set out in the Resolution.

13 **Conclusion**

The Board considers the terms of the Disposal to be in the best interests of Shareholders taken as a whole. Had the Disposal and the terms of the Resolution not already been approved by Shareholders for the purposes of obtaining the dispensation from the requirement to hold a general meeting under the FCA's Statement of Policy, the Board would have unanimously recommended that Shareholders should vote in favour of the Resolution at a general meeting of the Company.

The Board can confirm that (as further detailed in paragraph 10 above), Shareholders representing, in aggregate, 50.86 per cent. of the total voting rights in the Company have supported the proposals set out in this document.

With immediate effect upon publication of this document, the Company will therefore be authorised to implement the Disposal on the terms set out in the Resolution, subject only to the satisfaction or (where applicable) waiver of the remaining Conditions to which the Disposal is subject (as summarised in Part V (*Summary of the Principal Terms and Conditions of the Disposal and Reorganisation*) of this document).

Yours faithfully,

Richard Last
Chairman
for and on behalf of Hyve Group plc

PART II - RISK FACTORS

This Part II (Risk Factors) addresses the risks known to the Company and the Directors as at the date of this document to which the Company is exposed in connection with the Disposal, which could materially and adversely affect the business, results of operations, cash flow, financial condition, revenue, profits, assets, liquidity and/or capital resources of the Group, as appropriate. If certain risks materialise, the market price of Hyve Shares could decline and Shareholders may lose some or all of their investment.

Prior to voting on the Resolution, Shareholders should carefully consider, together with all other information contained in this document, the specific risks and uncertainties described below. The risks described below are not set out in any order of priority, assumed or otherwise.

These should not be regarded as a complete and comprehensive statement of all material risks which generally affect the Group. Additional risks and uncertainties currently unknown to the Company and the Directors, or which the Company and the Directors currently deem immaterial, may also have an adverse effect on the Retained Group's operating results, financial condition and prospects if they materialise.

The information given is as of the date of this document and, except as required by the FCA, the London Stock Exchange, the Listing Rules, the Prospectus Regulation Rules, MAR, the Disclosure Guidance and Transparency Rules or any other applicable law or regulation, will not be updated.

A Risks related to the Disposal

The following risks and uncertainties relate to the Disposal:

1 Earn-out Consideration may be less than envisaged or not received at all

All of the consideration under the Sale Agreement is structured as earn-out consideration, which is contingent upon the performance of the Russian Business at a time when it is under the control of a third party. Historic results of the Russian Business may not be indicative of future results. There is no guarantee that the Seller will receive any Earn-out Consideration and the Earn-out Consideration may be less than the maximum consideration potentially receivable under the Sale Agreement.

Although the Company understands that the Buyer intends to put in place post-Closing a cash incentive scheme to continue to incentivise key management of the Russian Business, there is no guarantee that the Buyer will be able to retain the key management. Any disruption to the continuity in or the quality of the management team of the Russian Business may adversely affect the Russian Business's future performance, and thereby the amount of any Earn-out Consideration received by the Seller.

Given the jurisdictions in which the Russian Business operates, there is a risk of the assets of the business being expropriated, which may lead to a total loss of income for the Russian Business.

In addition, there may be barriers to the extraction of cash from the Russian Business to pay the Earn-out Consideration or to the receipt of such cash by the Seller, including applicable law (including sanctions law) and, further, the Russian Business may not have sufficient cash available to pay the Earn-out Consideration at the relevant time.

For the purposes of calculating the Earn-Out Consideration, the Seller may by notice to the Buyer exclude from the calculation of profit after tax any entity in the Russian Business incorporated or domiciled in Russia and/or exclude from the definition of cash or cash equivalents any cash directly or indirectly derived from any entity in the Russian Business incorporated or domiciled in Russia (which it may choose to do, for example, because applicable law at that time prevents the Seller from benefiting from earn-out payments derived from entities incorporated or domiciled in Russia). The effect of the same may

materially reduce the amount of Earn-out Consideration the Buyer is able to receive and the amount of the Earn-out Consideration could be zero by virtue of such exclusion(s).

If the functional currency of the Buyer is not Pounds Sterling, the amount of Earn-out Consideration will be converted to Pounds Sterling using a specified exchange rate at the time of the payment. If the relevant currency weakens in relation to Pounds Sterling at any time before a currency conversion takes place (which is anticipated to be immediately before the relevant Earn-out Consideration is paid), that could cause the amount of Earn-out Consideration to be lower than envisaged.

2 **Warranties in the Sale Agreement**

The Sale Agreement contains warranties given by the Seller in favour of the Buyer, details of which are set out in Part V (*Summary of the Principal Terms and Conditions of the Disposal and Reorganisation*) of this document. Hyve has undertaken due diligence to minimise the risk of liability under these provisions and the warranties are of a limited nature. However, any liability to make a payment arising from a successful claim by the Buyer under the warranties could have a material adverse effect on the Company's financial condition.

3 **Difficulties of enforcing the Sale Agreement against the Buyer**

The Buyer is a newly incorporated entity with no assets. Accordingly, except as a result of receiving proceeds from the Russian Business, the Buyer has no assets against which the Seller can seek to enforce the Buyer's obligations under the Sale Agreement. It may therefore be difficult for the Seller to enforce meaningfully the Buyer's obligations under the warranties, indemnities and undertakings given by the Buyer in the Sale Agreement. The Seller has sought to mitigate this risk by taking security over parts of the Russian Business.

4 **Conditions, termination rights and staged nature of Disposal**

Closing is conditional upon completion of the Reorganisation, the consent of the Group's existing lenders, and the Buyer having demonstrated to the satisfaction of the Seller (acting reasonably) that Christoph Renevier owns 75 per cent. of the Buyer. There can be no assurance that all conditions will be satisfied and, accordingly, that Closing will take place. In addition, the Buyer has the ability to terminate the Sale Agreement prior to Closing if there is a material breach of the warranties given by the Seller in favour of the Buyer. If Closing does not occur, any of the risks and uncertainties set out in Section B of this Part II (*Risk Factors*) may adversely affect the Group's business and results.

Hyve Dubai Closing and Hyve China Closing are expected to take place after Closing. While the Company does not currently expect there to be any barriers to Hyve Dubai Closing (noting that Hyve Dubai Closing is conditional upon approval from the Dubai Development Authority) and Hyve China Closing occurring, that situation may change. If Hyve Dubai Closing or Hyve China Closing do not occur then the Russian Business will not include Hyve Dubai and its subsidiaries or Hyve China (as applicable). While, in such circumstances, the Buyer and the Seller have agreed to discuss in good faith (acting reasonably) amendments to the terms of the Sale Agreement in relation to Hyve Dubai or Hyve China (as applicable), there is no guarantee that mutually satisfactory amendments will be agreed. If Hyve Dubai Closing does not occur, that could have a material adverse effect on the Russian Business because the majority of the Russian Business' international sales are made from Hyve Dubai. It may also be considerably more difficult for the Earn-out Consideration to be paid, as the overwhelming majority of the Russian Business would be in Russia in those circumstances, which may result in barriers to the extraction of cash from the Russian Business.

5 **The Russian Business and the Retained Group may not be separated in a manner that is satisfactory**

While the Russian Business is managed as a largely independent division within the Group, the Russian Business needs to be separated from the Retained Group. It is proposed that

such separation occurs prior to Closing in the case of the Reorganisation and through the provision of transitional services under the Transitional Services Agreement.

It is possible that certain of the envisaged steps under the Reorganisation will need to be restructured, whether as a result of changes in applicable law (including sanctions law), third party consents not being obtained or changes in the employment status of those proposed to be involved in the Russian Business. While the Seller and the Buyer have agreed to discuss in good faith (acting reasonably) amendments to the Reorganisation where it becomes impossible, unduly difficult or otherwise undesirable to implement the Reorganisation in the manner set out in the Sale Agreement, there is no guarantee that the Buyer and the Seller will be able to agree mutually satisfactory amendments to the Reorganisation.

It is proposed that the Retained Group provides transitional services to the Russian Business under the Transitional Services Agreement. The provision of those services partly relies on the Retained Group obtaining third party consents, and compliance with applicable law (including sanctions law).

It is also proposed that the Russian Business provides the services of its employees to assist with information technology support in the Retained Group. If a substantial number of those employees leave, it may become more difficult or impossible for such services to be provided. There is also a risk that it will become impossible, impracticable or undesirable for the Russian Business to provide such services to the Retained Group as a result of changes in applicable law (including sanctions law).

While the Seller and the Buyer have agreed to discuss in good faith (acting reasonably) amendments to the Transitional Services Agreement where it becomes impossible, unduly difficult or otherwise undesirable to implement the services thereunder in the manner set out in the Transitional Services Agreement, there is no guarantee that the Buyer and the Seller will be able to agree mutually satisfactory amendments to the Transitional Services Agreement.

If the Retained Group cannot provide the transitional services envisaged to be provided to the Russian Business under the Transitional Services Agreement, the Russian Group will likely face substantial interruption to, or degradation of, service levels, which may have a material adverse impact on the Russian Group and its levels of profitability which may, in turn, have a material adverse impact on the Earn-out Consideration received by the Retained Group. The Russian Group may also have claims against the Retained Group under the Transitional Services Agreement.

If the Russian Business cannot provide the transitional services envisaged to be provided to the Retained Group under the Transitional Services Agreement, the Retained Group is likely to face some degradation in service levels. This risk will persist beyond the life of the Transitional Services Agreement if the Retained Group is unable to source sufficient IT professionals to provide the services proposed to be provided by the Russian Business pursuant to the Transitional Services Agreement.

B Risks related to the Disposal not proceeding

If the Disposal does not proceed, the following risks and uncertainties may affect the Group's business and results:

1 Inability to realise value and risk of a disorderly process if the Disposal does not complete

The Board believes that the Disposal is in the best interest of Shareholders taken as a whole and that the Disposal currently provides the best opportunity to realise value for the Russian Business. If the Disposal does not complete, the Company does not expect to be able to realise any value from the Russian Business.

If the Disposal does not complete, given the Group's decision to exit the Russian market, the Board considers that it is likely to effect a managed wind-down of the Russian Business. There is no guarantee that such a managed wind-down will be able to be effected in an orderly manner. The Russian Business' management and employees may choose to leave, and client sentiment and spending behaviour may also be negatively impacted. In addition, client pre-payments will need to be dealt with appropriately and potentially refunded. All of the foregoing may be further affected by geopolitical risks, including risk of expropriation, local and international sanctions and cyber security issues, that make it more difficult to operate the Russian Business and effect a managed wind-down. Such a managed wind-down may give rise to significant costs in the Group and there is no guarantee that the Russian Business will avoid insolvency. Such a wind-down process may therefore give rise to an adverse impact on the reputation of the Group. In addition, as Hyve Russia is a material company under the Group's facilities agreement, an insolvency of Hyve Russia would constitute an event of default under such facilities. Any such reputational risk or event of default could adversely affect the Group's business, financial condition and operating results.

