



18 May 2021

**Hyve Group plc**  
**("Hyve" or the "Group")**

**INTERIM RESULTS**

- Robust financial position after further insurance proceeds and ongoing cost management
- Ran 12 in-person events in H1 despite the ongoing disruption caused by COVID-19
- Strong customer rollovers reflect pent-up demand for market leading events
- Well positioned to emerge from the pandemic a stronger business with an omnichannel strategy

**Mark Shashoua, CEO of Hyve Group plc, commented:**

*"Hyve is focused on emerging from the pandemic a stronger business, with a robust financial platform and strategy in place to meet pent-up event demand, while accelerating our omnichannel offering. Since the outbreak of COVID-19 we have secured insurance proceeds totalling £84.9m, achieved cost savings above our projections and ensured we have sufficient liquidity to make the most of the opportunity in front of us as markets begin to reopen."*

*"Having run events in Russia, Ukraine, China, Turkey and India in H1, we are optimistic that events in Western economies will run in the second half, in line with our modelled scenarios. Continued customer rollover for Western events provides confidence in the pent-up demand for market leading in-person events, which Hyve is well positioned to serve."*

*"COVID-19 has provided Hyve an opportunity to reset, renew and evolve. We are enhancing our already market leading in-person events by significantly building out our capability to deliver bespoke facilitated meetings programmes at a number of our events in FY22. Our quality-focused portfolio is optimally positioned to deliver an even greater return on time and money for our customers than before the pandemic."*

*"We continue to evolve our omnichannel strategy, enabling us to strengthen our existing brands, monetise online events and offer customers multiple opportunities to learn, network and trade throughout the year. Our recent acquisition of Retail Meetup is tracking ahead of expectations, demonstrating a successful monetisable model for future virtual Meetup events. With the speed of vaccine rollouts providing optimism and the strong liquidity headroom we have created, we enter the second half with the right talent, portfolio and omnichannel strategy to meet pent-up demand now and into FY22."*

**Financial headlines<sup>4</sup>**

**Six months to  
31 March 2021**

**Six months to  
31 March 2020**

Volume sales	39,400 m <sup>2</sup>	288,900 m <sup>2</sup>
Revenue	£10.4m	£90.6m
Headline profit before tax <sup>1</sup>	£27.6m	£19.4m
Profit / (loss) before tax	£18.7m	£(168.7)m
Headline diluted earnings per share <sup>2</sup>	8.5p	10.9p
Diluted earnings per share <sup>2</sup>	5.9p	(120.2)p
Interim dividend per share	Nil	Nil
Adjusted net debt <sup>3</sup>	£92.4m	£157.2m

- £10.4m revenue (2020: £90.6m) reflects multiple lockdowns across our geographies
- Headline profit before tax £27.6m (2020: £19.4m)
- This is after including £49.0m of insurance proceeds<sup>5</sup> in respect of cancelled events. The income from insurance proceeds is recognised when confirmed, not in the period in which results from the cancelled events would have been recognised had they taken place.
- Statutory profit before tax of £18.7m (2020: loss of £168.7m)
- Adjusted net debt reduced to £92.4m (2020: £157.2m) following continued cost control, rights issue in May 2020 raising £126.6m and the receipt of insurance claims to date
- Hyve maintains a strong liquidity position with visibility of significant cash headroom under our modelled scenarios

## Strategic highlights

- Ran 12 in-person events in Russia, Ukraine, China, Turkey and India during H1
- Acquired Retail Meetup in December 2020 and ran successful Groceryshop Spring Meetup event in March performing 10% ahead of expectations
- Completed exit of Central Asia with disposal of Kazakhstan portfolio - 25 non-core, regionally focused events
- Portfolio now consists of 75 market-leading, bigger, better events (100 pre-pandemic)
- Successfully secured confirmation of £49.0m of insurance proceeds in the first half of the year. An additional £13.9m has been confirmed since the period end. Including £22.0m confirmed in FY20, total insurance proceeds are now £84.9m:
  - £56.3m for FY20 events (policy cap: £62.0m)
  - £28.6m for FY21 events (policy cap: £50.0m)

## Accelerating omnichannel

- Evolving our in-person offering via facilitated meetings
  - Carrying out trials in FY21 to rollout facilitated meetings prior to launching at BETT, Spring Fair, Mining Indaba and Autumn Fair in FY22
- Monetising our offering online
  - Secured acquisition of Retail Meetup in December 2020 for initial consideration of £18.5m, with an earnout valued at £3.4m at acquisition, to accelerate omnichannel strategy
  - A first of its kind digital networking format and technology with proven monetisation adding four high quality digital events
  - In March 2021, the Group ran its first virtual Meetup event, Groceryshop Spring Meetup. It saw high levels of customer participation with 8,884 online meetings taking place over the three-day event, proving that online events can cater to customer needs and be monetised
- Ran more than 80 virtual events, of varying formats, during the first half to keep our customers engaged and connected with their communities online

## Outlook

- Hyve is currently trading between the two modelled scenarios presented in December 2020, "Recovery"<sup>6</sup> and "East/West"<sup>7</sup>
- In either scenario, Hyve maintains its strong liquidity position and has visibility of significant cash headroom
- Our outlook for net debt at the year end remains in the range of £100-120m, even having completed the acquisition of Retail Meetup in December
- With restrictions remaining on international travel and lockdowns still ongoing in certain markets, disruption to the event schedule continues
- The Group is encouraged by the pace of vaccine rollouts in countries such as the United Kingdom and United States
- While the near-term outlook remains fluid, Hyve is cautiously optimistic as it continues to see strong pent-up demand for its market-leading events through continued strong rollover of customer deposits and sales
- Hyve expects a gradual return of customer participation as international travel resumes and restrictions are lifted

1. *Headline profit before tax is defined as profit before tax from continuing operations and adjusting items, which include amortisation of acquired intangibles, impairment of goodwill, intangible assets and investments, profits or losses arising on disposal of Group undertakings, restructuring costs, transaction and integration costs on completed and pending acquisitions and disposals, tax on income from associates and joint ventures, gains or losses on the revaluation of deferred/contingent consideration and on equity option liabilities over non-controlling interests, and imputed interest charges on discounted equity option liabilities – see note 3 to the condensed consolidated interim financial statements for details.*
2. *Headline diluted earnings per share is calculated using profit attributable to shareholders from continuing operations before adjusting items – see notes 3 and 6 to the condensed consolidated financial statements for details. The weighted average number of shares used for basic and diluted and headline basic and diluted earnings per share for March 2020 has been restated as a result of the share consolidation and rights issue which took place during 2020, in order to provide a comparative measure. As a result, basic and diluted and headline basic and diluted earnings per share for March 2020 have also been restated.*
3. *Adjusted net debt is defined as cash and cash equivalents after deducting bank loans. This is therefore prior to any lease liabilities recognised on the balance sheet.*
4. *Results from continuing operations only. Results for the six months to 31 March 2020 and year ended 30 September 2020 have been restated throughout the Interim Results to this effect.*
5. *The gross proceeds from insurance claims under the Group's cancellation insurance policies are recognised in the income statement when the receipt of the proceeds is virtually certain. Of the £49.0m recognised in the period, £34.2m is in respect of FY20 events cancelled in the prior year and £14.8m in respect of FY21 events.*
6. *'Recovery' scenario is our base case and assumes that events in China, Russia, Ukraine and Turkey are able to go ahead in FY21. However, they will be smaller than in previous years with a largely domestic customer base. This scenario assumes that events in Western markets will take place during the second half.*
7. *'East/West' scenario is our downside case and assumes that no Western events take place throughout the year.*

**Enquiries:**

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**About Hyve Group plc**

Hyve Group plc is a next-generation global events business whose purpose is to bring together and connect entire sector ecosystems from all corners of the globe. We meet our customer needs to learn, network and trade via both market-leading in person and online events. Hyve Group plc is all about globally consistent best practice and unrivalled quality. Our vision is to create the world's leading portfolio of content-driven, must-attend events delivering an outstanding experience and ROI for our customers. Hyve's market-leading portfolio of global brands include: Shoptalk, Spring Fair, MosBuild, Bett, Mining Indaba and recently acquired Retail Meetup, a ground-breaking digital platform enabling online networking and trade to take place at scale.

Where business is personal, where meetings move markets and where today's leaders inspire tomorrow's.

# Management Report

## Executive summary

2021 is a year of renewing and evolving, in preparation for a full event schedule in 2022, if restrictions allow.

Rewinding 14 months, we entered the COVID-19 pandemic in a strong position, having just completed our three-year Transformation and Growth programme. The centralised operating model we created as part of this transformation allowed us to respond quickly and decisively to the pandemic, and safeguard the business through conserving cash, controlling costs and increasing liquidity. A significant part of this work was claiming against our event cancellation insurance policies, which to date has secured £84.9m.

At the same time, we have kept in close contact with our customers, providing them with new channels of online engagement and reassuring them of the work we are doing to support the safe return of in-person events. We believe that our commitment to our customer communities has helped us to grow our customer market share, and customer support has been demonstrated by their continued rolling over of deposits to future events.

In the first half of the year, the Group ran 12 in-person events, taking the total number of events we have run since the outbreak of COVID-19 to 24. Those events have taken place in Russia, China, Ukraine, Turkey and India and, whilst the global situation remains fluid, the speed of vaccine rollouts in some countries does provide us with significant confidence that events in many of our other markets will now resume from FY21 as restrictions lift.

Our event schedule for the first half has been significantly disrupted and while domestic attendance remains high, events are running at a reduced scale given the ongoing international travel restrictions in place due to COVID-19. We know from our communication with customers that there is huge pent-up demand for our market leading in-person events. This is being demonstrated by the strong attendee numbers at the in-person events we have been able to run this year, despite ongoing restrictions on international travel, as well as the strong rollover of customer deposits when we have had to reschedule or cancel an event.

As events reopen, we know from experience that it will be the market leading events which will succeed and so we have continued to deliver on our strategic priority of managing our portfolio. The strategic disposal of ITECA LLC, the operating company for the 25 non-core, regionally focused events in Kazakhstan, has continued our focus on running fewer, bigger, better events.

Throughout the pandemic we have worked hard to actively develop our vision for a next generation events business, positioning Hyve to continue to lead the way and emerge successfully in the new normal. Our omnichannel strategy which supports in-person events with online activity continues to evolve as we explore new ways to support our customer communities. We are strengthening our in-person events by offering bespoke, tech-enabled matchmaking programmes whilst continuing to explore and develop the online experiences we offer our customers. Our acquisition of Retail Meetup, a first of its kind digital networking format for the entire ecommerce ecosystem, provides us with an exciting new customer proposition and a blueprint for future growth.

Through the development of this omnichannel strategy, we will be able to provide customers with a calendar of opportunities to learn, network and trade, both online and in-person, throughout the entire year, further cementing our position as a strategic partner for industries.

## Our strong balance sheet

Significant action was taken in 2020 to create a strong financial platform and secure our future. These actions to control costs and manage cash give us confidence that we have sufficient liquidity to trade through FY21 and FY22, while markets reopen globally.

The work we undertook last year included a £126m rights issue, amending banking covenants and renegotiating terms with venues and suppliers. We also completed a restructuring of our business, which identified significant cost savings, and furloughed some of our UK-based employees under the UK government's Coronavirus Job Retention Scheme which we have continued to utilise, albeit on a smaller scale, in the first half of FY21. Following immediate and decisive action, we are on track to achieve targeted annualised savings of at least £44m in FY21.

Claims under our insurance policies have served us well and to date we have secured £56.3m for FY20 events and £28.6m for FY21 events. We continue to pursue the remaining £27.0m of insurance proceeds that would take us to our policy caps.

In the first half of FY21, the 12 in-person events (2020: 45 events), in addition to Groceryshop Spring Meetup, yielded revenue of £10.4m and, thanks to ongoing cost savings and the receipt of insurance proceeds in respect of cancelled events of £49.0m, we report a headline profit before tax of £27.6m (2020: £19.4m).