2 Following any managed wind-down of the Russian Business, the Group's operations will be smaller, less profitable and less diversified

Following any managed wind-down of the Russian Business, the Group's business will be less profitable (both in relation to profit margin and on an absolute basis), smaller and less diversified. As a result, the Group may be more susceptible to adverse developments in the remaining business and markets in which it operates. For example, while the Board considers that developed countries are best equipped to deal with a future pandemic (such as COVID-19), there is no guarantee that this will continue to be the case. The Group's strategy places reliance on an omnichannel approach, which may not prove to be a successful strategy. The greater sensitivity to fluctuations in this business and these markets may have an adverse effect on the cash flow, operating results, financial position and ultimately the valuation of the Group. Moreover, any poor performance in the Group may have a proportionately greater adverse impact on the financial condition of the Group than would have been the case prior to the managed wind-down.

3 Following any managed wind-down of the Russian Business, the Group may find it difficult to recruit and retain employees

The Retained Group may find it more difficult to recruit and retain employees because the Group's business will be smaller, less profitable and less diversified (as outlined above) following a managed wind-down of the Russian Business, potentially reducing its attractiveness to employees. In addition, the Company's employee share schemes are already less attractive to current and future employees because it will be significantly harder to achieve performance targets as a result of the impact of losing a significant proportion of the business and therefore the smaller size of the Group.

4 Distraction to management

If the Disposal does not complete, the management of the Group may be distracted from the ongoing business of the Group as a result of having to deal with the managed wind-down of the Russian Business and its reputational and financial impact. The same could adversely affect the Group's business, financial condition and operating results.

5 There may be an adverse impact on the Group's reputation

If the Disposal does not proceed, there may be an adverse impact on the reputation of the Group due to amplified investor, customer, supplier, employee and media scrutiny arising in connection with the attempted Disposal, the Group's attempts to effect an orderly wind-down of the Russian Business and the Group's continued presence in Russia. In particular, any perception of the Group remaining invested in Russia for a prolonged period may adversely affect investor, customer (including risk of customer boycotts of events run by the Retained Group), supplier, employee and media sentiment towards the Group. Any such

reputational risk could adversely affect the Group's business, financial condition and operating results.

6 The retention of the Russian Business may make it more likely that that Group is not able to refinance its existing facilities on satisfactory terms or at all

If the Disposal does not proceed, a continuing presence in Russia may be detrimental to a refinancing of the Group's facilities, both because of lenders' risk appetite towards the associated legal and compliance issues resulting from the wide-ranging imposition of international sanctions, and because lender scenarios are considered likely to exclude revenues and profits generated in Russia given the current Russian legal restrictions on extracting cash from that jurisdiction.

C Risks related to the Retained Group

If the Disposal is completed, the following risks and uncertainties may result as a consequence:

1 The market price of the Hyve Shares may go down as well as up

Shareholders should be aware that the value of an investment in Hyve may go down as well as up and can be highly volatile. The price at which the Hyve Shares may be quoted and the price which investors may realise for their Hyve Shares will be influenced by a large number of factors, some specific to the Retained Group and its operations and some which may affect events management companies as a whole, other comparable companies or publicly traded companies as a whole. The sentiments of the stock market regarding the Disposal will be one such factor and this, together with other factors including the actual or anticipated fluctuations in the financial performance of the Retained Group and its competitors, market fluctuations, and legislative or regulatory changes in the events management industry or generally those affecting consumers, could lead to the market price of Hyve Shares going up or down.

2 The Retained Group's operations will be smaller, less profitable and less diversified

Following the Disposal, the Retained Group's business will be less profitable (both in relation to profit margin and on an absolute basis), smaller and less diversified. As a result, the Retained Group may be more susceptible to adverse developments in the remaining business and markets in which it operates. For example, while the Board considers that developed countries are best equipped to deal with a future pandemic (such as COVID-19), there is no guarantee that this will continue to be the case. The Retained Group's strategy places reliance on an omnichannel approach, which may not prove to be a successful strategy. The greater sensitivity to fluctuations in this business and these markets may have an adverse effect on the cash flow, operating results, financial position and ultimately the valuation of the Retained Group. Moreover, any poor performance in the Retained Group may have a proportionately greater adverse impact on the financial condition of the Retained Group than would have been the case prior to the Disposal.

3 The Retained Group may find it difficult to recruit and retain employees

The Retained Group may find it more difficult to recruit and retain employees following the Disposal because the Retained Group's business will be smaller, less profitable and less diversified (as outlined above) following the Disposal, potentially reducing its attractiveness to employees. In addition, the Company's employee share schemes are already less attractive to current and future employees because it will be significantly harder to achieve performance targets as a result of the impact of losing a significant proportion of the business and therefore the smaller size of the Retained Group.

4 **The Retained Group may not be able to refinance its existing facilities on satisfactory terms or at all**

The Group's existing facilities expire in December 2023 with leverage and interest covenants waived up to and including March 2023, replaced by a minimum liquidity test. The next leverage and interest cover test date is therefore in June 2023, by which time the Group expects to have refinanced (or it would otherwise require agreement from its lenders to provide further covenant waivers prior to that time).

The Group intends to seek alternative long-term committed financing arrangements to replace or refinance the amounts outstanding under its existing facilities. Such financing may not be available at all or may not be available on favourable terms or may result in significant value transfer from Shareholders to creditors. The Disposal will mean that the Group has a smaller asset base and reduced cashflow, which may result in less favourable financing terms.

If long-term committed financing is not available to the Group, it may seek to amend and extend its existing facilities and/or take action to effect a sale of the business as a whole or the disposals of assets, such as the disposal of one or more of the Group's businesses to facilitate a reduction of the Group's outstanding indebtedness. It may be difficult to secure any such transaction in a timely manner or at a price which is reflective of the full value of the assets being disposed. Furthermore, the Group's existing facilities restrict the Group's ability to make disposals without the consent of the relevant lenders, which could be withheld. Moreover, if successful, such a transaction would restrict the Group's future growth opportunities and would likely impact the Group's ability to maintain or improve its competitive positioning.

PART III - FINANCIAL INFORMATION RELATING TO THE RUSSIAN BUSINESS

The following historical financial information relating to the Russian Business has been extracted without material adjustment from the consolidation schedules used in preparing the Company's audited consolidated financial statements for the financial years ended 30 September in each of 2019, 2020 and 2021.

The financial information in this Part III (*Financial Information relating to the Russian Business*) for the financial years ended 30 September in each of 2019, 2020 and 2021 has been prepared using the IFRS accounting principles used to prepare the consolidated financial statements of Hyve for the relevant financial year. These have been applied consistently except for the implementation of IFRS 16 Leases, which was initially adopted by the Group from 1 October 2019. The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings on 1 October 2019. Accordingly, the comparative information presented for the year ended 30 September 2019 has not been restated.

The financial information in this Part III does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act. The consolidated statutory accounts of Hyve in respect of the years ended 30 September 2019, 30 September 2020 and 30 September 2021 have been delivered to the Registrar of Companies. The auditors' reports in respect of those statutory accounts for the three years ended 30 September 2021 were unqualified and did not contain statements under section 498(2) or (3) of the Companies Act. Deloitte LLP were the auditors of the Group in respect of the year ended 30 September 2019. BDO LLP were the auditors of the Group in respect of the years ended 30 September 2020 and 30 September 2021.

Shareholders should read the whole of this document and not rely solely on the summarised financial information in this Part III (*Financial Information relating to the Russian Business*).

Financial Information

1 Income statement for each of the years ended 30 September 2019, 2020 and 2021

	Year ended 30 September 2019 £ million	Year ended 30 September 2020 £ million	Year ended 30 September 2021 £ million
Revenue	63.1	21.8	27.3
Cost of sales	(33.3)	(21.7)	(16.0)
Gross profit	29.8	0.1	11.3
Other operating income	0.3	-	0.4
Administrative expenses	(5.2)	(4.9)	(3.9)
Foreign exchange (loss)/gain on operating activities	(0.3)	0.7	(0.3)
Share of results of associates and joint ventures	1.7	(0.3)	0.1
Operating profit	26.3	(4.4)	7.6
Investment revenue	0.1	0.1	-
Profit before tax	26.4	(4.3)	7.6
Tax	(6.8)	(0.3)	(0.7)
Profit for the financial year	19.6	(4.6)	6.9

2 **Net asset statement as at 30 September 2021**

	As at 30 September 2021 £ million
Property, plant and equipment	1.4
Interests in associates	3.1
Deferred consideration receivable	6.0
Deferred tax asset	1.0
Non-current assets	11.5
Trade and other receivables	31.9
Tax prepayment	0.1
Cash and cash equivalents	6.3
Current assets	38.3
Total assets	49.8
Trade and other payables	(12.0)
Deferred income	(21.5)
Current liabilities	(33.5)
Lease liabilities	(1.1)
Non-current liabilities	(1.1)
Total liabilities	(34.6)
Net assets	15.2

Notes:

The net assets do not include goodwill of £14.9 million held at the Group level in respect of the Russian Business.

Intercompany balances of £23.1 million and £7.5 million are included in trade and other receivables and trade and other payable respectively in respect of amounts due from/owed to the Group by the Russian Business.

PART IV - UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE RETAINED GROUP

Section A: Pro Forma Statement of Net Assets of the Retained Group

Set out below is an unaudited pro forma statement of consolidated net assets of the Retained Group as at 30 September 2021. It has been prepared on the basis set out in the notes below to illustrate the effect of the Disposal on the consolidated net assets of Hyve had the Disposal occurred on 30 September 2021. It has been prepared for illustrative purposes only. Because of its nature, the pro forma statement addresses a hypothetical situation and, therefore, does not represent the Retained Group's actual financial position or results. It is based on the audited consolidated financial statements of Hyve for the financial year ended 30 September 2021 and the financial information of the Russian Business as at 30 September 2021 contained in Part III (*Financial Information on the Russian Business*), and is presented in accordance with the Company's accounting policies.

The unaudited pro forma statement of consolidated net assets has been prepared in accordance with Listing Rule 13.3.3R and Annex 20 of the PR Regulation and on the basis set out in the notes below.

Shareholders should read the whole of this document and not rely solely on the summarised financial information contained in this Part IV.