As a result of this revenue, continued tight cost control, rights issue and insurance proceeds, our adjusted net debt has reduced to £92.4m (2020: £157.2m). Looking ahead, we believe we have sufficient liquidity to trade through FY22 as markets gradually reopen.

The suspension of dividends remains in place and will be kept under review.

### **Our portfolio of market leading events**

We have an ongoing commitment to strengthening the quality of our portfolio of events. This strategy will be beneficial as we exit the pandemic as we know that, during times of uncertainty, people gravitate towards quality. Historically, following a period of downturn and when marketing budgets are reduced, people have typically returned to only the events which deliver the highest return on investment and time.

Significant work has been undertaken during the first half of the year to continue to refine our portfolio. Financed through existing debt facilities and cash reserves, in December 2020 we acquired Retail Meetup, the ground-breaking large-scale networking platform with the potential to revolutionise online events, for an initial consideration of £18.5m. Retail Meetup adds four high quality, fully digital events to our portfolio. These events are expected to be earnings enhancing, with clear potential to scale, with highly encouraging initial customer response and strong sales performance. These four digital Meetups also serve to greatly enhance and complement the Shoptalk and Groceryshop brands which we acquired in December 2019.

Post the period-end, we announced the disposal of ITECA LLP, the operating company for the 25 non-core, regionally focused events in Kazakhstan. This completes our key strategic aim to exit the business in Central Asia and supports our ambition to focus on larger, international events with higher growth potential. The assets and liabilities of the Kazakhstan business have been classified as held for sale at 31 March and the Central Asia business is treated as a discontinued operation throughout the 2021 Interim Results.

Our more focused portfolio of market leading events now stands at 75 – a significantly smaller portfolio than previous years, but with the average revenue per event (under normal circumstances) having increased from around £0.5m in 2017 to £2.8m prior to the pandemic. Managing our portfolio is an ongoing element of our strategy and one we will continue to pursue.

In our last report, we set out three clear priorities for FY21 and are making positive progress to:

1. Build customer market share;
2. Prepare for the rollout of facilitated meetings from 2022 across key in-person events; and
3. Continue to evaluate feasibility and demand for virtual networking platforms to complement our market-leading events.

## **Our clear vision for the future**

Our business serves three fundamental customer needs: to learn, network and trade. COVID-19 has accelerated trends we were already seeing with customers looking for ever greater return on their investment and time. We have seen a significant shift in the evolution of customer behaviour and expectations. We believe that the future of servicing customer needs is omnichannel, with in-person and digital events driving engagement across the year.

To ensure we remain at the forefront of this change, and in the best position to service existing and new customers, we have been actively accelerating our omnichannel strategy. This means using technology to enhance our in-person events whilst also exploring and developing new ways for our customers to learn, network and trade via online formats.

### **Facilitated meetings at in-person events**

At our in-person events we are beginning the rollout of the facilitated meetings format we acquired along with Shoptalk and Groceryshop in December 2019. This new product offers a smart matchmaking solution, tailored entirely around an industry sector, so that our customers are able to meet with highly relevant contacts from their industry. The process starts with our sector specific community development teams curating prominent industry buyers, who are then mutually matched with vendors using a sophisticated double opt-in, algorithm-led technology which schedules high value meetings. The data we collect during this process means our exhibitors benefit from a larger audience of known decision-makers and allows us to better support our customers in achieving their goals.

This significantly increases the return on investment and time of our in-person events by enabling attendees to simply identify a large number of relevant networking opportunities and meet with more people in less time and with less effort expended. Facilitated meetings greatly improve the efficiency of an in-person event experience and are therefore in high demand.

We firmly believe that the future of in person events is to offer facilitated meetings and that by adding this capability, we will grow our market share. Under current plans, we will start the rollout to some of our key events in 2022 including Spring and Autumn Fair, Bett and Mining Indaba.

### **Online facilitated networking**

The other key aspect of our omnichannel strategy is to continue to explore and develop new ways to connect our customers online. During the first half of the year, we ran more than 80 online events to keep customers connected to their communities. These events were delivered in a range of formats including presentations, panel discussions, product showcases and multi-day events. To date, the majority of online events have catered only for the 'learn' customer need, making them excellent for engagement but difficult to monetise.

The acquisition of Retail Meetup in December 2020 changes that and gives us a cornerstone for our omnichannel strategy. Retail Meetup is a first of its kind commercial proposition which brings the entire retail and grocery ecosystem together, to network and trade, on a huge scale, in an online format.

Prior to the acquisition, we collaborated with Retail Meetup to launch a proof of concept event called Shoptalk Meetup, which yielded incredible results with over 2,000 participants and nearly 18,000 meetings taking place online over just three days. The event enabled networking across the entire US retail ecosystem including retailers, brands, consultants, start-ups, media, investors, sell-side analysts and many others. To put it into perspective, if all 18,000 15-minute meetups were put end-to-end, it would equal 8.5 months, demonstrating the scale and potential offered by a Meetup event.

In March, we hosted our first monetisable online Retail Meetup event since acquiring the platform, Groceryshop Spring Meetup. Again, this event went beyond our expectations with almost 1,300 participants taking part in around 9,000 Meetups over the space of just 6 hours. This shows that online events can cater to all of our customers' needs and be monetised, while establishing a proven model for our next two Meetup events to follow.

Technology like Retail Meetup enables us to use online events to offer our customers something completely new. By giving our customers both online and offline options, and offering a year-round schedule of opportunities for them to learn, network and trade, we will offer unbeatable return on investment and time to our customers and significantly enhance our brands.

### **Safely reopening in-person events**

We continue to be led by local guidance with regards to reopening our events. We held 12 in-person events in the first 6 months of FY21, cancelled 29 and postponed 5 to the second half of the year. There are currently 34 in-person events scheduled for the second half of FY21.

We know that there is significant pent-up demand for our market-leading events and that is being made clear through both attendance at events we have been able to run, as well as the strength of our rollovers. Our short-term focus is on resuming our events when it is safe to do so as markets reopen.

Where we are able to reopen events, we do so in accordance with local safety guidelines as well as our best in class Safe & Secure standards. These standards were developed by our dedicated global taskforce and we continue to work in collaboration with industry associations, local governments and the relevant health authorities to ensure the highest possible levels of safety for customers and colleagues.

Our best in class measures include frequent and enhanced cleaning and regular communication with customers and colleagues. There are a number of social distancing guidelines in place which are in line with local regulations, including contactless registration, staggered arrival times, structured journeys through the venue and larger aisles and meeting areas which have been put in place, as well as on-site temperature testing, provision of masks and visors, glass dividers and dedicated quarantine areas.

### **Investing in our people**

Following a hugely disruptive 2020, a key focus is now on beginning to reinvest in our people and further develop our culture. We recognise that a strong culture will be pivotal as we lead the disruption of our industry, continue to create unmissable experiences for our customers and pave an exciting new path for Hyve.

During the first half we launched a new employee engagement survey tool, Peakon, which uses regular algorithm-driven surveys to produce live data and trends telling us how colleagues are feeling about life at Hyve. Topics include development, reward, culture and wellbeing. Data is reviewed at Group, divisional and team level and will be used to inform future people plans and investment as we exit the crisis and enter our recovery period, during which our people and culture will be paramount.

A number of new communication activities have been implemented to connect the global team, including weekly CEO videos, monthly employee feedback sessions and regular calls between all levels of the business and across all geographies.

Wellbeing resources have been invested in, including online therapy support for UK colleagues and a global programme of wellbeing webinars covering topics including stress, nutrition and sleep.

We are also in the process of enhancing our learning and development programmes with a focus on key areas such as management skills, systems and helping our people to improve their online presenting style.

As we look to attract and retain the best industry talent, we are also reviewing practices in areas including recognition, reward, hybrid working and office environments.

We enter the second half of the year with the right team in place to deliver our market-leading in-person events and new online formats, and with a culture which is on a positive trajectory.

## Outlook

With restrictions remaining on international travel and lockdowns still ongoing in certain markets, disruption to the event schedule continues. That said, we are greatly encouraged by the speed of vaccine rollouts in the United Kingdom and United States in particular.

In December we outlined two scenarios we had modelled for our planning:

- The 'Recovery' scenario, which assumed that events in China, Russia, Ukraine and Turkey would be able to go ahead but they would be smaller than in previous years with a largely domestic customer base. This scenario assumed that events in western markets would take place only during the second half.
- The 'East/West' scenario, which assumed that no western events would take place throughout the year.

We are currently operating firmly between the two scenarios with events expected to resume in the west part-way through the second half. We remain ready to pivot fully to the East/West scenario should we need to. Overall, we now have slightly fewer events scheduled to take place than modelled under both scenarios but we currently have more Top 10 events scheduled to run than under the East/West scenario, with optimism that both Autumn Fair and Groceryshop will be able to take place in September. In either scenario we maintain a strong liquidity position and have visibility of significant cash headroom.

As we enter the second half, while the near-term outlook remains fluid, we are cautiously optimistic about events taking place across the majority of our markets in the second half. We continue to see strong pent-up demand for our market-leading events, and we expect a gradual return of customer participation as international travel resumes and restrictions are lifted.

## Reset, renew, evolve

While COVID-19 has given rise to significant challenges and uncertainties for everyone it has also presented us with the opportunity to take a step back and take stock of how and where we can evolve our business.

We plan to focus on growing our customer market share through targeted sales, marketing activity and engaging our customer communities online. Through this support, we continue to develop our relationships with customers and encourage the pent-up demand for our in-person events.

The work we are doing to add value to our already unmissable in-person events, through deploying our digital facilitated meetings software, will add further value and provide a boost to return on investment and time for customers.

Meanwhile, the continued evolution of our omnichannel strategy will futureproof our business and ensure we are able to satisfy the needs of our customers, in a variety of formats, and at multiple touchpoints throughout the year.

We believe that the strength of our balance sheet, our portfolio of market-leading events and our exciting vision for a more tech-enabled future will pave the way for a strong recovery and see Hyve reach new levels of success post-pandemic.



## Financial performance

### Statutory results

Revenues for the first six months of the year from continuing operations were £10.4m (2020: £90.6m<sup>1</sup>), down £80.2m and 89% behind the comparative period. The pandemic impacted the number and scale of the Group's events, with 12 in-person events (2020: 45 events) taking place across Turkey, Russia, Ukraine, China and India in the period. While the majority of these events had strong domestic attendance, the ongoing COVID-19 travel restrictions significantly impacted the attendance of international exhibitors and total number of attendees allowed at events. During the period the Group also ran its first virtual Meetup event – Groceryshop Spring Meetup, following the acquisition of Retail Meetup in December 2020 which performed ahead of management's expectations.

Five of the Group's top 10 events were unable to run. Shoptalk, Spring Fair, Bett, Mining Indaba and YugAgro will next take place in FY22.

The effect of changes in foreign exchange rates had a negative impact of £0.6m on the translation of revenue into sterling when compared to the prior period, largely as a result of the weakening of the Russian ruble relative to sterling in the period.

Profit before tax from continuing operations was £18.7m (2020: loss of £168.7m<sup>1</sup>). Insurance proceeds of £49.0m have been recognised during the period in relation to claims regarding the cancellation of a number of events that were scheduled to take place in both FY20 and FY21. These insurance proceeds, together with ongoing cost management, helped to mitigate the revenue declines at a profit level.

The Group's share of profits from its associates and joint ventures was £1.6m in the period (2020: £4.9m), lower than in previous years primarily as a result of the Sinostar event, ChinaCoat, running at a significantly reduced scale due to the impact of COVID-19 and international travel bans into China.

The loss in the HY20 comparative period was driven by impairment charges of £166.8m recognised in respect of a number of our business units as a result of the COVID-19 outbreak and its effect on discount rates and forecast operating profits at the time – no such impairment charges have been recognised in the first six months of this year. The impairment charges recognised in the comparative period have also resulted in a lower amortisation charge of £13.8m (2020: £14.0m) on acquired intangible assets being recognised in the current period.