	The Group as at 30 September 2021	Russian Business as at 30 September 2021	Consolidation adjustments in respect of the Russian Business	Disposal Adjustments	Disposal Proceeds	Retained Group pro forma as at 30 September 2021
	£ million (note 1)	£ million (note 2)	£ million (note 3)	£ million (note 4)	£ million (note 5)	£ million
Goodwill	73.7	-	(14.9)	-	-	58.8
Other intangible assets	200.7	-	-	-	-	200.7
Property, plant and equipment	17.2	(1.4)	-	-	-	15.8
Interests in associates	37.1	(3.1)	-	-	-	34.0
Deferred consideration receivable	7.4	(6.0)	-	5.6	14.6	21.6
Deferred tax asset	5.7	(1.0)	-	-	-	4.7
Non-current assets	341.8	(11.5)	(14.9)	5.6	14.6	335.6
Trade and other receivables	35.6	(31.9)	-	24.9	-	28.6
Tax prepayment	1.8	(0.1)	-	-	-	1.7
Cash and cash equivalents	41.7	(6.3)	-	-	-	35.4
Current assets	79.1	(38.3)	-	24.9	-	65.7
Total assets	420.9	(49.8)	(14.9)	30.5	14.6	401.3

	The Group as at 30 September 2021	Russian Business as at 30 September 2021	Consolidation adjustments in respect of the Russian Business	Disposal Adjustments	Disposal Proceeds	Retained Group pro forma as at 30 September 2021
	£ million (note 1)	£ million (note 2)	£ million (note 3)	£ million (note 4)	£ million (note 5)	£ million
Bank loan and overdrafts	(11.8)	-	-	-	-	(11.8)
Trade and other payables	(42.7)	12.0	-	(7.5)	-	(38.2)
Deferred income	(72.3)	21.5	-	-	-	(50.8)
Corporation tax	(1.2)	-	-	-	-	(1.2)
Current liabilities	(128.0)	33.5	-	(7.5)	-	(102.0)
Bank loan and overdrafts	(109.8)	-	-	-	-	(109.8)
Provisions	(1.4)	-	-	-	-	(1.4)
Deferred tax liabilities	(11.6)	-	-	-	-	(11.6)
Derivative financial instruments	(0.1)	-	-	-	-	(0.1)
Lease liabilities	(13.4)	1.1	-	-	-	(12.3)
Non-current liabilities	(136.3)	1.1	-	-	-	(135.2)
Total liabilities	(264.3)	34.6	-	(7.5)	-	(237.2)
Net assets	156.6	(15.2)	(14.9)	23.0	14.6	164.1

Notes

1. The net assets relating to the Group have been extracted without material adjustment from the audited consolidated financial statements of the Group for the period ended 30 September 2021, which were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.
2. These adjustments remove the assets and liabilities of the Russian Business, and were sourced without material adjustment from the historical financial information of the Russian Business as at 30 September 2021 contained in Part III (*Financial Information relating to the Russian Business*) of this document.
3. This adjustment removes goodwill of £14.9 million recognised on consolidation of the Group in respect of the Russian Business. This goodwill arose on the acquisition of assets within the Russian Business and is therefore not directly held by, or to be sold with, the Russian Business. This adjustment was extracted without material adjustment from the accounting records of the Group as at 30 September 2021.
4. The Disposal adjustments comprise adjustments to trade and other receivable and trade and other payables of £23.1 million and £7.5 million respectively representing the settlement of intercompany balances receivable from/owed to the Retained Group by the Russian Business on Closing. An adjustment is also made to deferred consideration receivable (£5.2 million) and trade and other receivables (£1.7 million) in respect of deferred consideration receivable balances held by the Russian Business in respect of previous transactions that will remain with the Retained Group upon completion

of the transaction. A further adjustment is made to deferred consideration receivable (£0.4 million) and trade and other receivables (£0.1 million) in respect of a deferred consideration receivable balance remaining with the Buyer to be paid onto the Group when received.

5. The adjustment to deferred consideration receivable of £14.6m represents the present value of the estimated proceeds from the sale of the Russian Business. The calculation of present value assumes earn-out proceeds of £72.0m will be received during the earn-out period ending 30 September 2032. The estimated proceeds have been discounted to their present value using a discount rate of 30%. As disclosed in Part II (Risk Factors), there is risk that earn-out consideration may be less than envisaged or not received at all. Any difference between the estimated proceeds and the actual amount paid would result in a change to the pro forma net assets set out above.
6. No account has been taken of any trading or results of the Group or the Russian Business since 30 September 2021.

Section B: Accountants' Report on the Unaudited Pro Forma Statement of Net Assets of the Retained Group



BDO LLP
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The Directors
Hyve Group Plc
2 Kingdom Street
London W2 6JG

Numis Securities Limited
45 Gresham Street
London EX2V 7BF

11 May 2022

Dear Sir or Madam

Hyve Group Plc (the "Company")

Pro forma financial information

We report on the unaudited pro forma statement of net assets (the "**Pro Forma Financial Information**") set out in section A of Part IV of the circular dated 11 May 2022 (the "**Circular**").

Opinion

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Responsibilities

It is the responsibility of the directors of the Company (the "**Directors**") to prepare the Pro Forma Financial Information in accordance with item 13.3.3R of the listing rules made by the Financial Conduct Authority for the purposes of Part VI of the Financial Services and Markets Act 2000 (the "**Listing Rules**").

It is our responsibility to form an opinion, as required by section 3 of Annex 20 of the PR Regulation, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed at the date of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to shareholders of the Company as a result of the inclusion of this report in the Circular, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such

person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with item 13.4.1R(6) of the Listing Rules, consenting to its inclusion in the Circular.

Basis of preparation

The Pro Forma Financial Information has been prepared on the basis described, for illustrative purposes only, to provide information about how the Disposal might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the year ended 30 September 2021.

This report is required by paragraph 13.3.3R of the Listing Rules and is given for the purpose of complying with that item and for no other purpose.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council of the United Kingdom. We are independent in accordance with the Financial Reporting Council's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Yours faithfully

BDO LLP

Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

PART V - SUMMARY OF THE PRINCIPAL TERMS AND CONDITIONS OF THE DISPOSAL AND REORGANISATION

1 Sale Agreement

1.1 Disposal

The Sale Agreement was entered into on 5 April 2022 and amended and restated on 10 May 2022 between the Seller and the Buyer to give effect to the Disposal. Pursuant to the Sale Agreement, the Seller has agreed to sell or procure the sale (as applicable) to the Buyer of the entire issued share capital of each of ITE Enterprises Limited and Hyve Dubai, subject to the conditions described in this Part V (*Summary of the Principal Terms and Conditions of the Disposal and Reorganisation*).

1.2 Conditions Precedent

Closing is conditional upon:

- the approval of the Disposal (by ordinary resolution) of the Shareholders or the FCA having granted the Company a dispensation from the normal requirement to convene a general meeting of its Shareholders, as the Company has obtained irrevocable undertakings from Shareholders holding more than 50 per cent. of the Company's issued share capital (being the required majority for the purposes of approving the Disposal as a Class 1 transaction under Chapter 10 of the Listing Rules) confirming that they approve of the Disposal and would vote in favour of the Resolution at a general meeting;
- the completion of the Reorganisation;
- the majority consent of the Group's lenders to the proposed Disposal; and
- the Buyer having demonstrated to the satisfaction of the Seller (acting reasonably) that Christoph Renevier owns 75 per cent. of the Buyer,

(the "**Conditions**").

Hyve Dubai Closing is conditional upon the satisfaction of the Conditions and the approval of the Dubai Development Authority to proceed with the transfer of the shares in Hyve Dubai. Accordingly, the transfer of shares in Hyve Dubai is expected to take place after Closing.

1.3 Hyve China Closing

The Buyer and the Seller will procure that Hyve China Closing occurs as soon as reasonably practicable following Closing.

1.4 Consideration and adjustments to consideration

The Earn-out Consideration is payable to the Seller in cash in respect of each Earn-Out Period. The first Earn-out Period is from Closing until 30 September 2022 and the final Earn-out Period ends on 30 September 2032. For each Earn-out Period, the amount of consideration payable is equal to (i) 100 per cent. of the profit after tax of the Russian Business for that Earn-out Period until the aggregate of all earn-out payments across all Earn-out Periods is £1,300,000; and (ii) thereafter 70 per cent. of the profit after tax of the Russian Business for that Earn-out Period (the Seller may by notice to the Buyer exclude from the calculation of profit after tax any entity in the Russian Business incorporated or domiciled in Russia), to be assessed through an agreed or determined earn-out statement to be drawn up following the end of the relevant Earn-out Period. The Earn-out Consideration is capped so that:

- it does not exceed £72,000,000 in aggregate;
- if it would exceed £60,000,000 in aggregate across all Earn-out Periods ending on or before 30 September 2027, it shall be reduced to ensure that the aggregate amount paid is £60,000,000, and no further Earn-out Consideration shall be due.

Payment of the Earn-out Consideration is subject to the Buyer having sufficient available cash or cash equivalents at the end of the relevant Earn-out Period (the Seller may by notice to the Buyer exclude from the calculation of cash or cash equivalents any cash directly or indirectly derived from any entity in the Russian Business incorporated or domiciled in Russia) and the Seller having received (to the extent it considers that it needs to do so) regulatory clearances in relation to the receipt of such payments. Earn-out Consideration not previously paid due to insufficient cash or cash equivalents is payable in future Earn-Out Periods (again, subject to the Buyer having sufficient available cash or cash equivalents). No Earn-out Consideration is due in respect of any period subsequent to the final Earn-out Period (including in respect of Earn-out Consideration not paid due to the Buyer having insufficient cash or cash equivalents).

The Sale Agreement contains customary earn-out protections for the Seller, including (among other things) a prohibition on the Buyer taking, or requiring any member of the Russian Business to take, any action the sole or primary purpose of which is to reduce (or cause the reduction of) any earn-out payment and a requirement to distribute surplus net available cash to the Buyer to ensure that the earn-out payment is made. The Buyer has the ability to accelerate the payment of the Earn-out Consideration by the Earn-out Acceleration Payment. The Seller's earn-out protections fall away on the earlier of: (i) the end of the final Earn-out Period; (ii) the receipt by the Seller of the Earn-out Acceleration Payment; and (iii) the Seller competing with the Russian Business in relation to events held in Russia.

No consideration will be paid by the Buyer on Closing.

1.5 **Period to Closing/Hyve Dubai Closing/Hyve China Closing**

The Seller has agreed (subject to certain customary exceptions) that the Russian Business will be carried on at the direction of the Buyer in the period between signing of the Sale Agreement and Hyve Dubai Closing (in the case of Hyve Dubai and its subsidiary undertakings), Hyve China Closing (in the case of Hyve China), and Closing in respect of the remainder of the Russian Business. The Buyer has given certain covenants to the Seller to ensure that the Seller has certain consent rights to allow it to protect the business during that period.

1.6 **Ukrainian entities**

The Buyer and Seller have agreed that it may not be possible to transfer out the Ukrainian entities currently within the Russian Business prior to Closing. In those circumstances, the Buyer has agreed to transfer the Ukrainian entities to the Seller or such person as the Seller may direct and, pending such transfer, the Buyer is required to run the business at the direction of the Seller and (to the extent practicable and lawful) pay any profits from the Ukrainian entities to the Seller.

1.7 **Restrictive covenants**

The Seller (on behalf of itself and the other members of the Group) has given customary restrictive covenants (subject to certain exceptions), including, for a three year period from Closing, in relation to: (i) non-competition in relation to Russian events; (ii) non-solicit of clients and suppliers in relation to Russian events; and (iii) non-solicit of certain directors and employees.

1.8 **Warranties**

The Seller has given limited warranties relating to title, capacity and authority, and security, which are not subject to limitations. The Seller has not given any business or taxation warranties.

The Buyer has given limited warranties in relation to capacity, purchasing as principal and sanctions, which are not subject to limitations.

The warranties will be repeated at Closing.

1.9 **Security**

The Buyer has agreed that it and members of the Russian Business will enter into certain English law security on Closing and UAE security on Hyve Dubai Closing to secure the Buyer's obligations under the Sale Agreement.

1.10 **Amendments**

The Seller and the Buyer have agreed to discuss in good faith (acting reasonably) amendments to the Reorganisation and the Transitional Services Agreement where it becomes impossible, unduly difficult or otherwise undesirable to implement the Reorganisation in the manner set out in the Sale Agreement or for transitional services to be carried on in the manner set out in the Transitional Services Agreement.

1.11 **Termination**

The Sale Agreement shall terminate if the Conditions have not been satisfied (or have become incapable of satisfaction) or (where capable of waiver) waived prior to the Long Stop Date.

The Buyer shall be entitled to terminate the Sale Agreement if it becomes apparent that: (i) any warranty given by the Seller at exchange of the Sale Agreement was untrue or inaccurate in any material respect when it was given; or (ii) that any warranty to be given by the Seller at Closing will be untrue or inaccurate in any material respect as at Closing. In such circumstances (or if the Conditions are not satisfied), the Seller shall pay to the Buyer an amount equal to the lower of (i) the third party advisory costs incurred by the Buyer in connection with the Disposal; and (ii) £200,000.

The Seller shall be entitled to terminate the Sale Agreement if it becomes apparent that: (i) any warranty given by the Buyer at exchange of the Sale Agreement was untrue or inaccurate in any material respect when it was given; or (ii) that any warranty to be given by the Buyer at Closing will be untrue or inaccurate in any material respect as at Closing.

1.12 **Governing law and jurisdiction**

The Sale Agreement is governed by English law. The parties to the Sale Agreement submit to arbitration under the rules in force at the date of the Sale Agreement of the London Court of International Arbitration as regards any claim, dispute or matter arising out of or in connection with the Sale Agreement.

2 **Transitional Services Agreement**

2.1 **Scope of the Transitional Services Agreement**

The Transitional Services Agreement covers:

- the provision of certain IT services, and the passing through of the benefit of various IT contracts (including software licences, software support contracts, hardware support contracts and SaaS support contracts), from the Retained Group to the Russian Business;

- the provision of IT support services from the Russian Business to the Retained Group; and
- the provision of services from Hyve China and Hyve Dubai to the Retained Group until such time as the transfer of employment of certain Hyve China and Hyve Dubai employees to a member of the Retained Group is completed,

in each case, on a transitional basis following Closing.

2.2 Charges for the services

The charges for the services shall be calculated as follows:

- if the recipient of the relevant services was charged a fee for those services prior to the date of the Sale Agreement, then the service charges in respect of those services shall be calculated on the same basis and in accordance with the recipient's reporting processes in place prior to the date of the Sale Agreement; and
- if the recipient of the services was not charged a fee for any of the services prior to the date of the Sale Agreement, then the service charges in respect of those services shall be calculated at cost.

These service charges shall be documented by the parties prior to entering into the Transitional Services Agreement.

2.3 Limitation of liability

Each of the Retained Group and the Russian Business shall be subject to customary exclusions of liability for indirect and consequential losses. The maximum liability of each party will be limited to a financial cap of £250,000 in aggregate.

2.4 Term and termination

The Transitional Services Agreement will continue for an initial period of six months and may then be extended for up to three successive one month periods unless terminated earlier. Each party will have the ability to agree to terminate any individual service it receives from the other party at any time on 30 days' notice (but subject to a requirement to pay the remainder of the fees for the initial term where the other party is bound to pay associated charges for that service to a third party). In addition, the parties will have customary rights to terminate in the event of a material breach of the agreement by the other party, an insolvency event or force majeure.

2.5 Governing law and jurisdiction

The Transitional Services Agreement is governed by English law. The parties to the Transitional Services Agreement submit to arbitration under the rules in force at the date of the Transitional Services Agreement of the London Court of International Arbitration as regards any claim, dispute or matter arising out of or in connection with the Transitional Services Agreement.

3 Reorganisation

The Reorganisation comprises the following principal steps:

- 3.1 so far as possible prior to Closing, the transfer of the entire issued share capital of all of the direct subsidiaries of the Seller other than the Russian Business to one or more members of the Retained Group;
- 3.2 the regularisation of intercompany balances, including by way of write-off, so as to ensure that at Closing, so far as reasonably practicable, there are no intercompany balances between any member of the Russian Business (on the one hand) and any member of

Retained Group (on the other hand);

- 3.3 the receipt of cash by the Retained Group from the international part of the Russian Business;
- 3.4 the assignment/transfer of wrong pocketed assets between the Retained Group (on the one hand) and the Russian Business (on the other hand);
- 3.5 certain steps to, so far as is possible prior to Closing, ensure the separation of the Russian Business from the Retained Group and to minimise the risk of operational disruption following Closing; and
- 3.6 steps ancillary to the foregoing.

PART VI - ADDITIONAL INFORMATION

1 Responsibility

Each of Hyve and the Directors, whose names are set out in paragraph 3 of this Part VI (*Additional Information*), accept responsibility for the information contained in this document. To the best of the knowledge and belief of each of Hyve and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 Hyve information

The Company was incorporated on 28 June 1985 under the Companies Act 1948 as a public limited company with the name of Multitrust Investment plc. On 14 November 1986, the Company changed its name to Multitrust plc. On 10 January 1994, the Company changed its name to Cementone plc. On 19 March 1998, the Company changed its name to ITE Group plc. On 20 September 2019, the Company changed its name to Hyve Group plc. It was incorporated with limited liability in England and Wales and operates as a public limited company under the Companies Act, with registered number 01927339.

Hyve's principal and registered office is at 2 Kingdom Street, London, England W2 6JG and the telephone number of its registered office is +44 (0)20 3545 9400.

The principal laws and legislation under which Hyve operates are the Companies Act and the regulations made thereunder.

3 Directors

The Directors of Hyve and their respective functions are as follows:

Richard Last	<i>Non-Executive Chairman</i>
Mark Shashoua	<i>Chief Executive Officer</i>
John Gulliver	<i>Chief Finance and Operations Officer</i>
Nicholas Backhouse	<i>Senior Independent Director</i>
Rachel Addison	<i>Non-Executive Director</i>
Anna Bateson	<i>Non-Executive Director</i>

4 Details of key Russian Business individuals

The key individuals in the Russian Business and their respective functions are as follows:

Dmitry Zavgorodniy	<i>General Director</i>
Olga Chirgadze	<i>Portfolio Director</i>
Natalia Medvedeva	<i>Portfolio Director</i>
Elena Popova	<i>Portfolio Director</i>
Tatiana Reprintseva	<i>HR Director</i>

Anna Sholpo	<i>Finance Director</i>
Ivan Tikhomirov	<i>Chief Operations Officer</i>
Ana Jonic White	<i>General Manager, Dubai</i>

5 Directors' interests in the Company

5.1 As at the close of business on 10 May 2022 (being the latest practicable date prior to the publication of this document), the interests of the Directors and any of their connected persons (within the meaning of Sections 252 to 255 of the Companies Act) in Hyve Shares were as follows:

	Number of Hyve Shares	Percentage of existing issued share capital
Richard Last	305,163	0.10%
Mark Shashoua	838,747	0.29%
John Gulliver	148,962	0.05%
Nicholas Backhouse	16,250	0.01%
Rachel Addison	-	-
Anna Bateson	-	-

5.2 In addition to the interests noted above, certain of the Directors have further interests as a result of awards over and rights to Hyve Shares granted under Hyve's executive long term incentive plans ("**Share Plans**").

Under the Performance Share Plan ("**PSP**"), awards of nominal cost (or nil cost) options over Hyve Shares may be granted annually as a percentage of base salary. In normal circumstances, the maximum award limit is capped at 150 per cent. of salary, rising to 200 per cent. in exceptional circumstances. For the financial years ended 30 September 2020 and 30 September 2021, Mark Shashoua and John Gulliver received awards of 100 per cent. of salary and 80 per cent. of salary respectively. Awards under the PSP vest subject to continued employment and the satisfaction of performance measured over a minimum period of three years. In respect of outstanding awards granted in the financial years ended 30 September 2020 and 30 September 2021, vesting will be assessed against absolute share price/TSR targets with the threshold set at 20 per cent. Any Hyve Shares which vest at the end of such performance period must be held for a further two years (other than in respect of shares sold to pay tax). Vested awards are subject to clawback until the later of one year following the date of vesting or completion of the next audit of the Group's accounts in the event of a fraud or material misstatement of results being identified in relation to the years in which the PSP is earned.

Under the Deferred Share Bonus Plan ("**DSBP**"), one-third of any bonus payable is deferred into awards of Hyve Shares that vest after a three year period subject to continued employment (with the balance of the bonus paid in cash).

At a general meeting held on 25 October 2021, the shareholders approved the establishment of a Value Creation Plan ("**VCP**") following which awards were granted to Mark Shashoua and John Gulliver by way of an acquisition of shares in Hyve Holdings Ltd (a subsidiary of Hyve Group plc). Both Mark Shashoua and John Gulliver made an upfront investment in a new class of 'growth shares' issued by Hyve Holdings Ltd. Awards are subject to a 'base hurdle' of 10 per cent. per annum growth (CAGR) in

market capitalisation and an 'upper hurdle' of 15 per cent. per annum growth (CAGR) in market capitalisation, resulting in a VCP pool of 10 per cent. and 20 per cent. of any value created above the hurdles respectively. Mark Shashoua and John Gulliver have been allocated 35 per cent. and 19 per cent. of the VCP pool (if any) respectively and their entitlements following vesting will be settled in Hyve Shares subject to both individual and overall plan limits and a performance underpin. Performance is measured over a five-year period with early performance testing carried out at years three and four, with the potential for some vesting (50 per cent. of the award) at these points. Any Hyve Shares delivered on vesting will be subject to a two-year post-vesting holding period. In the event of any variation in the share capital of the Company or other exceptional event, adjustments to the number, class, rights or terms of the VCP shares (including the terms of the hurdles) may be made to ensure that the original VCP pool value is maintained and that the relevant transaction does not cause any unintended change to the participant's rights and/or the value of the VCP shares.

Details of the awards over rights to Hyve Shares under the Share Plans as at close of business on 10 May 2022 (being the latest practicable date prior to the publication of this document) are set out in the table below.

Scheme	Date of grant	Vesting date	Expiration date	Exercise price	Number
Mark Shashoua					
PSP	23/01/20	23/01/23	22/01/30	-	81,102
PSP	04/12/20	04/12/23	04/12/30	-	461,668
DSBP	29/01/20	29/01/23	29/01/24	-	17,293
VCP	26/10/21	26/10/24 26/10/25 26/10/26	N/A	-	6,495,638
Total					7,055,701
John Gulliver					
PSP	23/01/20	23/01/23	22/01/30	-	33,957
PSP	04/12/20	04/12/23	04/12/30	-	221,450
VCP	26/10/21	26/10/24 26/10/25 26/10/26	N/A		3,526,203
Total					3,781,610

6 Directors' service agreements and arrangements

Except as set out in this paragraph 6, there are no existing or proposed service agreements or letters of appointment between the Directors and any member of the Group.

6.1 Executive Directors: service contracts

Details of the appointment of the Executive Directors are shown in the table below.