The effect of changes in foreign exchange rate changes has had a £2.7m negative impact on profits compared to the prior period. The increased impact on profits compared to revenue is due to losses recognised in the first six months of the year as a result of balance sheet translations which resulted in foreign exchange gains £4.1m lower than the comparative period.

The average exchange rates over the first six months of the year were:

	Six months ended 31 March 2021	Six months ended 31 March 2020	Movement
Russian ruble	101.5	83.5	+22%
Turkish lira	10.3	7.6	+36%
Indian rupee	98.8	92.0	+8%
Chinese renminbi	8.8	9.0	-2%
Euro	1.1	1.2	-8%
United States dollar	1.4	1.3	+23%

Diluted earnings per share from continuing operations for the first six months was 5.9p (2020: (120.2p)).

<sup>1</sup> Restated for discontinued operations

### Headline results

In addition to the statutory results, headline results are presented, which are the statutory results from continuing operations after excluding a number of adjusting items, as the Board consider this to be the most appropriate way to measure the Group's underlying performance. In addition to providing a more comparable set of results year-on-year, this is also in line with similar adjusted measures used by our peer companies and therefore facilitates comparison across the industry, although the adjusting items excluded may not be identical. The adjusting items presented are consistent with those presented in the previous year.

Headline profit before tax for the first six months of the year was £27.6m (2020: £19.4m<sup>1</sup>). The results were adversely affected by event cancellations and postponements as a result of COVID-19 which had a £31.1m impact on headline profit before tax, most significantly due to the cancellation of five of the Group's top 10 events: Shoptalk, Spring Fair, Bett, Mining Indaba and YugAgro. This was offset by insurance proceeds of £49.0m recognised in the period in relation to claims regarding the cancellation or postponement of a number of events that were scheduled to take place in both FY20 and FY21.

Headline diluted earnings per share from continuing operations for the first six months was 8.5p (2020: 10.9p<sup>1</sup>), reflecting the increase in headline profits.

The following table reconciles statutory profit/(loss) before tax to headline profit before tax:

	Six months to 31 March 2021	Six months to 31 March 2020 Restated <sup>1</sup>	Year ended 30 September 2020 Restated <sup>1</sup>
	£m	£m	£m
Profit/(loss) on ordinary activities before taxation from continuing operations	18.7	(168.7)	(312.1)
<i>Operating items</i>			
Amortisation of acquired intangible assets	13.7	14.0	29.2
Impairment of goodwill	-	124.0	195.1
Impairment of intangible assets	-	42.0	63.4
Impairment of investments in associates and joint ventures	-	0.8	4.5
Loss on disposal of investments	-	5.6	(2.3)
Transaction costs on completed and pending acquisitions and disposals	0.7	2.6	3.3
Integration costs	-	0.7	0.6
Restructuring costs - TAG	-	0.9	0.8
Tax on income from associates and joint ventures	0.5	1.5	1.5
<i>Financing items</i>			
Write off of previously capitalised debt issue costs on refinancing	-	1.3	1.3
Revaluation of assets and liabilities on completed acquisitions and disposals	(6.0)	(5.3)	(3.2)
Headline profit/(loss) before tax	27.6	19.4	(17.9)

<sup>1</sup> Restated for discontinued operations

Amortisation of acquired intangible assets relates to the amortisation charge in respect of intangible assets acquired through business combinations. The charge has decreased in the period, as a result of the impairment charges recognised in the previous financial year which reduced the value of intangible assets by £63.4m.

In the comparative period, as a result of the COVID-19 outbreak and its effect on discount rates and forecast operating profits at the time, impairment charges of £166.8m were recognised in respect of goodwill (£124.0m), acquired intangible assets (£42.0m) and investments in our associates and joint ventures (£0.8m).

Transaction costs on completed and pending acquisitions and disposals relate principally to costs incurred on the acquisition of Retail Meetup completed in December 2020. The most significant of these costs are professional and consultancy fees incurred in relation to the due diligence and legal procedures necessary for the completion of the deal. In the previous year the costs recognised related to the December 2019 acquisition of the Shoptalk and Groceryshop events. In the prior period integration costs of £0.7m were incurred in relation to the integration of the Shoptalk and Groceryshop events.

In the previous year restructuring costs of £0.9m were incurred in relation to the finalisation of the TAG programme, including the development of the global ERP software planned to be rolled out across the finance function, prior to being suspended as a result of the cost-saving measures implemented across the Group since the COVID-19 outbreak.

Tax on income from associates and joint ventures is an adjustment to ensure headline profit before tax is presented pre-tax. Statutory reported profits from associates and joint ventures are presented post-tax, therefore, in order to present a measure of profit before tax for the Group that is purely pre-tax, the tax on associate and joint venture profits is added back when reporting headline profit before tax. The tax on associates and joint ventures is included within the headline post-tax measure of profit and therefore headline profit after tax is presented consistently with the statutory measure of post-tax profit.

The write-off of previously capitalised debt issue costs on refinancing in the previous year was the accelerated non-cash amortisation of previously capitalised financing costs upon refinancing of the Group's external debt facilities in December 2019.

A number of the Group's acquisitions completed in recent years have future earn-out commitments, either through deferred or contingent consideration payments or through equity option liabilities to increase our current shareholdings. These are held on balance sheet at fair value and therefore change based on the latest foreign exchange rates, the proximity of the settlement date and the latest expectation of the settlement value. Revaluation of assets and liabilities on completed acquisitions and disposals include the gains from the revaluation of our equity options over non-controlling interests in our subsidiaries (credit of £8.8m), in relation to the remaining 40% interest in ABEC, the 2015 acquisition of the Indian exhibitions company including the Acetech portfolio (see note 20 for contingent liability disclosure), the imputed interest credit on the unwinding of the discount on the Group's deferred consideration receivable in relation to the disposals of ITE Expo LLC and its Azerbaijan and Uzbekistan event portfolios (credit of £0.9m), a loss on the revaluation of the ITE Expo LLC deferred consideration (charge of £3.1m) and loss on the revaluation of the deferred consideration payable for Retail Meetup (charge of £0.6m).

#### Cash flows

The Group's cash flow generated from operations over the first six months was (£0.4m) (2020: £25.1m) and cash conversion was 1% (2020: 137%), as presented below. Adjusted net debt at 31 March 2021 has fallen to £92.4m (2020: £157.2m) as a result of the receipt of £118.0m of net proceeds from the rights issue completed in June 2020 and insurance proceeds of £55.1m received since the beginning of the pandemic (excluding proceeds of £15.9m confirmed but not received in March 2021), offset by the acquisition of Retail Meetup completed in December 2020 for initial consideration of £18.5m.

	Six months to 31 March 2021	Six months to 31 March 2020	Year ended 30 September 2020
	£m	£m	£m
<b>Cash generated from operations</b>	<b>(0.4)</b>	<b>25.1</b>	<b>7.8</b>
Add back:			
Net venue utilisation	-	0.9	0.9
<i>Adjusting items (which have cash impact):</i>			
Transaction costs on acquisitions and disposals	0.7	2.6	3.3
Integration costs	-	0.7	0.5
Restructuring costs	-	0.9	0.8
<i>Other adjustments:</i>			
Adjustment to reflect timing of cash flow for above adjusting items	-	0.8	0.8
<b>Headline cash generated from operations (A)</b>	<b>0.3</b>	<b>31.0</b>	<b>14.1</b>
<b>Headline operating profit</b>	<b>31.3</b>	<b>23.8</b>	<b>(10.6)</b>
Add back:			
Depreciation of property, plant and equipment	2.0	2.3	4.8
Amortisation of computer software	0.5	0.7	2.4
Foreign exchange loss/(gains) on operating activities	(0.1)	(4.2)	(2.8)
<b>Headline operating profit before non-cash items (B)</b>	<b>33.7</b>	<b>22.6</b>	<b>(6.2)</b>
<b>Cash conversion % (A/B)</b>	<b>1%</b>	<b>137%</b>	<b>-228%</b>

Net venue utilisation is calculated as advances and prepayments to venues less utilisation of venue advances and prepayments.

#### 2021 interim dividend

The Board has not declared an interim dividend (2020: nil) for the year ending 30 September 2021. The payment of dividends is currently restricted under the terms of the waivers agreed with the Group's lenders in May 2020.

## Trading highlights and review of operations

During the period the Group organised 12 in-person events (2020: 45 events) and volume sales for the period were 39,400 sqm (2020: 288,900 sqm). The reductions compared to the prior period primarily reflect the event cancellations as a result of COVID-19. Following the acquisition of Retail Meetup in December 2020, the Group ran its first Meetup event, Groceryshop Spring Meetup, which performed ahead of management's expectations.

A reconciliation of the period-on-period movement in the Group's volume sales, revenue and headline profit before tax for the period is set out below in order to aid understanding of the Group's performance and improve the comparability of results.

	Square metres sold '000	Revenue £m	Headline profit before tax £m
<b>First half 2020</b>	<b>308</b>	<b>96.3</b>	<b>19.8</b>
Discontinued operations	(20)	(5.7)	(0.4)
<b>First half 2020 – continuing operations</b>	<b>289</b>	<b>90.6</b>	<b>19.4</b>
Biennial	(29)	(5.8)	(2.2)
Timing	-	0.2	(0.5)
COVID-19 postponements and cancellations <sup>1</sup>	(190)	(67.7)	(25.6)
Non-recurring	(2)	(0.4)	0.5
<b>Annually recurring 2020</b>	<b>97</b>	<b>16.9</b>	<b>(8.4)</b>
Acquisitions	-	1.3	0.6
Launches	-	0.7	0.6
FX Translation	-	(0.6)	(2.7)
Like-for-like change	(41)	(11.1)	(6.8)
<b>Annually recurring 2021</b>	<b>56</b>	<b>7.2</b>	<b>(16.7)</b>
Insurance proceeds	-	-	49.0
COVID-19 postponements and cancellations <sup>2</sup>	13	3.2	(0.1)
COVID-19 cancellation costs <sup>3</sup>	-	-	(5.4)
Timing	-	-	0.8
<b>First half 2021</b>	<b>39</b>	<b>10.4</b>	<b>27.6</b>

<sup>1</sup> Represents the prior period performance of events that were postponed or cancelled in the current period as a result of COVID-19.

<sup>2</sup> Represents the current period performance of events that were postponed or cancelled in the prior period as a result of COVID-19.

<sup>3</sup> Represents costs incurred in the current period in respect of the cancellation of events as result of COVID-19.

### Global Communities

The newly formed Global Communities division comprises Africa Oil Week, Breakbulk, Mining Indaba, Bett, CWIEME and the Shoptalk and Groceryshop portfolios, including the Group's virtual Meetup events following the acquisition of Retail Meetup in December 2020. The division also includes our UK retail portfolio, which comprises Spring and Autumn Fair, Glee and our UK fashion portfolio which includes Pure and Moda.

Revenues were £53.5m down compared to the comparative period due to the impact of COVID-19 and the cancellation of the division's in-person events in the first half of the year, including Bett, Spring Fair, Mining Indaba and Africa Oil Week. All these events will next take place in FY22.

Shoptalk and Groceryshop, two US-based market-leading e-commerce events focused on the retail and grocery segments respectively, were acquired in December 2019 but have yet to run under Hyve's ownership as a result of COVID-19. Groceryshop is scheduled to take place in September 2021 and Shoptalk is scheduled to take place in March 2022. In March, the Group ran its first virtual, Groceryshop Spring Meetup, which outperformed expectations. Shoptalk Meetup for Women took place in May and two further virtual Meetup events are currently scheduled, Shoptalk Fall Meetup (19-21 October 2021) and Shoptalk Europe Meetup (dates tbc).

Other Global Communities events have now been cancelled for the current financial year, including CWIEME Berlin, the largest event in the CWIEME portfolio and Breakbulk Europe, the largest event in the Breakbulk portfolio, both originally scheduled to take place in Germany in June 2021 and May 2021 respectively.

### Asia

The Asia division comprises our businesses in India and China as well as joint venture partnerships in both China and Indonesia. Revenues for the Asia division were down 83% compared to the comparative period due to the impact of COVID-19 on our Indian business.