	<i>Date of appointment</i>	<i>Date of service contract</i>	<i>Notice period from Company (months)</i>	<i>Base salary</i>
Mark Shashoua	01/09/16	06/05/16	12	£506,750
John Gulliver	01/10/20	15/03/21	6	£303,850

The Executive Directors are eligible to participate in an annual bonus plan. For the financial year ended 30 September 2022, the annual bonus opportunities are 150 per

cent. and 120 per cent. of salary for Mark Shashoua and John Gulliver respectively. Payment of the annual bonus is subject to a combination of financial and strategic performance targets. For the financial year ended 30 September 2022, the weighting on financial performance targets has been set at 80 per cent. in a path to more normal pre-COVID weightings on financial performance. The financial targets are based on headline profit before tax and operating cash flow. The strategic targets are based on a range of measures including ESG strategy rollout and strategic operational objectives.

The Executive Directors receive pension contributions of up to 10% of salary plus life assurance, income protection and personal medical insurance.

6.2 Non-executive Directors: letters of appointment

	<i>Commencement date of appointment</i>	<i>Date of contract</i>	<i>of</i>	<i>Notice period from Company (months)</i>	<i>Director fee</i>
Richard Last	12/02/18	24/01/18		6	£200,000
Nicholas Backhouse	01/05/19	01/05/19		1	£87,000
Rachel Addison	01/03/22	28/01/22		1	£77,000
Anna Bateson	01/03/22	28/01/22		1	£77,000

Non-Executive Directors' fees are set by the Chairman and the Executive Directors. The Chairman's fees are set by the remuneration committee. Annual fees are paid in 12 equal instalments during the year. Additional fees are payable to Non-executive Directors in respect of additional committee roles; these additional fees are included in the figures in the table above.

Non-executive Directors are not eligible to participate in the Company's flexible benefits scheme, nor are they eligible to participate in the annual bonus, LTIP or pension plans.

No compensation is payable if a Non-executive Director is required to stand down.

7 Significant Shareholders

As at the close of business on 10 May 2022 (being the latest practicable date prior to the publication of this document), Hyve had been notified under Rule 5 of the Disclosure Guidance and Transparency Rules of the following holdings of notifiable interests in its share capital exceeding three per cent. of the issued share capital of Hyve.

	Number of Hyve Shares	Percentage of existing issued share capital as at the date Hyve had been notified in accordance with the DTRs
Strategic Value Partners	47,380,421	16.25
Helikon	40,867,754	14.01
Redwheel	33,791,252	11.59
Jupiter Asset Management	19,456,716	6.58

Amiral Gestion	14,015,000	4.81
Aberforth Partners	14,011,829	4.80
Bestinver Asset Management	9,941,647	3.41
Wellington Management	9,373,258	3.21
BlackRock	9,150,172	3.14

8 Material Contracts

8.1 The Retained Group

No contracts have been entered into (other than contracts entered into in the ordinary course of business) by any member of the Retained Group either: (i) within the period of two years immediately preceding the date of this document, which are or may be material to the Retained Group; or (ii) at any time, which contain any provisions under which any member of the Retained Group (as relevant) has an obligation or entitlement which is or may be material to the Retained Group (as relevant) as at the date of this document, save as discussed below.

8.1.1 *Principal Transaction Documents*

Your attention is drawn to Part V (*Summary of the Principal Terms and Conditions of the Disposal and Reorganisation*) of this document, which contains a summary of the key Disposal agreements, being the Sale Agreement and the Transitional Services Agreement.

8.1.2 *Sponsor Agreement*

On 11 May 2022, the Company entered into a sponsor agreement (the “**2022 Sponsor Agreement**”) with Numis pursuant to which Numis was appointed as Sponsor in connection with the Disposal.

In consideration of Numis’ services as sponsor in connection with the publication of this document and the Disposal, the Company has agreed to pay Numis an advisory fee, payable upon Closing. The Company has also agreed to pay all expenses properly incurred by Numis in connection with the Disposal, this document and any announcements in connection with the Disposal (the “**Disposal Documents**”).

Numis has the ability to terminate the 2022 Sponsor Agreement prior to Closing if (among other things):

- (i) any of the warranties given in the 2022 Sponsor Agreement being untrue or inaccurate or misleading when made and/or that any of such warranties would be untrue, inaccurate or misleading if it were to be repeated at any time on or prior to Closing (by reference to the facts and circumstances from time to time subsisting) and, in the opinion of Numis (acting in good faith), is material in the context of the Disposal, the Reorganisation or this document or any matter arises which might reasonably expect to give rise to a claim under the indemnity in the 2022 Sponsor Agreement;
- (ii) any statement contained in the Disposal Documents is or has become untrue or inaccurate (in each case in any material respect) or misleading or any matter has arisen which would

constitute a material omission from the Disposal Documents, or any of them;

- (iii) there has been a material adverse change in relation to the Group between the date of the 2022 Sponsor Agreement and Closing;
- (iv) in the opinion of Numis there has been a failure by any member of the Group to comply with law and regulation applicable to the Disposal and to the Company;
- (v) in the opinion of Numis a supplementary notification is required to be made or a supplementary circular published;
- (vi) the Sale Agreement is terminated in accordance with its terms; and
- (vii) in the opinion of Numis (acting in good faith), the Company is in material breach of any of its obligations under the 2022 Sponsor Agreement.

The Company has given certain customary representation, warranties and undertakings to Numis in relation to its business, the information in this document, its accounting information and the Disposal. In addition, the Company has given customary indemnities to Numis. The warranties and indemnities given by the Company in the 2022 Sponsor Agreement are unlimited as to time and amount.

The 2022 Sponsor Agreement is governed by the laws of England and Wales.

8.1.3 **Facilities Agreement**

The Company is party to an amendment and restatement agreement dated 17 December 2019 in relation to a £250,000,000 senior term and revolving credit facilities agreement originally dated 22 November 2017 as amended and restated on 1 June 2018 and as amended by a consent letter on 11 July 2018 (the “**Facilities Agreement**”). The parties to the Facilities Agreement are: (1) the Company and Hyve International Events Limited as original borrowers; (2) the Company and certain of its subsidiaries as original guarantors; (3) Barclays Bank PLC as agent and security agent (the “**Agent**”); (4) Barclays Bank PLC, HSBC UK Bank PLC, HSBC Bank USA N.A., Commerzbank AG, London Branch and Citibank N.A., London Branch as mandated lead arrangers and original lenders; and (5) Barclays Bank PLC, HSBC Bank plc and Commerzbank AG, Frankfurt as original hedge counterparties.

The Company amended and restated the Facilities Agreement on 17 December 2019 in connection with its acquisition of Shoptalk Commerce LLC and Groceryshop LLC (the “**Sierra Acquisition**”).

In connection with the COVID-19 pandemic, the parties to the Facilities Agreement have entered into a waiver letter dated 7 April 2020 (the “**First Waiver Letter**”), pursuant to which the Agent (on behalf of the majority lenders) granted the Company a waiver of certain of its obligations under the Facilities Agreement, including in respect of certain financial covenants tests, as set out at paragraph (f) below; and a second waiver letter dated 7 May 2020 (the “**Second Waiver Letter**”), pursuant to which the Agent (on behalf of all the lenders) granted the Company a waiver of certain of its obligations under the Facilities Agreement, including in respect of certain financial covenants tests and deferral of amortisation payments, as set out at paragraphs (f) and (g) below. The waivers granted

under the First Waiver Letter and the Second Waiver Letter are each subject to a number of conditions (as set out in more detail below).

The Company amended the Facilities Agreement and Second Waiver Letter on 21 December 2020 in connection with its acquisition of Retail Meetup, LLC (the “**2020 Amendment Agreement**”).

The Company amended the Facilities Agreement on 15 November 2021 in connection with its acquisition of 121 Group (HK) Limited and 121 Partners Limited.

The Company amended and restated the Facilities Agreement on 23 December 2021 in connection with the transition from LIBOR to SONIA.

The key terms of the Facilities Agreement are set out below:

(a) Facilities

The facilities consist of:

- (i) a £100,000,000 term loan facility;
- (ii) a £150,000,000 multicurrency revolving credit facility; ((i) and (ii) in aggregate, £250,000,000 of commitments); and
- (iii) an uncommitted accordion revolving facility of up to £50,000,000.

An ancillary lender may make all or part of its revolving facility commitment available to any borrower by way of an ancillary facility.

Under the accordion facility mechanic, the Company may request that the lenders provide an increase in the total revolving facility commitments or the total term facility commitments available under the revolving facility or the term facility (as applicable) available provided that the amount by which it wishes to increase the total revolving facility commitments, when aggregated with any previous increase(s) pursuant to a similar accordion increase request, does not exceed £50,000,000.

(b) Purpose

The term facility is permitted to be used towards: (1) the refinancing of amounts under the then existing facility agreement originally dated 2 July 2014 as amended by an amendment agreement dated 19 June 2015 and as further amended and/or restated from time to time; (2) the financing or refinancing of the Sierra Acquisition; (3) the financing or refinancing of fees, commissions, costs and expenses incurred by the Group in relation to the Sierra Acquisition; (4) the refinancing of existing indebtedness of Shoptalk Commerce LLC and Groceryshop LLC by the Group and to pay breakage costs and other costs related to such refinancing; and (5) the financing or refinancing of any transformation costs (other than accounting losses on a disposal).

The revolving credit facility is permitted to be used towards the general corporate and working capital purposes of the Group, including towards: (1) the financing or refinancing of any permitted acquisition; (2) the financing or refinancing of fees, commissions, costs and expenses incurred by the Group in relation to any permitted acquisition; (3) the refinancing of existing indebtedness of any permitted acquisition by the Group and to pay breakage costs and any other costs related to such refinancing; (4) the financing or refinancing of any permitted joint venture;

(5) the financing or refinancing of any transformation costs (other than accounting losses on a disposal); and (6) capital expenditure, provided that (A) no more than £30,000,000 of additional commitments under the revolving facility may be drawn as a utilisation under the revolving facility and applied towards the Sierra Acquisition pursuant to points (1), (2) and (3) of this paragraph and (B) the revolving facility is not applied towards repayment or prepayment of any term loan facility or, in the case of any utilisation of any ancillary facility, towards prepayment of any revolving facility utilisation.

(c) Repayment

The term facility loans shall be repaid in instalments by the repayment on each term facility repayment date (as set out below) of an amount which reduces the base currency amount of the outstanding aggregate term facility loans by an amount equal to the repayment instalment percentage (as also set out below, and as amended by the Second Waiver Letter):

Term facility repayment date	Repayment instalment (per cent.)
30 November 2022	20.0
30 November 2023	22.5
Termination date	57.5

The Company is required to apply certain proceeds (subject to customary carve-outs and de minimis thresholds) from insurance claims in prepayment of the next repayment instalment.

Loans under the revolving credit facility are repayable on the last day of the interest period selected for the loan in the utilisation request. The termination date for the revolving credit facility is the same as that for the term facility, being 17 December 2023.

Any ancillary facility utilised will cease to be available on 17 December 2023 or such earlier date on which its expiry date occurs or on which it is cancelled.