One of our events in India was able to run in February prior to the country returning to lockdown, but all other Indian events scheduled to take place in the period were cancelled. It was also the negative biennial year for the Paperex event which took place in the comparative period.

As China felt the impact of COVID-19 much earlier than the rest of the world and government measures were therefore relaxed at an earlier stage, the Group's domestic events in the region were able to run and performed strongly. CIAAR, the air-conditioning and transport refrigeration exhibition in Shanghai, was the largest event to take place in the region and delivered revenues in line with pre-COVID performance.

A significant contributor to the division's profits is the ChinaCoat event operated by our 50% owned joint venture partner, Sinostar. The event was significantly smaller than the previous edition due to the impact of COVID-19 and international travel bans into China. It therefore contributed £2.8m (2020: £6.8m) to headline profit before tax.

### Eastern & Southern Europe

The Eastern & Southern Europe division is comprised of our event portfolios in Turkey and Ukraine. Revenues for the division were down 74% from the comparative period due to the impact of COVID-19.

Worldfood Istanbul took place in November and was the Group's first event to take place in Turkey since the pandemic, although it was significantly smaller than the previous edition due to international exhibitors and visitors being unable to attend.

Three domestic Ukraine events took place in the period but the period was not without disruption from COVID-19 as a further two events were postponed into the second half after the country re-entered lockdown in March 2021.

### Russia

Revenues on Russian events were 73% lower than the comparative period. Following the lifting of government measures, the division was able to run four events in Moscow in the period but the Group's largest first half event in Russia, YugAgro, the international agriculture exhibition, was unable to take place due to regional restrictions in place in Krasnodar.

MITT, the international travel and tourism event, took place in March, having been cancelled in the comparative period at the start of the pandemic. However, the event was significantly impacted by COVID-19 with international travel restrictions significantly impacting the event's performance.

Mosbuild, the division's largest event, took place successfully in April, as did a further six of the Group's events in Moscow. The division's event schedule for the remainder of the financial year is expected to be able to run as planned.

### Discontinued operations - Central Asia

The Central Asia division previously comprised our events in Kazakhstan, Azerbaijan and Uzbekistan. The disposal of the Kazakhstan business was completed in April 2021, following the disposal of our Azerbaijan and Uzbekistan event portfolios in August 2020, completing Hyve's exit from the region. In the comparative period the division delivered revenues of £5.7m and profits of £0.4m.

No Kazakhstan events were able to take place in the period as a result of COVID-19.

## Principal risks and uncertainties

The principal risks and uncertainties listed below represent those that we consider have the potential for the greatest impact on our ability to meet our strategic objectives.

- Pandemic, natural disaster or terrorist incident
- Political and economic instability
- Liquidity risk
- Venue unavailability
- Repatriation of profits from subsidiaries
- Breach of anti-bribery laws or similar
- Breach of sanctions or sanction extensions
- Breach of health and safety regulations
- Breach of GDPR regulations
- IT cyber/phishing attack resulting in data loss
- Acquisition integration
- Effective control over non-wholly owned subsidiaries
- Pay and performance – for business benefit

All of these were also disclosed as principal risks and uncertainties in the 2020 Annual Report. No new risks have been identified for the 2021 Interim Results. Refer to pages 24-27 of the 2020 Annual Report, where details of the potential impact and mitigating actions in place for each is discussed.

## Going concern

As part of the Directors' assessment of the appropriateness of adopting the going concern basis in preparing the Interim Report and financial statements, the current strength of the Group's liquidity has been considered alongside the impact a range of forecast scenarios would have on the Group's financial position over the next 12 months.

At 31 March 2021 the Group has available liquidity of £122.6m (2020: £92.8m) and adjusted net debt of £92.4m (2020: £157.2m). The Group's liquidity has strengthened significantly in the last 12 months as a result of the £126.6m raised in May 2020, strong cost control, insurance proceeds and rollovers for postponed and cancelled events. The Group's debt covenants were renegotiated in May 2020 with the leverage and interest cover ratios replaced with a £30m-£40m minimum liquidity covenant up to and including March 2022.

The Group has modelled a number of scenarios based on different assumptions regarding the duration and extent to which COVID-19 might reasonably be expected to impact the business. For each of our markets we have sensitised the revenue, profit and cash flow impact of reduced trading activity. We have considered the financial impact of markets and geographies re-opening at different stages over the coming months. For the purposes of considering the Group's going concern assessment, we have focused on two scenarios:

1. A Base Case; and
2. A Downside Case

The Base Case scenario represents the current event schedule and postponement plan for the remainder of FY21 but a return to a full events calendar from FY22. The Group has assumed that COVID-19 will still have a significant impact on the events being run in FY22 and into FY23, particularly in respect of international participation. While our Base Case scenario recognises the vaccine roll outs, it assumes a cautious return of international participation given the different stages countries are at with their respective vaccination programmes.

The Downside Case scenario assumes that restrictions remain in place across the Group's Western markets until December 2021 and local restrictions are brought back in across all other markets in which the Group operates, outside of mainland China. Under the Downside Case available liquidity is expected to remain in excess of £70m throughout the 12 month period from the date of the Interim Report.

The Directors have also modelled a reverse stress test, which assesses the liquidity and covenant position if the Group ran no events until March 2022 and no further insurance for events scheduled in 2021 is received. In this test the Group maintains available liquidity of in excess of £25m throughout the 12 month period from the date of the Interim Report but would breach the liquidity covenant in March 2022 and would therefore require a covenant waiver. The Directors feel that the assumptions applied in this reverse stress test are extremely remote, given that the Group has been able to run events in a number of markets since the outbreak of COVID-19 and the vaccine roll out in most major geographies in which the Group operates will allow a return to in person events.

Based on the current and projected levels of liquidity under the modelled scenarios the Directors believe that the Group is well placed to manage its financial obligations and other business risks satisfactorily and the Directors have been able to form a reasonable expectation that the Group has adequate resources to continue in operation for at least twelve months from the signing date of these financial statements.

The two modelled scenarios, however, would result in a breach of the leverage and interest cover covenants upon their reinstatement in June 2022, shortly after the 12 month period of assessment, without action being taken in advance of this date. The Group is confident in its ability to renegotiate the covenants, if required, on the basis of its strong liquidity position and the strength of its relationship with its lenders, demonstrated by obtaining waivers previously. In addition, the Group has a successful track record of insurance claims and further proceeds would be another mitigating factor.

In the event of a covenant breach, should the Group be unsuccessful in securing waivers, this may prevent the company from being able to continue its operations. This scenario cannot be discounted and therefore indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The interim financial statements do not include any adjustments should the going concern basis be inappropriate.

Given the time horizon and options available to the Group in securing either waivers or new forms of funding, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the Interim financial statements.

## Responsibility statement

We confirm that to the best of our knowledge:

- (a) the condensed set of interim financial statements, which have been prepared in accordance with IAS 34 "Interim Financial Reporting" give a true and fair view of the assets, liabilities, financial position and profit or loss of the undertakings included in the consolidation as a whole as required by DTR 4.2.4R;
- (b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events and their impact, and description of principal risks and uncertainties for the remaining six months of the financial year); and
- (c) the interim management report includes a fair review of the information required regarding related party transactions (under DTR 4.2.8R).

By the order of the board



Chief Executive Officer  
Mark Shashoua



## Condensed Consolidated Income Statement

For the six months ended 31 March 2021

	Notes	Six months to 31 March 2021 (Unaudited)			Six months to 31 March 2020 (Unaudited)			Year ended 30 September 2020 (Audited)		
		Headline	Adjusting items	Statutory	Headline (restated <sup>1</sup> )	Adjusting items	Statutory (restated <sup>1</sup> )	Headline (restated <sup>1</sup> )	Adjusting items	Statutory (restated <sup>1</sup> )
		£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Revenue</b>	2	10,404	-	10,404	90,555	-	90,555	99,365	-	99,365
Cost of sales		(13,623)	-	(13,623)	(59,253)	-	(59,253)	(98,450)	-	(98,450)
<b>Gross profit</b>		<b>(3,219)</b>	-	<b>(3,219)</b>	31,302	-	31,302	915	-	915
Other operating income		49,746	-	49,746	99	-	99	22,578	-	22,578
Administrative expenses		(17,427)	(14,441)	(31,868)	(18,631)	(190,651)	(209,282)	(41,745)	(294,531)	(336,276)
Foreign exchange gain on operating activities		128	-	128	4,157	-	4,157	2,643	-	2,643
Share of results of associates and joint ventures	2	2,110	(478)	1,632	6,468	(1,521)	4,947	5,748	(1,536)	4,212
<b>Operating profit/(loss)</b>		<b>31,338</b>	<b>(14,919)</b>	<b>16,419</b>	23,395	(192,172)	(168,777)	(9,861)	(296,067)	(305,928)
Investment revenue		53	9,664	9,717	406	5,349	5,755	611	4,804	5,415
Finance costs		(3,770)	(3,683)	(7,453)	(4,370)	(1,353)	(5,723)	(8,663)	(2,957)	(11,620)
<b>Profit/(loss) before taxation</b>	2	<b>27,621</b>	<b>(8,938)</b>	<b>18,683</b>	19,431	(188,176)	(168,745)	(17,913)	(294,220)	(312,133)
Tax on profit/(loss)	4	(5,637)	2,066	(3,571)	(3,049)	3,220	171	(4,128)	14,457	10,329
<b>Profit/(loss) from continuing operations</b>		<b>21,984</b>	<b>(6,872)</b>	<b>15,112</b>	16,382	(184,956)	(168,574)	(22,041)	(279,763)	(301,804)
<b>Profit/(loss) from discontinued operations</b>		<b>(730)</b>		<b>(730)</b>	352	-	352	(1,016)	-	(1,016)
<b>Profit/(loss) for the period</b>		<b>21,254</b>	<b>(6,872)</b>	<b>14,382</b>	16,734	(184,956)	(168,222)	(23,057)	(279,763)	(302,820)
Attributable to:										
Owners of the Company		21,642	(6,872)	14,770	15,781	(184,956)	(169,175)	(23,985)	(279,763)	(303,748)
Non-controlling interests		(388)		(388)	953	-	953	928	-	928
		<b>21,254</b>	<b>(6,872)</b>	<b>14,382</b>	16,734	(184,956)	(168,222)	(23,057)	(279,763)	(302,820)
<b>Earnings per share (p)</b>										
Basic	6	8.2		5.6	11.2		(120.1)	(13.6)		(171.6)
Diluted	6	8.2		5.6	11.2		(120.1)	(13.6)		(171.6)
<b>Earnings per share from continuing operations (p)</b>										
Basic		8.5		5.9	11.0		(120.3)	(13.0)		(171.0)
Diluted		8.5		5.9	10.9		(120.3)	(13.0)		(171.0)

<sup>1</sup> Restated for discontinued operations. See Note 7.

Notes 1 to 19 form an integral part of the condensed consolidated financial statements.

## Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 March 2021

	Six months to 31 March 2021	Six months to 31 March 2020	Year ended 30 September 2020
	Unaudited	Unaudited	Audited
	£000	£000	£000
Profit/(loss) for the period attributable to shareholders	14,382	(168,222)	(302,820)
Cash flow hedges:			
Movement in fair value of cash flow hedges	340	(332)	(763)
Fair value of cash flow hedges released to the income statement	-	42	52
Currency translation movement on net investment in subsidiary undertakings	(6,975)	(2,869)	(5,603)
Total other comprehensive income	(6,635)	(3,159)	(6,314)
	7,747	(171,381)	(309,134)
Tax relating to components of comprehensive income	(148)	62	-
<b>Total comprehensive income for the period</b>	<b>7,599</b>	<b>(171,319)</b>	<b>(309,134)</b>
Attributable to:			
Owners of the Company	7,987	(172,272)	(310,062)
Non-controlling interests	(388)	953	928
	7,599	(171,319)	(309,134)

All items recognised in comprehensive income may be reclassified subsequently to the income statement.