The facilities are subject to change of control prepayment provisions, whereby, if any person or group of persons acting in concert gain control of the Company, the Company must notify the agent and the parties must enter into good faith negotiations to continue the facilities and a lender will not be obliged to fund a utilisation (except for a rollover loan). A lender may, on or after the date falling 30 days after the change of control but before the date falling 30 days after the Company's notification, by not less than five days' notice to the Company cancel its commitments and require immediate prepayment of all amounts outstanding to that lender.

(d) Interest and fees

Advances under the facilities bear interest at a rate equal to the Compounded Reference Rate for that day plus the applicable margin. Pursuant to the terms of the 2020 Amendment Agreement, the margin shall be 3.40 per cent. per annum (but this may reduce at any time thereafter to 2.90 per cent. per annum (or lower) if (and for such time that)

the leverage ratio for the Group reduces to 3.00:1.00 (or lower), even though the leverage ratio test will not be formally tested pursuant to the terms of the Facilities Agreement until the date on which the leverage ratio and interest cover ratio tests have been reapplied (either for the period ending on 30 June 2022 or on such earlier date as the Company may determine). From such date on which the leverage ratio test is formally tested pursuant to the terms of the Facilities Agreement, the margin will again become subject to a margin ratchet varying the rate between 1.90 per cent. and 2.90 per cent. per annum, depending on where the leverage ratio (in respect of the most recently completed period of 12 months ending on the last day of each financial quarter of each of the Company's financial years) falls within the range set out in the Facilities Agreement.

Certain fees and expenses apply, including commitment fees, arrangement fees, agency and security agent fees and ancillary facility fees.

(e) *Guarantees and Security*

Each guarantor guarantees and indemnifies to each finance party the performance by each borrower of its obligations under the Facilities Agreement. The guarantee is in addition to any other guarantee or security now or subsequently held by any finance party. The guarantee is also subject to certain customary limitations and exclusions applicable to guarantors in certain jurisdictions (the Netherlands, the UAE and the US), such as if and to the extent a guarantee would constitute unlawful financial assistance, contravene rules against fraudulent transfer or conveyance, or constitute a guarantee of an excluded swap obligation.

The transaction security has or will have first ranking priority and is not subject to any prior ranking or *pari passu* ranking security, except for other existing transaction security or as otherwise permitted under the Facilities Agreement.

The transaction security currently comprises: (1) a composite debenture entered into by each English obligor and the security agent (governed by English law); (2) a first ranking share pledge over the shares in the capital of each obligor incorporated in Dubai (governed by the laws of Dubai); (3) a first ranking share pledge over the shares in the capital of each US obligor (governed by the laws of the State of New York); (4) a first ranking pledge over the shares in the capital of Hyve International Holdings B.V. (an obligor incorporated in the Netherlands) governed by Dutch law; and (5) a first ranking pledge over participatory interests in the capital of each Russian obligor (governed by Russian law).

(f) *Financial Covenants*

The Facilities Agreement requires the Company to comply with the following financial covenants:

- (iv) leverage ratio: the ratio of consolidated total net debt on the last day of a relevant period to adjusted EBITDA for that relevant period shall not exceed 3.00:1 at any time.
- (v) interest cover ratio: the ratio of consolidated EBITDA to consolidated net finance charges, in each case for any relevant period, shall not be less than 4.00:1 at any time.

Pursuant to the Waiver Letters and the 2020 Amendment Agreement, and subject to a number of conditions, the Agent (on behalf of the lenders) granted the Company a waiver of the requirement for each of the leverage ratio and the interest cover ratio to be tested or complied with to and including 31 March 2023. As a condition to the waiver of the leverage ratio and the interest cover ratio (among other things), the Company has agreed to the inclusion of a liquidity covenant which (subject to certain conditions) will require the Group to hold a minimum of £40 million (or its equivalent in other currencies (other than between April and October 2021, for which period the Group must hold a minimum of £30m (or its equivalent in other currencies))), which will be tested monthly.

The Facilities Agreement also contains certain other customary general undertakings including (but not limited to) compliance with laws, maintenance of requisite authorisations, limitations on disposal of assets, and imposition of customary restrictions on, amongst other things, mergers, acquisitions, loans out, incurrence of financial indebtedness, grant of security, change of business and use of proceeds of any utilisation in connection with any individual or entity subject to sanctions. Pursuant to the terms of the Second Waiver Letter, the Company and other members of the Group will generally continue to be able to grant security, incur financial indebtedness or make disposals or acquisitions in the ordinary course of trading and/or intra-Group arrangements. However, the ability of the Group to also use additional general monetary permissions to grant, incur or make other additional security, financial indebtedness, disposals or business acquisitions and to fund joint ventures for any purpose will (unless the majority lenders under the Facilities Agreement consent) be wholly or partly limited, in each case, until the date on which the leverage ratio and interest cover ratio tests have been reapplied (either for the period ending on 30 June 2022 or on such earlier date as the Company may determine). For the avoidance of doubt, the Company will still be able to grant security, incur financial indebtedness or make disposals or business acquisitions or investments in joint ventures in any circumstances, if the majority of the lenders under the Facilities Agreement consent.

(g) Events of default

The Facilities Agreement contains customary events of default including non-payment of amounts due under the finance documents, breach of representations and warranties, financial covenant default, cross-default, certain events of insolvency and material adverse change.

Pursuant to the Waiver Letters, and subject to a number of conditions (including certain additional reporting obligations), the Agent (on behalf of the lenders) granted the Company:

- (i) a waiver of (as described in sub-paragraph (f) above) the leverage ratio and interest cover ratio until (and including) 31 March 2023, (subject, in particular, to the inclusion of the liquidity covenant described in sub-paragraph (f) above);
- (ii) a replacement of the Group's existing 70 per cent. consolidated EBITDA based guarantor coverage test with a 70 per cent. net assets based guarantor coverage test until (and including) the date on which the leverage ratio and interest cover ratio tests have been reapplied (either for the period ending on 30 June 2022 or on such earlier date as the Company may determine); and

- (iii) a waiver of any event of default arising under the Facilities Agreement pursuant to the cessation of business, expropriation and material adverse change provisions in the Facilities Agreement until 31 December 2020, if caused by COVID-19 related events with the lenders reserving their rights in respect of any such event of default thereafter (should it occur).

The key additional condition to these waivers (not already described above) is the prohibition on the Company's ability to make, pay, or declare any dividend, buyback or other distribution on or in respect of its share capital until leverage ratio and interest cover ratio tests have been reapplied (either for the period ending on 30 June 2022 or on such earlier date as the Company may determine). For the avoidance of doubt, the Company will still be able to make dividends during this restricted period if a majority of the lenders under the Facilities Agreement consent.

8.1.4 ***Fintech Meetup Membership Interest Purchase Agreement***

On 10 March 2022, Fintech Meetup Holdco, Inc., a subsidiary of the Company ("**Fintech Holdco**"), entered into a Membership Interest Purchase Agreement (the "**MIPA**") with Fintech Meetup, LLC ("**Fintech Meetup**") and its members (together, the "**Members**") pursuant to which Fintech Holdco acquired all of the issued and outstanding equity interests of Fintech Meetup from the Members.

The consideration under the MIPA comprised:

- (1) initial consideration of US\$5 million payable in cash on closing; and
- (2) two subsequent earn-out payments calculated as:
 - (1) a multiple of adjusted EBITDA for the year ended 30 September 2023, less the initial consideration and certain other adjustments, payable in January 2024; and
 - (2) a multiple of adjusted EBITDA growth in the year ending 30 September 2024, less certain other adjustments, payable in January 2025.

Total consideration is capped at \$55 million.

The MIPA included customary adjustments for cash, indebtedness and working capital.

The MIPA was conditional on certain conditions, all of which were satisfied or waived within the relevant time periods.

The Members gave to Fintech Holdco warranties customary for a transaction of this nature, covering matters including capacity to enter into the agreement, title to their equity interests, the financial statements and business warranties. The Members also agreed to indemnify Fintech Holdco against breaches of warranties, subject to claims being brought within specified time periods.

The Members entered into customary restrictive covenants covering, among other things, non-compete, non-solicit of customers and non-poach of employees.

The Members' liability under the MIPA is subject to customary limitations.

The MIPA is governed by the laws of the State of Delaware.

8.1.5 **121 Acquisition Agreement**

On 18 November 2021, Hyve Asia Exhibitions Limited and Hyve International (each a subsidiary of the Company and together, the “**121 Buyers**”) entered into a share purchase agreement (the “**121 Acquisition Agreement**”) with Toby Duckworth, Pablo Martin, Charlie Hastings and Leo Stemp (together, the “**121 Sellers**”), pursuant to which the 121 Buyers acquired the entire issued share capital of each of 121 Group (UK) Limited and 121 Partners Limited (together, “**121**”).

The consideration under the 121 Acquisition Agreement comprised:

- (i) initial consideration of £21 million payable in cash on closing; and
- (ii) three subsequent earn-out payments calculated as:
 - (a) 8.5x EBITDA for the year ended 31 March 2022, less the initial consideration, payable in May 2022;
 - (b) 8.0x EBITDA growth in the year ending 31 March 2023, payable in May 2023; and
 - (c) 7.0x EBITDA growth in the year ended 31 March 2024, payable in May 2024.

Total consideration is capped at £60 million.

The 121 Acquisition Agreement included customary post-completion adjustments for cash, indebtedness and working capital.

The 121 Acquisition Agreement was conditional on certain conditions, all of which were satisfied or waived within the relevant time periods.

The 121 Sellers gave to the 121 Buyers warranties customary for a transaction of this nature, covering matters including capacity to enter into the agreement, title to shares, accounts warranties and business warranties. The 121 Sellers also gave a tax deed to the 121 Buyers and agreed to indemnify the 121 Buyers against: (i) certain data protection breaches and non-compliance; (ii) certain breaches of FSMA in the UK; (iii) certain matters in connection with the UK Bribery Act 2010.

The 121 Sellers entered into customary restrictive covenants covering, among other things, non-compete, non-solicit of customers and non-poach of employees.

The 121 Sellers’ liability under the 121 Acquisition Agreement is subject to customary limitations.

The 121 Acquisition Agreement is governed by the laws of Hong Kong.

8.1.6 **2021 Placing Agreement**

On 18 November 2021, the Company and Numis entered into a sponsor and placing agreement (the “**2021 Placing Agreement**”) with Numis in respect of a placing (the “**Placing**”) of 13,818,698 Ordinary Shares (the “**Placing Shares**”), intended to partly fund the acquisition of 121.

Pursuant to the 2021 Placing Agreement, Numis was appointed to act as sponsor to the Company in connection with the application for admission

of the Placing Shares to the premium listing segment of the Official List and to trading on the main market for listed securities of London Stock Exchange plc (“**Admission**”). Numis also agreed to use reasonable endeavours to procure subscribers for the Placing Shares.

The obligations of Numis under the 2021 Placing Agreement were conditional on certain customary conditions, all of which were satisfied within the relevant time periods.

Under the 2021 Placing Agreement, the Company agreed to pay to Numis certain commissions and an advisory fee.