Notes 1 to 19 form an integral part of the condensed consolidated financial statements.

## Condensed Consolidated Statement of Changes in Equity

31 March 2021

Six months ended 31 March 2021 (Unaudited):

	Share Capital	Share Premium Account	Merger Reserve	Capital Redemption Reserve	ESOT Reserve	Retained Earnings	Put Option Reserve	Translation Reserve	Hedge Reserve	Total	Non Controlling interests	Total Equity
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Balance as at 1 October 2020</b>	26,513	160,271	2,746	457	(3,175)	33,347	(13,255)	(50,922)	(958)	155,024	21,922	176,946
Profit/(loss) for the period	-	-	-	-	-	14,770	-	-	-	14,770	(388)	14,382
Currency translation movement on net investment in subsidiary undertakings	-	-	-	-	-	-	-	(6,975)	-	(6,975)	-	(6,975)
Movement in fair value of cash flow hedges	-	-	-	-	-	-	-	-	340	340	-	340
Tax relating to components of comprehensive income	-	-	-	-	-	-	-	-	(148)	(148)	-	(148)
<b>Total comprehensive income for the six months to 31 March 2021</b>	-	-	-	-	-	14,770	-	(6,975)	192	7,987	(388)	7,599
Dividends (Note 5)	-	-	-	-	-	-	-	-	-	-	(13)	(13)
Share-based payments	-	-	-	-	-	339	-	-	-	339	-	339
Tax credited to equity	-	-	-	-	-	191	-	-	-	191	-	191
<b>Balance as at 31 March 2021</b>	<b>26,513</b>	<b>160,271</b>	<b>2,746</b>	<b>457</b>	<b>(3,175)</b>	<b>48,647</b>	<b>(13,255)</b>	<b>(57,897)</b>	<b>(766)</b>	<b>163,541</b>	<b>21,521</b>	<b>185,062</b>

Notes 1 to 19 form an integral part of the condensed consolidated financial statements.

## Condensed Consolidated Statement of Changes in Equity

Six months ended 31 March 2020 (Unaudited):

	Share Capital	Share Premium Account	Merger Reserve	Capital Redemption Reserve	ESOT Reserve	Retained Earnings	Put Option Reserve	Translation Reserve	Hedge Reserve	Total	Non Controlling interests	Total Equity
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Balance as at 1 October 2019</b>	7,416	279,756	2,746	457	(2,787)	70,009	(13,255)	(45,133)	(247)	298,962	22,803	321,765
Effect of initial application of IFRS 16 on 1 October 2019	-	-	-	-	-	(468)	-	-	-	(468)	-	(468)
<b>Revised balance as at 1 October 2019</b>	<b>7,416</b>	<b>279,756</b>	<b>2,746</b>	<b>457</b>	<b>(2,787)</b>	<b>69,541</b>	<b>(13,255)</b>	<b>(45,133)</b>	<b>(247)</b>	<b>298,494</b>	<b>22,803</b>	<b>321,297</b>
(Loss)/profit for the period	-	-	-	-	-	(169,175)	-	-	-	(169,175)	953	(168,222)
Currency translation movement on net investment in subsidiary undertakings	-	-	-	-	-	-	-	(2,869)	-	(2,869)	-	(2,869)
Movement in fair value of cash flow hedges	-	-	-	-	-	-	-	-	(332)	(332)	-	(332)
Fair value of cash flow hedges released to the Income Statement	-	-	-	-	-	-	-	-	42	42	-	42
Tax relating to components of comprehensive income	-	-	-	-	-	-	-	-	62	62	-	62
<b>Total comprehensive income for the six months to 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(169,175)</b>	<b>-</b>	<b>(2,869)</b>	<b>(228)</b>	<b>(172,272)</b>	<b>953</b>	<b>(171,319)</b>
Dividends (Note 5)	-	-	-	-	-	(13,030)	-	-	-	(13,030)	(34)	(13,064)
Share-based payments	-	-	-	-	-	236	-	-	-	236	-	236
Issue of shares – subscription	146	11,283	-	-	-	-	-	-	-	11,429	-	11,429
Issue of shares – share placement	596	51,838	-	-	-	-	-	-	-	52,434	-	52,434
Share issue costs	-	(2,426)	-	-	-	-	-	-	-	(2,426)	-	(2,426)
Capital reduction	-	(279,756)	-	-	-	279,756	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>8,158</b>	<b>60,695</b>	<b>2,746</b>	<b>457</b>	<b>(2,787)</b>	<b>167,328</b>	<b>(13,255)</b>	<b>(48,002)</b>	<b>(475)</b>	<b>174,865</b>	<b>23,722</b>	<b>198,587</b>

Notes 1 to 19 form an integral part of the condensed consolidated financial statements.

## Condensed Consolidated Statement of Changes in Equity

Year ended 30 September 2020 (Audited):

	Share Capital	Share Premium Account	Merger Reserve	Capital Redemption Reserve	ESOT Reserve	Retained Earnings	Put Option Reserve	Translation Reserve	Hedge Reserve	Total	Non Controlling interests	Total Equity
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Balance as at 1 October 2019</b>	7,416	279,756	2,746	457	(2,787)	70,009	(13,255)	(45,133)	(247)	298,962	22,803	321,765
Effect of initial application of IFRS 16 on 1 October 2019	-	-	-	-	-	(334)	-	-	-	(334)	-	(334)
<b>Revised balance as at 1 October 2019</b>	<b>7,416</b>	<b>279,756</b>	<b>2,746</b>	<b>457</b>	<b>(2,787)</b>	<b>69,675</b>	<b>(13,255)</b>	<b>(45,133)</b>	<b>(247)</b>	<b>298,628</b>	<b>22,803</b>	<b>321,431</b>
(Loss)/profit for the year	-	-	-	-	-	(303,748)	-	-	-	(303,748)	928	(302,280)
Currency translation movement on net investment in subsidiary undertakings	-	-	-	-	-	-	-	(5,603)	-	(5,603)	-	(5,603)
Movement in fair value of cash flow hedges	-	-	-	-	-	-	-	-	(763)	(763)	-	(763)
Fair value of cash flow hedges released to the Income Statement	-	-	-	-	-	-	-	-	52	52	-	52
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(303,748)</b>	<b>-</b>	<b>(5,603)</b>	<b>(711)</b>	<b>(310,062)</b>	<b>928</b>	<b>(309,134)</b>
Dividends (Note 5)	-	-	-	-	-	(13,012)	-	-	-	(13,012)	(1,809)	(14,821)
Exercise of share options	-	-	-	-	(388)	-	-	-	-	(388)	-	(388)
Share-based payments	-	-	-	-	-	556	-	-	-	556	-	556
Issue of shares – share placement	596	49,413	-	-	-	-	-	-	-	50,009	-	50,009
Issue of shares – subscription	146	11,283	-	-	-	-	-	-	-	11,429	-	11,429
Issue of shares – rights issue	18,355	99,632	-	-	-	-	-	-	-	117,987	-	117,987
Capital reduction	-	(279,813)	-	-	-	279,813	-	-	-	-	-	-
Tax credited to equity	-	-	-	-	-	63	-	-	-	63	-	63
Disposal of subsidiary	-	-	-	-	-	-	-	(186)	-	(186)	-	(186)
<b>Balance as at 30 September 2020</b>	<b>26,513</b>	<b>160,271</b>	<b>2,746</b>	<b>457</b>	<b>(3,175)</b>	<b>33,347</b>	<b>(13,255)</b>	<b>(50,922)</b>	<b>(958)</b>	<b>155,024</b>	<b>21,922</b>	<b>176,946</b>

Notes 1 to 19 form an integral part of the condensed consolidated financial statements.

## Condensed Consolidated Statement of Financial Position

31 March 2021

		31 March 2021 Unaudited £000	31 March 2020 Unaudited £000	30 September 2020 Audited £000
	Notes			
<b>Non-current assets</b>				
Goodwill	9	73,933	147,631	66,829
Intangible assets	10	232,019	280,940	240,572
Property, plant and equipment	11	17,078	20,438	17,964
Interests in associates and joint ventures	12	38,464	45,949	37,444
Investments		1,540	1,047	1,540
Deferred consideration receivable		4,931	-	6,865
Deferred tax asset		460	4,393	460
		<b>368,425</b>	<b>500,398</b>	<b>371,674</b>
<b>Current assets</b>				
Trade and other receivables	13	46,436	59,637	33,731
Tax prepayment		2,094	3,413	1,374
Cash and cash equivalents		57,975	89,947	50,330
Assets classified as held for sale	7	6,540	-	-
		<b>113,045</b>	<b>152,997</b>	<b>85,435</b>
<b>Total assets</b>		<b>481,470</b>	<b>653,395</b>	<b>457,109</b>
<b>Current liabilities</b>				
Bank loans	15	(3,000)	(17,500)	(17,500)
Trade and other payables	14	(46,707)	(43,175)	(58,454)
Current tax liabilities		(1,181)	(698)	(1,360)
Deferred income		(57,631)	(103,051)	(61,276)
Derivative financial instruments	16	-	(8,455)	(9,393)
Provisions		(170)	(304)	(170)
Liabilities classified as held for sale	7	(3,369)	-	-
		<b>(112,058)</b>	<b>(173,183)</b>	<b>(148,153)</b>
<b>Non-current liabilities</b>				
Bank loans	15	(150,198)	(229,679)	(100,485)
Provisions		(1,350)	(1,534)	(1,547)
Deferred income		-	(338)	-
Lease liabilities		(14,773)	(16,400)	(15,332)
Deferred tax liabilities		(17,496)	(33,229)	(13,773)
Derivative financial instruments	16	(533)	(445)	(873)
		<b>(184,350)</b>	<b>(281,625)</b>	<b>(132,010)</b>
<b>Total liabilities</b>		<b>(296,408)</b>	<b>(454,808)</b>	<b>(280,163)</b>
<b>Net assets</b>		<b>185,062</b>	<b>198,587</b>	<b>176,946</b>
<b>Equity</b>				
Share capital	17	26,513	8,158	26,513
Share premium account		160,271	60,695	160,271
Merger reserve		2,746	2,746	2,746
Capital redemption reserve		457	457	457
ESOT reserve		(3,175)	(2,787)	(3,175)
Retained earnings		48,647	167,328	33,347
Put option reserve		(13,255)	(13,255)	(13,255)
Translation reserve		(57,897)	(48,002)	(50,922)
Hedge reserve		(766)	(475)	(958)
<b>Equity attributable to equity holders of the parent</b>		<b>163,541</b>	<b>174,865</b>	<b>155,024</b>
Non-controlling interest		21,521	23,722	21,922
<b>Total equity</b>		<b>185,062</b>	<b>198,587</b>	<b>176,946</b>

Notes 1 to 19 form an integral part of the condensed consolidated financial statements.

## Condensed Consolidated Cash Flow Statement

For the six months ended 31 March 2021

		Six months to 31 March 2021	Six months to 31 March 2020	Year ended 30 September 2020
	Notes	Unaudited £000	Unaudited £000	Audited £000
<b>Operating activities</b>				
Operating profit/(loss) from continuing operations		16,419	(168,777)	(305,928)
Operating profit/(loss) from discontinued operations		(730)	403	(783)
<b>Adjustments for non-cash items:</b>				
Depreciation and amortisation	10,11	16,292	16,971	36,425
Impairment of assets	3	-	166,849	263,015
Share-based payments		371	250	579
(Decrease)/increase in provisions		(30)	(53)	(119)
Loss/(profit) on disposal of plant, property and equipment and computer software		99	(14)	(8)
Profit/(loss) on disposal of investments	3	-	5,616	(2,263)
Fair value of cash flow hedges recognised in the income statement		-	42	52
Share of profit from associates and joint ventures	12	(1,632)	(4,947)	(4,212)
<b>Operating cash flows before movements in working capital</b>		<b>30,789</b>	<b>16,340</b>	<b>(13,242)</b>
(Increase)/decrease in receivables		(19,072)	(4,138)	31,285
Advances and prepayments to venues		-	(1,615)	(1,630)
Utilisation of venue advances and prepayments		29	717	726
(Decrease)/increase in deferred income		(1,215)	11,315	(28,823)
(Decrease)/increase in payables		(11,471)	1,934	14,910
<b>Operating cash flows after movements in working capital</b>		<b>(940)</b>	<b>24,553</b>	<b>3,226</b>
Dividends received from associates and joint ventures	12	531	539	4,528
<b>Cash generated from operations</b>		<b>(409)</b>	<b>25,092</b>	<b>7,754</b>
Tax paid		(716)	(2,179)	(2,713)
<b>Net cash from operating activities</b>		<b>(1,125)</b>	<b>22,913</b>	<b>5,041</b>
<b>Investing activities</b>				
Interest received		53	406	611
Investment in associates and joint ventures and other investments		-	(547)	(1,040)
Acquisition of businesses – cash paid net of cash acquired	8	(18,514)	(97,924)	(97,757)
Purchase of property, plant and equipment and computer software		(219)	(1,189)	(1,942)
Disposal of plant, property and equipment and computer software		15	23	-
Disposal of subsidiaries – cash received net of cash disposed		304	-	(650)
Settlement of deferred consideration receivable	13	-	567	-
<b>Net cash flows from investing activities</b>		<b>(18,361)</b>	<b>(98,664)</b>	<b>(100,778)</b>
<b>Financing activities</b>				
Equity dividends paid		-	(13,006)	(12,995)
Dividends paid to non-controlling interests		(13)	(34)	(1,808)
Interest paid and bank charges		(3,440)	(4,044)	(7,980)
Principal paid on lease liabilities		(1,902)	(1,941)	(3,940)
Proceeds from the issue of share capital and exercise of share options		-	52,434	179,084
Fees relating to share placing		-	(2,426)	(11,088)
Acquisition of shares for ESOT		-	-	(388)
Drawdown of borrowings		70,213	148,832	145,321
Repayment of borrowings		(35,000)	(47,725)	(173,432)
<b>Net cash flows from financing activities</b>		<b>29,858</b>	<b>132,090</b>	<b>112,774</b>
Net (decrease)/increase in cash and cash equivalents		<b>10,373</b>	<b>56,340</b>	<b>17,036</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>50,330</b>	<b>33,027</b>	<b>33,027</b>
Effect of foreign exchange rates on cash and cash equivalents		99	580	267
Cash and cash equivalents classified as held for sale	7	(2,827)	-	-
<b>Cash and cash equivalents at end of period</b>		<b>57,975</b>	<b>89,947</b>	<b>50,330</b>

Notes 1 to 19 form an integral part of the condensed consolidated financial statements.

## Notes to the Interim Financial Statements

### 1. General Information and basis of preparation

The information for the year ended 30 September 2020 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors, BDO LLP, reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The annual financial statements of Hyve Group plc are prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as adopted by the European Union.

The condensed consolidated financial statements have been reviewed by BDO LLP but have not been audited. They do not include all the information and disclosures required in the annual financial statements, and therefore should be read in conjunction with the Group's consolidated financial statements for the year ended 30 September 2020.

#### *Going concern*

The condensed consolidated financial statements have been prepared on the going concern basis, as outlined in the 'Going Concern' section of the Interim Management Report.

#### *Accounting policies*

The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2020 annual financial statements.

#### *Impact of accounting standards to be applied in future periods*

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to 30 September 2021 (the date on which the company's next annual financial statements will be prepared up to) that the Group has decided not to adopt early. The Group does not believe these standards and interpretations will have a material impact on the financial statements once adopted.



## Notes to the Interim Financial Statements

### 2. Segmental information

The Group has identified reportable segments based on financial information used by the Executive Directors in allocating resources and making strategic decisions. The Executive Directors (consisting of the Chief Executive Officer and the Chief Finance and Operations Officer), are considered to be the Group's Chief Operating Decision Maker. The Group evaluates performance on the basis of headline profit or loss before tax.

The Group's reportable segments are operational business units and groups of events that are managed separately, either based on geographic location or as portfolios of events.

During the year the Group has made changes to its reportable segments. The Global Brands and UK segments have merged to form a new Global Communities segment, reflecting the new management structure in place for these businesses. Following the disposal of the Group's Kazakhstan business in April 2021, in addition to the disposal of our Azerbaijan and Uzbekistan event portfolios in August 2020, Hyve has now completed its exit from Central Asia. The results of Central Asia are treated as a discontinued operation in both the current and comparative periods and Central Asia is no longer a reportable segment for the Group. At 31 March 2021, the assets and liabilities of the Kazakhstan business are classified as held for sale.

In order to enhance the transparency of our segmental reporting and present divisional cost bases which more accurately reflect the costs required to run the individual segments, we have reallocated any costs which are incurred centrally but can be directly attributable to the segments. This exercise has been performed for both the current period and the comparative periods which have been restated.

The products and services offered by each business unit are identical across the Group. The revenue and headline profit before tax are attributable to the Group's one principal activity, the organisation of trade exhibitions, conferences and related activities and can be analysed by operating segment as follows:

Six months to 31 March 2021 Unaudited	Global Communities £000	Asia £000	Eastern & Southern Europe £000	Russia £000	Continuing operations £000	Discontinued operations £000	Total Group £000
Revenue	2,149	2,088	752	5,415	10,404	49	10,453
Segment headline profit before tax	(8,968)	166	(1,697)	(2,438)	(12,937)	(730)	(13,667)
Other operating income					49,746	-	49,746
Unallocated costs					(9,188)	-	(9,188)
<b>Headline profit before tax</b>					<b>27,621</b>	<b>(730)</b>	<b>26,891</b>
Adjusting items (note 3)					(8,938)	-	(8,938)
<b>Profit before tax</b>					<b>18,683</b>	<b>(730)</b>	<b>17,953</b>
Tax					(3,571)	-	(3,571)
<b>Profit/(loss) for the period</b>					<b>15,112</b>	<b>(730)</b>	<b>14,382</b>

The revenue in the period of £10.4m includes £nil (six months to 31 March 2020: £1.0m; year ended 30 September 2020: £2.9m) of barter sales. No individual customer amounts to more than 10% of Group revenues.

Unallocated items include:

- head office costs;
- foreign exchange gains and losses on translation of monetary assets and liabilities held in Group subsidiary companies that are denominated in currencies other than the functional currency of the subsidiaries; and
- net finance costs.

## Notes to the Interim Financial Statements

### 2. Segmental information (continued)

The impairment and derecognition charges recognised in respect of goodwill, intangible assets, investments in associates and joint ventures, and other assets can be analysed by operating segment as follows:

	Six months to 31 March 2021 £000	Six months to 31 March 2020 £000	Year ended 30 September 2020 £000
Asia	-	771	25,712
Global Communities	-	165,482	231,549
Eastern & Southern Europe	-	-	5,157
Discontinued operations	-	596	597
	-	166,849	263,015

The Group's share of profits from associates and joint ventures, capital expenditure and amortisation and depreciation can be analysed by operating segment as follows:

Six months to 31 March 2021 Unaudited	Global Communities £000	Asia £000	Eastern & Southern Europe £000	Russia £000	Total Group £000
<b>Share of results of associates and joint ventures</b>					
Share of results before tax	-	2,256	-	(146)	2,110
Tax	-	(478)	-	-	(478)
Share of results after tax	-	1,778	-	(146)	1,632
<b>Capital expenditure</b>					
Segment capital expenditure	13	64	8	43	128
Unallocated capital expenditure					91
					219
<b>Depreciation and amortisation</b>					
Segment depreciation and amortisation	13,139	798	35	192	14,164
Unallocated depreciation and amortisation					2,138
					16,302

## Notes to the Interim Financial Statements

### 2. Segmental information (continued)

The Group's assets and liabilities can be analysed by operating segment as follows:

As at 31 March 2021 Unaudited	Global Communities £000	Asia £000	Eastern & Southern Europe £000	Russia £000	Total Group £000
<b>Assets</b>					
Segment assets	297,469	65,662	6,683	38,548	408,362
Assets classified as held for sale					6,540
Unallocated assets					66,568
Total assets					481,470
<b>Liabilities</b>					
Segment liabilities	(49,604)	(22,488)	(5,427)	(22,876)	(100,395)
Liabilities classified as held for sale					(3,369)
Unallocated liabilities					(192,644)
Total liabilities					(296,408)
<b>Net assets</b>					185,062

The assets and liabilities classified as held for sale at 31 March 2021 relate to the Central Asia segment which is now treated as a discontinued operation.

Six months to 31 March 2020 Unaudited (restated <sup>1</sup> )	Global Communities £000	Asia £000	Eastern & Southern Europe £000	Russia £000	Continuing operations £000	Discontinued operations £000	Total Group £000
<b>Revenue</b>	55,628	11,979	2,902	20,046	90,555	5,708	96,263
Segment headline profit before tax	14,188	8,846	(1,201)	4,570	26,403	367	26,770
Other operating income					-	-	-
Unallocated items					(6,971)	35	(6,936)
<b>Headline profit before tax</b>					19,432	402	19,834
Adjusting items (note 3)					(188,176)	-	(188,176)
<b>Profit before tax</b>					(168,745)	402	(168,342)
Tax					171	(51)	120
<b>Profit for the period</b>					(168,574)	352	(168,222)

<sup>1</sup> Restated for discontinued operations (see Note 7), the revision of operating segments and the allocation of corporate costs.

## Notes to the Interim Financial Statements

### 2. Segmental information (continued)

Six months to 31 March 2020 Unaudited (restated <sup>1</sup> )	Global Communities £000	Asia £000	Eastern & Southern Europe £000	Russia £000	Total Group £000
<b>Share of results of associates and joint ventures</b>					
Share of results before tax	-	6,635	-	(167)	6,468
Tax	-	(1,554)	-	33	(1,521)
Share of results after tax	-	5,081	-	(134)	4,947
<b>Capital expenditure</b>					
Segment capital expenditure	32	3	13	79	127
Unallocated capital expenditure					1,062
					1,189
<b>Depreciation and amortisation</b>					
Segment depreciation and amortisation	11,738	1,922	1,043	431	15,134
Unallocated depreciation and amortisation					1,836
					16,970

<sup>1</sup> Restated for revision of operating segments. Capital expenditure, depreciation and amortisation previously allocated to the Central Asia segment is now included within unallocated capital expenditure and unallocated depreciation and amortisation.

As at 31 March 2020 Unaudited (restated <sup>1</sup> )	Global Communities £000	Asia £000	Central Asia £000	Eastern & Southern Europe £000	Russia £000	Total Group £000
<b>Assets</b>						
Segment assets	386,848	104,610	15,904	17,140	55,420	579,922
Unallocated assets						73,473
Total assets						653,395
<b>Liabilities</b>						
Segment liabilities	(33,017)	(33,129)	(10,629)	(8,977)	(38,589)	(124,341)
Unallocated liabilities						(330,467)
Total liabilities						(454,808)
<b>Net assets</b>						198,587

<sup>1</sup> Restated for revision of operating segments.

## Notes to the Interim Financial Statements

### 2. Segmental information (continued)

Year ended 30 September 2020 (restated <sup>1</sup> )	Global Communities £000	Asia £000	Eastern & Southern Europe £000	Russia £000	Continuing operations £000	Discontinued operations £000	Total Group £000
<b>Revenue</b>	56,505	17,069	4,010	21,781	99,365	5,717	105,082
Segment headline profit before tax	(14,879)	6,390	(3,058)	(6,621)	(18,168)	(948)	(19,116)
Other operating income					22,578	-	22,578
Unallocated costs					(22,323)	165	(22,158)
<b>Headline profit before tax</b>					(17,913)	(783)	(18,696)
Adjusting items					(294,220)	-	(294,220)
<b>Profit before tax</b>					(312,133)	(783)	(312,916)
Tax					10,329	(233)	10,096
<b>Profit for the period</b>					(301,804)	(1,016)	(302,820)

<sup>1</sup> Restated for discontinued operations (see Note 7), the revision of operating segments and the allocation of corporate costs.