The Company also agreed to pay all costs, charges and expenses of or incidental to the satisfaction of the conditions to the Placing Agreement, the Placing, the Subscriptions, the applications for admission, the issue of the Placing Shares and the arrangements referred to in or contemplated by the 2021 Placing Agreement including all fees and expenses of Numis.

The Company gave certain customary representation, warranties and undertakings to Numis in relation to its business, its accounting information and the proposed acquisition of 121. In addition, the Company gave customary indemnities to Numis. The warranties and indemnities given by the Company in the 2021 Placing Agreement are unlimited as to time and amount.

The 2021 Placing Agreement is governed by the laws of England and Wales.

8.1.7 **2021 SVP Subscription Agreement**

On 18 November 2021, the Company entered into a subscription agreement (the “**2021 SVP Subscription Agreement**”) with Strategic Value Special Situations Master Fund V L.P., Strategic Value Dislocation Master Fund, L.P., Strategic Value Opportunities Fund, L.P. and Strategic Value Special Situations Master Fund IV, L.P. (together, the “**SVP Subscribers**”).

Pursuant to the 2021 SVP Subscription Agreement, the SVP Subscribers subscribed for 12,694,102 Ordinary Shares in aggregate at an aggregate subscription price of £14,261,823.60 (the “**Subscriptions**”).

Each SVP Subscriber gave certain warranties and representations to the Company (in respect of their own subscription for Ordinary Shares only) regarding their sophistication as investors and the basis upon which they would subscribe for Ordinary Shares. Each party (including the Company) gave warranties of a customary nature to each other party in terms of their respective capacity to enter into the Subscription Agreement and the binding nature of the Subscription Agreement, once executed.

The 2021 SVP Subscription Agreement is governed by English law.

8.1.8 **Kazakhstan Disposal Agreements**

On 7 April 2021, Hyve Enterprises Limited, a subsidiary of the Company, entered into share sale and business transfer agreements relating to the disposal of ITECA LLP, the operating company for 25 of the Group's non-core, regionally focused events in Kazakhstan, to ICA (JV) Limited, a company owned and operated by a former consultant to Hyve in the region. The Group's then expectation for consideration receivable was between £4.8m and £5.8m over a five to seven year period. The amount of the consideration and timing of payments varies by reference to the

performance of the Kazakhstan business.

8.1.9 ***Retail Meetup Acquisition Agreement***

On 21 December 2020, Regent US Holdco, Inc., a subsidiary of the Company (“**Regent Holdco**”), entered into a Membership Interest Purchase Agreement (the “**Retail MIPA**”) with Retail Meetup, LLC (“**Retail Meetup**”) and its members (together, the “**Retail Members**”) pursuant to which Regent Holdco acquired all of the issued and outstanding equity interests of Retail Meetup from the Retail Members. On the same date, Regent Holdco entered into a Source Code License and Services Agreement (the “**Software Agreement**”) with Personatech, Inc., a related company to Retail Meetup, under which Regent Holdco paid further consideration for a source code licence to, and delivery of software that underpinned the services of, Retail Meetup, and certain transitional and ancillary support services in relation thereto.

The total consideration under the Retail MIPA and the Software Agreement comprised:

- (1) initial consideration of £18.8 million payable in cash on closing; and
- (2) an earn-out payment capped at £9.0 million based on the EBITDA of the two events scheduled to take place by and including 8 June 2021, payable in the fourth quarter of the financial year ending 30 September 2021.

The Retail MIPA included customary adjustments for cash, indebtedness and working capital.

The Retail MIPA was conditional on certain conditions, all of which were satisfied or waived within the relevant time periods.

The Retail Members gave to Regent Holdco warranties customary for a transaction of this nature, covering matters including capacity to enter into the agreement, title to their equity interests, the financial statements and business warranties. The Retail Members also agreed to indemnify Regent Holdco against breaches of warranties, subject to claims being brought within specified time periods.

The Retail Members entered into customary restrictive covenants covering, among other things, non-compete, non-solicit of customers and non-poach of employees.

The Retail Members’ liability under the MIPA is subject to customary limitations.

The Retail MIPA is governed by the laws of the State of Delaware.

8.1.10 ***Azerbaijan and Uzbekistan Disposal Agreements***

On 28 August 2020, Hyve International, a subsidiary of the Company, entered into share sale and business transfer agreements relating to the disposal of ITECA Caspian LLC and ITECA Exhibitions LLC, the operating companies for the Group's non-core, regionally focused events in Azerbaijan and Uzbekistan, to ICA (JV) Limited, a company owned and operated by a former consultant to Hyve in the region. The total consideration receivable was up to £9.5m. The amount of the consideration and timing of payments varies by reference to the performance of the businesses sold.

8.2 **The Russian Business**

No contracts have been entered into (other than contracts entered into in the ordinary course of business) by or on behalf of the Russian Business either: (i) within the period of two years immediately preceding the date of this document, which are or may be material to the Russian Business; or (ii) at any time, which contain any provisions under which the Russian Business has an obligation or entitlement which is, or may be, material as at the date of this document.

9 **Litigation**

9.1 **The Retained Group**

There are not, nor have there been any, governmental, legal or arbitration proceedings (nor is the Company aware of any such proceedings which are pending or threatened) which may have, or during the last 12 months prior to the date of this document have had, a significant effect on the financial position or profitability of the Retained Group.

9.2 **The Russian Business**

There are not, nor have there been any, governmental, legal or arbitration proceedings (nor is the Company aware of any such proceedings which are pending or threatened) which may have, or during the last 12 months prior to the date of this document have had, a significant effect on the financial position or profitability of the Russian Business.

10 **Related Party Transactions**

Details of related party transactions (which for these purposes are those set out in UK-adopted international accounting standards) that the Group has entered into are set out below:

- during the financial year ended 30 September 2019, such transactions as are disclosed in note 29 on page 145 of the Company's 2019 Annual Report and Financial Statements, which is incorporated by reference into this document;
- during the financial year ended 30 September 2020, such transactions as are disclosed in note 29 on page 145 of the Company's 2020 Annual Report and Financial Statements, which is incorporated by reference into this document; and
- during the financial year ended 30 September 2021, such transactions as are disclosed in note 29 on page 163 of the Company's 2021 Annual Report and Financial Statements, which is incorporated by reference into this document;.

There have been no material changes in the nature of related party transactions since 30 September 2021, except for the smaller related party transactions which the Company entered into with investment funds managed by Strategic Value Partners, LLC and Helikon Investments Limited set out in the announcement entitled "Proposed placing of and direct subscription for new ordinary shares" made by the Company on 18 November 2021, which is incorporated by reference into this document.

11 **No Significant Change**

11.1 **The Retained Group**

There has been no significant change in the financial position and financial performance of the Retained Group since 30 September 2021, being the date to which the most recent financial information of the Company has been prepared, except that:

- on 18 November 2021, the Company announced:

- the acquisition of 121 Group (UK) Limited and 121 Partners Limited, a market leading omnichannel meetings programme focussed on the mining sector for estimated total consideration after earn-out expected to be between approximately £42 million and £50 million;
- a placing of 13,818,698 new Ordinary Shares to raise gross proceeds of approximately £14.79 million and a direct subscription by investment funds managed by Strategic Value Partners LLC for 12,694,102 new Ordinary Shares to raise gross proceeds of approximately £14.26 million, the proceeds of which were used to fund the initial consideration for the acquisition; and
- waivers to its leverage and interest cover covenants up to and including March 2023;
- on 11 March 2022, the Company announced the acquisition of Fintech Meeting, organiser of the leading US based fintech facilitated meetings event, for an initial consideration of US\$5 million and contingent consideration of up to US\$50 million;
- on 6 April 2022, the Company announced that the Group had delivered revenue of approximately £58m for the six months ended 31 March 2022 (2021 H1: £5m), excluding Russian revenues of c. £17m, and that the Group's adjusted net debt⁸ as at 31 March 2022 was approximately £62 million⁹ (2021 H1: £92 million); and
- on 6 April 2022, the Company announced the Disposal.

11.2 The Russian Business

There has been no significant change in the financial position and financial performance of the Russian Business since 30 September 2021, being the date to which the most recent financial information of the Russian Business has been prepared, except that:

- on 6 April 2022, the Company announced Russian revenues of c. £17m for the six months ended 31 March 2022 (2021 H1: £5m); and
- on 6 April 2022, the Company announced the Disposal.

12 Working Capital

The Company is of the opinion that, taking into account the bank facilities available to the Retained Group, the working capital available to the Retained Group is sufficient for its present requirements, that is for at least the next 12 months following the date of this document.

13 Consents

- 13.1 BDO LLP has given, and not withdrawn, its written consent to the inclusion in this document of its report on the unaudited pro forma statement of net assets of the Retained Group set out in Section B of Part IV (*Unaudited Pro Forma Statement of Net Assets of the Retained Group*) of this document in the form and context in which it appears.
- 13.2 The Sponsor has given, and not withdrawn, its written consent to the issue of this document with references to its name being included in the form and context in which they appear.

⁸ Cash and cash equivalents after deducting bank loans.

⁹ Excluding cash held in Russia.

14 **Information incorporated by reference**

14.1 The following list is intended to enable investors to identify easily specific items of information which have been incorporated by reference in this document:

14.1.1 *The 2019 Annual Report and Financial Statements*

Information incorporated by reference	Page references
Strategic report	2 to 59
Governance	60 to 94
Independent auditor's report	95 to 103
Consolidated statements	104 to 108
Notes to the consolidated accounts	148 to 154

14.1.2 *The 2020 Annual Report and Financial Statements*

Information incorporated by reference	Page references
Strategic report	2 to 55
Governance	56 to 91
Independent auditor's report	92 to 99
Consolidated statements	100 to 104
Notes to the consolidated accounts	105 to 145

14.1.3 *The 2021 Annual Report and Financial Statements*

Information incorporated by reference	Page references
Strategic report	2 to 59
Governance	60 to 106
Independent auditor's report	108 to 115
Consolidated statements	116 to 120
Notes to the consolidated accounts	121 to 164

14.1.4 *Announcements incorporated by reference*

Title	RNS announcement date
Notice of General Meeting	8 October 2021
Announcement of Results of General Meeting	25 October 2021
Proposed placing and direct subscription	18 November 2021

Acquisition of 121 Group & Agreement with Lenders	18 November 2021
Publication of Annual Report and Notice of AGM	18 November 2021
Trading Update	3 February 2022
Board Changes	3 February 2022
Announcement of Results of Annual General Meeting	3 February 2022
Response to the Russia/Ukraine conflict	3 February 2022
Response to the Russia/Ukraine conflict	28 February 2022
Acquisition	11 March 2022
Update on Board review of Russian business	15 March 2022
Trading Update	6 April 2022
Proposed disposal of Russian Business	6 April 2022

14.2 Where only parts of a document are being incorporated by reference in this document, the parts of the document which are not being incorporated by reference are either not relevant to Shareholders or are covered elsewhere in this document.

14.3 A person who has received this document may request a copy of such documents incorporated by reference. A copy of any such documents or information incorporated by reference will not be sent to such persons unless requested from the Registrars on 0871 384 2030 or on +44 (0)121 415 7047 from outside the UK. If requested, copies will be provided free of charge.