Year ended 30 September 2020 (restated <sup>1</sup> )	Global Communities £000	Asia £000	Eastern & Southern Europe £000	Russia £000	Total Group £000
<b>Share of results of associates and joint ventures</b>					
Share of results before tax	-	6,028	-	(280)	5,748
Tax	-	(1,536)	-	-	(1,536)
Share of results after tax	-	4,492	-	(280)	4,212
<b>Capital expenditure</b>					
Segment capital expenditure	132	51	17	93	293
Unallocated capital expenditure					1,649
					1,942
<b>Depreciation and amortisation</b>					
Segment depreciation and amortisation	24,576	3,946	2,084	822	31,428
Unallocated depreciation and amortisation					4,997
					36,425

<sup>1</sup> Restated for revision of operating segments. Capital expenditure, depreciation and amortisation previously allocated to the Central Asia CGU are now included within unallocated capital expenditure and unallocated depreciation and amortisation.

## Notes to the Interim Financial Statements

### 2. Segmental information (continued)

The Group's assets and liabilities can be analysed by operating segment as follows:

30 September 2020 (restated <sup>1</sup> )	Global Communities £000	Asia £000	Central Asia £000	Eastern & Southern Europe £000	Russia £000	Total Group £000
<b>Assets</b>						
Segment assets	296,937	64,629	6,811	9,682	42,345	420,404
Unallocated assets						36,705
						<hr/> 457,109
<b>Liabilities</b>						
Segment liabilities	(65,264)	(28,293)	(3,189)	(7,428)	(31,444)	(135,618)
Unallocated liabilities						(144,545)
						<hr/> (280,163)
<b>Net assets</b>						<hr/> 176,946

<sup>1</sup> Restated for revision of operating segments.

### Geographical information

Information about the Group's revenue by origin of sale and non-current assets by geographical location are detailed below:

	Revenue <sup>1</sup>			Non-current assets <sup>2</sup>		
	Six months to 31 March 2021	Six months to 31 March 2020	Year ended 30 September 2020	Six months to 31 March 2021	Six months to 31 March 2020	Year ended 30 September 2020
	Unaudited £000	Unaudited £000	Audited £000	Unaudited £000	Unaudited £000	Audited £000
Asia	2,098	11,850	16,940	48,591	83,009	49,331
Central Asia	49	3,113	3,114	-	3,675	2,085
Eastern & Southern Europe	582	2,608	3,613	2,409	8,967	2,844
Russia	3,877	15,575	17,243	18,090	19,053	18,208
UK	1,275	35,977	38,245	107,772	116,036	39,083
US	1,337	2,524	2,746	94,430	-	89,369
Rest of the World	1,235	24,616	23,181	96,673	265,265	170,294
<b>Total</b>	<hr/> 10,453	<hr/> 96,263	<hr/> 105,082	<hr/> 367,965	<hr/> 496,005	<hr/> 371,214

<sup>1</sup> Includes revenue from discontinued operations.

<sup>2</sup> Non-current assets exclude deferred tax assets and non-current assets classified as held for sale at 31 March 2021.

## Notes to the Interim Financial Statements

### 3. Adjusting items

The following (charges)/credits have been presented as adjusting items:

	Six months to 31 March 2021 Unaudited £000	Six months to 31 March 2020 Unaudited £000	Year ended 30 September 2020 Audited £000
<i>Operating items</i>			
Amortisation of acquired intangible assets	(13,760)	(14,023)	(29,154)
Impairment of goodwill	-	(124,032)	(195,110)
Impairment of intangible assets	-	(42,046)	(63,432)
Impairment of investment in associates and JVs	-	(771)	(4,473)
Profit on disposal of investments	-	(5,616)	2,263
Transaction costs on acquisitions and disposals	(681)	(2,592)	(3,271)
Integration costs			
- Integration costs	-	(694)	(531)
- Costs to realise synergies	-	-	-
Restructuring costs			
- TAG	-	(878)	(823)
- Other	-	-	-
Tax on income from associates and joint ventures	(478)	(1,521)	(1,536)
<i>Financing items</i>			
Gain on revaluation of equity option liabilities	8,807	4,526	3,851
(Loss)/gain on revaluation of deferred consideration payable	(602)	69	104
Imputed interest income on discounted deferred consideration receivable	857	865	849
Loss on revaluation of deferred consideration receivable	(3,081)	(110)	(1,604)
Write off of previously capitalised debt issue costs on refinancing	-	(1,353)	(1,353)
	<b>(8,938)</b>	<b>(188,176)</b>	<b>(294,220)</b>

Please refer to the Financial Performance section of this report for explanations provided on adjusting items.

## Notes to the Interim Financial Statements

### 4. Tax on profit/(loss) on ordinary activities

	Six months to 31 March 2021 Unaudited £000	Six months to 31 March 2020 (restated) <sup>1</sup> Unaudited £000	Year ended 30 September 2020 (restated) <sup>1</sup> Audited £000
Current tax			
UK corporation tax	(124)	-	434
Foreign tax	369	(784)	(4,018)
	<u>245</u>	<u>(784)</u>	<u>(3,584)</u>
Deferred tax	(3,816)	955	13,913
	<u>(3,571)</u>	<u>171</u>	<u>10,329</u>
Tax (charge)/charge on profit on ordinary activities			

<sup>1</sup> Restated for discontinued operations. See Note 7.

Tax for the interim period is charged on pre-tax profits, including those of associates and joint ventures, at a blended rate representing the best estimate of the weighted average annual corporation tax expected for the financial year adjusted for discrete items in the interim period. The effective tax rate on headline profit before tax is 20% (31 March 2020: 16%; 30 September 2020: 0%) and in relation to the statutory loss before tax for the period is 19% (31 March 2020: 0%; 30 September 2020: 0%). The tax on adjusting items consists of a credit of £1.6m (31 March 2020: £1.7m; 30 September 2020: £12.9m) relating to the adjusting items set out in note 3.

### 5. Dividends

	Six months to 31 March 2021 Unaudited			Six months to 31 March 2020 Unaudited			Year ended 30 September 2020 Audited		
	Per share p	Settled in cash £000	Settled in scrip £000	Per share p	Settled in cash £000	Settled in scrip £000	Per share p	Settled in cash £000	Settled in scrip £000
Amounts recognised as distributions to equity holders in the period:									
Final dividend in respect of the year ended 30 September 2020	-	-	-	-	-	-	-	-	-
Interim dividend in respect of the year ended 30 September 2020	-	-	-	-	-	-	-	-	-
Final dividend in respect of the year ended 30 September 2019	-	-	-	1.6	13,012	-	1.6	13,012	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1.6</u>	<u>13,012</u>	<u>-</u>	<u>1.6</u>	<u>13,012</u>	<u>-</u>

The Directors have not declared an interim dividend for the year ending 30 September 2021.



## Notes to the Interim Financial Statements

### 6. Earnings per share

The calculation of basic, diluted and headline diluted earnings per share is based on the following earnings and numbers of shares:

	Six months to 31 March 2021 Unaudited	Six months to 31 March 2020 Unaudited (restated <sup>1</sup> )	Year ended 30 September 2020 Audited
	Number of shares ('000)	Number of shares ('000)	Number of shares ('000)
Weighted average number of shares:			
For basic earnings per share	264,349	140,885	177,009
Dilutive effect of exercise of share options	109	96	3
For diluted earnings per share	264,458	140,981	177,012

<sup>1</sup> The weighted average number of shares used for basic and diluted and headline basic and diluted earnings per share for March 2020 has been restated as a result of the share consolidation and rights issue which took place during 2020, in order to provide a comparative measure. As a result, basic and diluted and headline basic and diluted earnings per share for March 2020 have also been restated.

#### **Basic and diluted earnings per share**

The calculations of basic and diluted earnings per share are based on the profit for the financial year attributable to equity holders of the parent of £14.8m (31 March 2020: loss of £169.2m; 30 September 2020: loss of £303.7m). Basic and diluted earnings per share were 5.6p and 5.6p respectively (31 March 2020: (120.1p) and (120.1p) respectively; 30 September 2020: (171.6p) and (171.6p) respectively). No share options (31 March 2020: 96,000; 30 September 2020: 3,000) were excluded from the weighted average number of ordinary shares used in the calculation of the diluted earnings per share because their effect would have been antidilutive.

#### **Headline earnings per share**

The calculations of headline basic and diluted earnings per share are based on the headline profit for the financial year attributable to equity holders of the parent of £21.6m (31 March 2020: £15.8m; 30 September 2020: loss of £24.0m). Headline basic and diluted earnings per share were 8.2p and 8.2p respectively (31 March 2020: 11.2p and 11.2p respectively; 30 September 2020: (13.6p) and (13.6p) respectively).

#### **Basic and diluted earnings per share from continuing operations**

The calculations of basic and diluted earnings per share are based on the profit for the financial year attributable to equity holders of the parent from continuing operations of £15.5m (31 March 2020: loss of £169.5m; 30 September 2020: loss of £302.7m). Basic and diluted earnings per share from continuing operations were 5.9p and 5.9p respectively (31 March 2020: (120.3p) and (120.2p) respectively; 30 September 2020: (171p) and (171p) respectively). No share options (31 March 2020: 96,000; 30 September 2020: 3,000) were excluded from the weighted average number of ordinary shares used in the calculation of the diluted earnings per share because their effect would have been antidilutive.

#### **Headline earnings per share from continuing operations**

The calculations of headline basic and diluted earnings per share are based on the headline profit for the financial year attributable to equity holders of the parent from continuing operations of £22.4m (31 March 2020: £15.4m; 30 September 2020: loss of £23.0m). Headline basic and diluted earnings per share were 8.5p and 8.5p respectively (31 March 2020: 11.0p and 10.9p respectively; 30 September 2020: (13.0p) and (13.0p) respectively).

## Notes to the Interim Financial Statements

### 7. Disposal group held for sale and discontinued operations

In April 2021 the Group announced 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. This completes the Group's planned exit of its business in Central Asia.

In order to be recognised as a disposal group held for sale, IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' requires the business to be available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, and the sale must be highly probable.

The Group has considered how advanced the disposal was at 31 March 2021 and concluded that the relevant criteria for recognition as held for sale have been met as at this date. This conclusion has subsequently been supported by the completion of the disposal in April 2021.

IFRS 5 requires the disposal group held for sale to be measured at the lower of its carrying value and fair value less costs to sell. The fair value of the disposal group is deemed to be the present value of the expected consideration of £3.3m (the undiscounted value of the expected consideration is £4.8m). As the fair value less costs to sell of the disposal group exceeds the carrying value of the disposal group of £3.2m, at 31 March 2021, the disposal group was stated at carrying value and comprised the following assets and liabilities:

	<b>2021</b> <b>£000</b>
Goodwill	1,660
Property, plant and equipment	162
Trade and other receivables	1,891
Cash and cash equivalents	2,827
<b>Total assets classified as held for sale</b>	<b>6,540</b>
Trade and other payables	(925)
Deferred income	(2,429)
Provisions	(15)
<b>Total liabilities classified as held for sale</b>	<b>(3,369)</b>
<b>Net assets classified as held for sale</b>	<b>3,171</b>

A loss on disposal is expected to be recognised in the year ending 30 September 2021 as the fair value of the expected consideration is expected to be lower than the net assets being disposed of, after including the amounts held within the Group's foreign currency translation reserve in respect of the Kazakhstan business, which must be classified to the income statement on disposal.

During the period discontinued operations generated cash of (£0.5m) (2020: (£0.6m)) in respect of operating activities and generated £nil (2020: £nil) in respect of investing and financing activities.

## Notes to the Interim Financial Statements

### 7. Disposal group held for sale and discontinued operations (continued)

In line with the requirements of IFRS 5, the Group's exit from Central Asia has been treated as a discontinued operation, as it represents the disposal of a component of the entity, a separate major line of business and a separate geographical area of business. The loss from discontinued operations for the six months ended 31 March 2021 was £0.7m (31 March 2020: profit of £0.4m; 30 September 2020: loss of £1.0m).