15 Documents available for inspection

Copies of the following documents will be available for inspection at <https://Hyve.group/> from the date of this document up to and including the date of the General Meeting and for the duration of the General Meeting:

- 15.1 the Company's articles of association;
- 15.2 the Company's Annual Report and Financial Statements for each of the years ended 30 September 2019, 2020 and 2021;
- 15.3 the consent letters referred to in paragraph 13 of this Part VI (*Additional Information*) of this document;
- 15.4 the report of BDO LLP set out in Section B of Part IV (*Unaudited Pro Forma Statement of Net Assets of the Retained Group*) of this document;
- 15.5 this document; and
- 15.6 the Sale Agreement.

PART VII - DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

“121 Acquisition Agreement”	has the meaning given to it in paragraph 8.1.5 of Part VI (<i>Additional Information</i>) of this document
“121 Buyers”	has the meaning given to it in paragraph 8.1.5 of Part VI (<i>Additional Information</i>) of this document
“121 Sellers”	has the meaning given to it in paragraph 8.1.5 of Part VI (<i>Additional Information</i>) of this document
“2019 Annual Report and Financial Statements”	the Company’s annual report and financial statements for the year ended 30 September 2019
“2020 Amendment Agreement”	has the meaning given to it in paragraph 8.1.3 of Part VI (<i>Additional Information</i>) of this document
“2020 Annual Report and Financial Statements”	the Company’s annual report and financial statements for the year ended 30 September 2020
“2021 Annual Report and Financial Statements”	the Company’s annual report and financial statements for the year ended 30 September 2021
“2021 Placing Agreement”	has the meaning given to it in paragraph 8.1.6 of Part VI (<i>Additional Information</i>) of this document
“2022 Sponsor Agreement”	has the meaning given to it in paragraph 8.1.2 of Part VI (<i>Additional Information</i>) of this document
“2021 SVP Subscription Agreement”	has the meaning given to it in paragraph 8.1.7 of Part VI (<i>Additional Information</i>) of this document
“Admission”	has the meaning given to it in paragraph 8.1.6 of Part VI (<i>Additional Information</i>) of this document
“Agent”	has the meaning given to it in paragraph 8.1.3 of Part VI (<i>Additional Information</i>) of this document
“Board”	the board of directors of Hyve
“Buyer”	Rise Expo Limited, incorporated at the Ras Al Khaimah International Corporate Centre, United Arab Emirates, as an International Business Company under number ICC20220288
“Chairman”	Richard Last, the chairman of Hyve
“Closing”	completion of the Disposal (excluding Hyve Dubai and Hyve China) in accordance with the terms of the Sale Agreement
“Company” or “Hyve”	Hyve Group plc
“Companies Act”	Companies Act 2006, as amended
“Conditions”	has the meaning given to it in paragraph 1.2 of Part V (<i>Summary of the Principal Terms and Conditions of the Disposal and the Reorganisation</i>) of this

	document
“CREST”	the UK-based system for the paperless settlement of trades in listed securities, of which Euroclear UK & Ireland Limited is the operator in accordance with the Uncertificated Securities Regulations 2001 (SI 2001/3755)
“CREST Manual”	the manual, as amended from time to time, produced by Euroclear UK and Ireland Limited describing the CREST system, and supplied by Euroclear UK and Ireland Limited to users and participants thereof
“Directors”	the Executive Directors and Non-Executive Directors
“Disclosure Guidance and Transparency Rules” or “DTRs”	the Disclosure Guidance and Transparency Rules made by the FCA pursuant to of Part VI of FSMA and contained in the FCA’s publication of the same name
“Disposal”	has the meaning given to it in paragraph 1 of Part I (<i>Letter from the Chairman of Hyve</i>) of this document
“Disposal Documents”	has the meaning given to it in paragraph 8.1.2 of Part VI (<i>Additional Information</i>) of this document
“DSBP”	has the meaning given to it in paragraph 5.2 of Part VI (<i>Additional Information</i>) of this document
“Earn-out Acceleration Payment”	has the meaning given to it in paragraph 4 of Part I (<i>Letter from the Chairman of Hyve</i>) of this document
“Earn-out Consideration”	has the meaning given to it in paragraph 4 of Part I (<i>Letter from the Chairman of Hyve</i>) of this document
“Earn-out Period”	each financial year following Closing, the first Earn-Out Period being from closing until 30 September 2022 and the final Earn-Out Period ending on 30 September 2032
“Executive Directors”	the executive directors of Hyve, currently Mark Shashoua and John Gulliver
“Facilities Agreement”	has the meaning given to it in paragraph 8.1.3 of Part VI (<i>Additional Information</i>) of this document
“FCA”	the Financial Conduct Authority of the UK and its predecessors or its successors from time to time
“Fintech Holdco”	has the meaning given to it in paragraph 8.1.4 of Part VI (<i>Additional Information</i>) of this document
“Fintech Meetup”	has the meaning given to it in paragraph 8.1.4 of Part VI (<i>Additional Information</i>) of this document
“First Waiver Letter”	has the meaning given to it in paragraph 8.1.3 of Part VI (<i>Additional Information</i>) of this document
“FSMA”	the Financial Services and Markets Act 2000, as

	amended
“FY19”	the financial year ended 30 September 2019
“Group”	the Company and its subsidiary undertakings
“Hyve China”	Hyve China International Exhibitions and Conferences Services (Beijing) Co. Ltd
“Hyve China Closing”	completion of the transfer of the entire issued share capital of Hyve China to a member of the Target Group in accordance with the terms of the Sale Agreement
“Hyve Dubai”	ITE Eurasian Exhibitions FZ-LLC
“Hyve Dubai Closing”	completion of the transfer of the entire issued share capital of Hyve Dubai to the Buyer in accordance with the terms of the Sale Agreement
“Hyve International”	Hyve International Events Limited
“Hyve Russia”	Hyve Expo Russia International LLC
“Hyve Shares” or “Ordinary Shares”	ordinary shares of £0.10 in the capital of the Company
“IFRS”	International Financial Reporting Standards, as adopted by the European Union
“Listing Rules”	the listing rules made by the FCA pursuant to Part VI FSMA, as amended
“Longstop Date”	31 August 2022 or such later date as the parties to the Sale Agreement may agree in writing
“MAR”	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Market Abuse (Amendment)(EU Exit) Regulations 2019
“Members”	has the meaning given to it in paragraph 8.1.4 of Part VI (<i>Additional Information</i>) of this document
“MIPA”	has the meaning given to it in paragraph 8.1.4 of Part VI (<i>Additional Information</i>) of this document
“Official List”	the Official List of the FCA;
“Net Cash Proceeds”	has the meaning given to it to it in paragraph 1 of Part I (<i>Letter from the Chairman of Hyve</i>) of this document
“Non-executive Directors”	the non-executive directors of Hyve, currently Richard Last, Nicolas Backhouse, Rachel Addison and Anna Bateson

“Notice of General Meeting”	the notice of the General Meeting, as set out in Part VIII (<i>Notice of General Meeting</i>) of this document
“Numis” or “the Sponsor”	Numis Securities Limited, whose registered office is at 45 Gresham Street, London EX2V 7BF
“Placing”	has the meaning given to it in paragraph 8.1.6 of Part VI (<i>Additional Information</i>) of this document
“Placing Shares”	has the meaning given to it in paragraph 8.1.6 of Part VI (<i>Additional Information</i>) of this document
“Principal Transaction Documents”	the Sale Agreement and the Transitional Services Agreement, each as more particularly described in Part V (<i>Summary of the Principal Terms and Conditions of the Disposal and Reorganisation</i>) of this document
“Pro Forma Financial Information”	the information set out in Part IV (<i>Unaudited Pro Forma Statement of Net Assets of the Retained Group</i>) of this document
“PR Regulation”	the UK version of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council
“PSP”	has the meaning given to it in paragraph 5.2 of Part VI (<i>Additional Information</i>) of this document
“Regent Holdco”	has the meaning given to it in paragraph 8.1.9 of Part VI (<i>Additional Information</i>) of this document
“Registrars” or “Equiniti”	Equiniti Limited of Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
“Reorganisation”	the reorganisation described in paragraph 3 of Part V (<i>Summary of the Principal Terms and Conditions of the Disposal and the Reorganisation</i>) of this document
“Resolution”	means the resolution in the terms set out in italics in paragraph 9 of has the meaning given to it in paragraph 1 of Part I (<i>Letter from the Chairman of Hyve</i>) of this document and which the Company would have put to its Shareholders at a general meeting to approve the Disposal for the purpose of Chapter 10 of the Listing Rules, had the Company been required to convene such a meeting in the event that the dispensation available under the Statement of Policy was not granted
“Retail Meetup”	has the meaning given to it in paragraph 8.1.9 of Part VI (<i>Additional Information</i>) of this document
“Retail Members”	has the meaning given to it in paragraph 8.1.9 of Part VI (<i>Additional Information</i>) of this document
“Retail MIPA”	has the meaning given to it in paragraph 8.1.9 of Part VI (<i>Additional Information</i>) of this document

“Retained Group”	the Company and its subsidiary undertakings from time to time, excluding the Russian Business, being the continuing business of the Group following Closing
“RIS”	a Regulatory Information Service that is approved by the FCA and that is on the list of Regulatory Information Services maintained by the FCA
“Russian Business”	Hyve Enterprises Limited and Hyve Dubai and their subsidiary undertakings following the Reorganisation and Hyve China, being the Target Group
“Sale Agreement”	the share purchase agreement dated 5 April 2022 entered into between Hyve Holdings Limited and the Buyer in connection with the Disposal, as amended and restated on 10 May 2022, and as more particularly described in Part V (<i>Summary of the Principal Terms and Conditions of the Disposal and the Reorganisation</i>) of this document
“Second Waiver Letter”	has the meaning given to it in paragraph 8.1.3 of Part VI (<i>Additional Information</i>) of this document
“Seller”	Hyve Holdings Limited
“Shareholders”	the holders of Hyve Shares from time to time
“Share Plans”	has the meaning given to it in paragraph 5.2 of Part VI (<i>Additional Information</i>) of this document
“Sierra Acquisition”	has the meaning given to it in paragraph 8.1.3 of Part VI (<i>Additional Information</i>) of this document
“Software Agreement”	has the meaning given to it in paragraph 8.1.9 of Part VI (<i>Additional Information</i>) of this document
“Statement of Policy”	the FCA’s Statement of Policy and Technical Supplement entitled, “ <i>Technical supplement – modification of general meeting requirements under the Listing Rules</i> ”, each published on 8 April 2020 by the FCA;
“Subscriptions”	has the meaning given to it in paragraph 8.1.7 of Part VI (<i>Additional Information</i>) of this document
“Target Group”	ITE Enterprises Limited, ITE International Holdings BV, Hyve Russia, ITE Global LLC, Hyve Dubai and its subsidiary undertakings, and Hyve China
“Transitional Services Agreement”	the transitional services agreement to be entered into between Hyve Events Services and the Buyer at Closing
“UAE”	the United Arab Emirates
“UK” or the “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“US”	the United States of America

“VCP”

has the meaning given to it in paragraph 5.2 of Part VI (*Additional Information*) of this document