The results of the discontinued operations which have been included in the consolidated statement of profit and loss are as follows:

	Six months to 31 March 2021	Six months to 31 March 2020	Year ended 30 September 2020
	Unaudited £000	Unaudited £000	Audited £000
<b>Revenue</b>	49	5,708	5,717
Cost of sales	(471)	(4,171)	(5,344)
<b>Gross Profit</b>	<b>(422)</b>	1,537	373
Administrative expenses	(308)	(1,134)	(1,155)
<b>Operating (loss)/profit</b>	<b>(730)</b>	403	(783)
<b>(Loss)/profit before tax</b>	<b>(730)</b>	403	(783)
Tax on (loss)/profit	-	(51)	(232)
<b>(Loss)/profit from discontinued operations</b>	<b>(730)</b>	352	(1,015)
<b>Attributable to:</b>			
Owners of the Company	(730)	352	(1,015)
Non-controlling interests	-	-	-
	730	352	(1,015)
<b>Earnings per share from discontinued operations (p)</b>			
Basic	(0.3)	0.2	(0.6)
Diluted	(0.3)	0.2	(0.6)

## Notes to the Interim Financial Statements

### 8. Acquisitions

On 21 December 2020 the Group acquired 100% of the share capital of Retail Meetup, LLC ("Retail Meetup") for initial cash consideration of £18.5m and deferred contingent consideration of £3.4m.

The deferred contingent consideration relates to an earn-out payment based on the EBITDA of the two Retail Meetup events scheduled to take place this financial year. The deferred contingent consideration has been calculated based on management's expectations of EBITDA at acquisition and is payable in the year ending 30 September 2021.

During the period the Group incurred transaction costs on the acquisition of £0.2m, which are included within administrative expenses.

The amounts to be recognised in respect of the identifiable assets acquired and liabilities assumed are presented as follows:

	<b>Fair value £000</b>
Intangible assets – Trademarks	9,523
Intangible assets – Perpetual technology license	401
<b>Identifiable net assets</b>	<u>9,924</u>
Goodwill arising on acquisition	<u>12,030</u>
<b>Total consideration</b>	<u><u>21,954</u></u>
<b>Satisfied by</b>	
Initial cash consideration	<b>18,514</b>
Deferred consideration	<b>3,440</b>
	<u><u>21,954</u></u>
<b>Net cash outflow arising on acquisition</b>	
Cash consideration paid or payable	<u><u>21,954</u></u>

The goodwill of £12.0m arising from the acquisition reflects the strategic value of the acquisition of an innovative product, including the expectation of new contracts and relationships and the potential for growth from further digital spin-off events from the Shoptalk and Groceryshop brands.

The values used in accounting for the identifiable assets of this acquisition are provisional at the balance sheet date. If necessary, adjustments will be made to these carrying values and the related goodwill, within 12 months of the acquisition date.

The acquired business has contributed £1.3m to Group revenue and £0.9m to statutory profit before tax. Had the acquisition occurred on 1 October 2020, the acquired businesses would have contributed £3.1m to Group revenue and £2.3m to statutory profit before tax.

## Notes to the Interim Financial Statements

### 9. Goodwill

	<b>Total Unaudited £000</b>
<b>Cost</b>	
At 1 October 2020	300,418
Additions through business combinations (Note 8)	12,030
Goodwill classified as held for sale	(1,660)
Foreign exchange	(9,351)
	<hr/>
At 31 March 2021	<b>301,437</b>
	<hr/>
<b>Provision for Impairment</b>	
At 1 October 2020	<b>(233,589)</b>
Impairment of goodwill	-
Foreign exchange	6,085
	<hr/>
At 31 March 2021	<b>(227,504)</b>
	<hr/>
<b>Net book value</b>	
At 31 March 2021	<b>73,933</b>
At 30 September 2020	66,829
	<hr/> <hr/>

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. Following the impairment review for the period, indicators of impairment were identified. The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding operating profit growth rates within the Group's cash flow forecasts, along with the long-term growth rates and discount rates applied to the forecast cash flows.

Management estimates discount rates that reflect the current market assessments of the time value of money and risks specific to the CGUs. There are a number of different inputs used in the build-up of the discount rates, including inflation rates, risk free rates, market risk premiums and industry betas, taken from a number of independent sources including the IMF, Bloomberg and Financial Times. The pre-tax discount rates applied to the cash generating units are between 11% and 28%. The large variance in discount rates applied reflects the differences in risks inherent in the regions in which the CGUs operate.

The cash flow forecasts used in the value in use calculation have been revised to take into account the latest view of the Group's event schedule and its recovery from the COVID-19 pandemic. The profile of the recovery differs across the portfolio, influenced by pre-COVID trajectory, the proportion of the customer base that is international, the resilience of the industry sector and speed of recovery expected by geography. The forecasts assume that in many cases the effects of the pandemic will continue to be felt in the financial years ending 30 September 2022 and 30 September 2023, however a full recovery is expected by the end of the financial year ending 30 September 2024, supported by growth from the Group's omnichannel strategy, including the impact of the Retail Meetup acquisition.

## Notes to the Interim Financial Statements

### 9. Goodwill (continued)

Central costs are allocated to the CGUs to the extent that they are necessarily incurred to generate the cash inflows, and can be directly attributed, or allocated on a reasonable and consistent basis. Growth rates beyond the detailed plans are based on IMF forecasts of GDP growth rates in the local markets, as the CGUs are expected to grow in line with their relevant underlying markets over the long term. These growth rates, of between 1% and 11%, do not exceed the long-term growth rates for the economies in which these businesses operate.

#### Individually significant CGUs

Significant CGUs	Goodwill		Other intangible assets		Long term growth rates		Pre-tax discount rates		Recoverable amount in excess of carrying value	
	31	30	31	30	31	30	31	30	31	30
	March 2021	September 2020	March 2021	September 2020	March 2021	September 2020	March 2021	September 2020	March 2021	September 2020
	£m	£m	£m	£m	%	%	%	%	£m	£m
Russia	<b>16.1</b>	14.4	-	-	<b>4.0</b>	1.8	<b>16.3</b>	14.4	<b>136.3</b>	90.3
China	<b>9.3</b>	9.5	<b>2.2</b>	2.9	<b>2.0</b>	5.5	<b>12.4</b>	11.6	<b>13.6</b>	17.6
Global Brands										
<i>Shipping &amp; Specialised Engineering</i>	<b>16.0</b>	16.8	<b>43.6</b>	46.1	<b>1.9</b>	1.2	<b>11.6</b>	10.3	<b>14.3</b>	-
<i>BETT</i>	-	-	<b>41.2</b>	43.0	<b>2.0</b>	1.5	<b>12.3</b>	11.2	<b>7.6</b>	-
<i>Shoptalk</i>	<b>31.8</b>	21.3	<b>61.4</b>	59.1	<b>2.4</b>	1.6	<b>12.1</b>	10.3	<b>15.8</b>	-
<i>Africa Oil &amp; Mining</i>	<b>0.8</b>	0.8	<b>30.0</b>	32.4	<b>3.3</b>	1.7	<b>15.0</b>	13.2	<b>8.2</b>	-
UK	-	-	<b>50.8</b>	53.7	<b>2.0</b>	1.5	<b>12.3</b>	11.2	<b>5.2</b>	5.2

A new CGU, Shipping & Specialised Engineering, has been formed representing the Breakbulk and CWIEME event portfolios. Going forward, the events will be managed as a single portfolio with a single leadership team. Therefore, strategic decisions made in respect of the portfolio, or in respect of a single event, impact the cash inflows of both events.

Goodwill of £12.0m and intangibles of £9.9m recognised in respect of the acquisition of Retail Meetup have been allocated to the Shoptalk CGU.

#### Sensitivity to changes in assumptions

The calculation of value in use is most sensitive to the discount rates, growth rates and forecast cash flows used. The Group has conducted a sensitivity analysis taking into consideration the impact on these assumptions arising from a range of reasonably possible trading and economic scenarios, including additional adverse impact from the coronavirus outbreak. The scenarios have been performed separately, and in aggregate, for each CGU with a recoverable value in excess of its carrying value, with the sensitivities summarised as follows:

- An increase in the discount rate by 1%.
- A decrease in the long-term growth rate by 0.5%.
- A decrease in forecast operating profits by 5%

## Notes to the Interim Financial Statements

### 9. Goodwill (continued)

The sensitivity analysis shows that no impairment would result from either an increase in the discount rates, a decrease in the long-term growth rate, or a decrease in the operating profit growth rate, or an aggregate of these sensitivities, in any CGU other than Bett, Shoptalk and UK. The changes in key assumptions that would cause the recoverable value of the CGUs to equal their carrying value are shown below.

Sensitivity	Bett	Shoptalk	UK
% change in discount rate	2.0%	1.4%	1.2%
% change in long term growth rate	-2.4%	-1.7%	-1.5%
% change in forecast operating profits	-14.2%	-8.3%	-7.6%

### 10. Other intangible assets

	Total Unaudited £000
<b>At 1 October 2020</b>	<b>240,572</b>
Additions	77
Additions through business combinations (Note 8)	9,924
Disposals	(42)
Amortisation of acquired intangible assets	(13,760)
Amortisation of computer software	(503)
Exchange differences	(4,249)
<b>At 31 March 2021</b>	<b>232,019</b>

### 11. Property, plant and equipment

	Right of use assets £000	Other property, plant and equipment £000	Total Unaudited £000
<b>At 1 October 2020</b>	<b>14,155</b>	<b>3,809</b>	<b>17,964</b>
Additions	1,432	142	1,574
Lease modifications	321	-	321
Depreciation	(1,463)	(566)	(2,029)
Disposals	(202)	(77)	(279)
Foreign exchange	(215)	(96)	(311)
Assets classified as held for sale (Note 7)	(129)	(33)	(162)
<b>At 31 March 2021</b>	<b>13,899</b>	<b>3,179</b>	<b>17,078</b>

## Notes to the Interim Financial Statements

### 12. Interests in associates and joint ventures

	Total Unaudited £000
<b>At 1 October 2020</b>	<b>37,444</b>
Share of results of associates and joint ventures	1,632
Cash received	(531)
Foreign exchange	(81)
<b>At 31 March 2021</b>	<b>38,464</b>

### 13. Trade and other receivables

	31 March 2021 Unaudited £000	31 March 2020 Unaudited £000	30 September 2020 Audited £000
Trade receivables	14,429	36,442	14,338
Other receivables	18,376	9,843	3,138
Deferred consideration	578	-	1,278
Venue advances and prepayments	-	1,054	1,059
Prepayments and accrued income	11,355	12,298	8,807
Taxation and social security	1,698		5,111
	<b>46,436</b>	<b>59,637</b>	<b>33,731</b>

The movements in deferred consideration receivable during the year are shown in the table below:

	£000
<b>At 1 October 2020</b>	<b>8,143</b>
Payments received	(304)
Impact of unwind of discounting	857
Foreign exchange	(106)
Revaluation	(3,081)
<b>At 31 March 2021</b>	<b>5,509</b>
Included in current assets	578
Included in non-current assets	4,931
	<b>5,509</b>

As at 30 September 2020 £1.3m of deferred consideration receivable was included in current assets and £6.9m was included in non-current assets.



## Notes to the Interim Financial Statements

### 14. Trade and other payables

	31 March 2021 Unaudited £000	31 March 2020 Unaudited £000	30 September 2020 Audited £000
Trade payables	1,433	7,190	4,731
Taxation and social security	770	1,201	1,167
Lease liabilities	3,477	3,988	3,503
Other payables	23,826	14,086	28,988
Accruals	12,393	15,813	19,184
Deferred consideration payable	4,808	897	881
	<b>46,707</b>	<b>43,175</b>	<b>58,454</b>

As at 31 March 2021 £3.5m of lease liabilities were included in current liabilities and £14.8m was included in non-current liabilities.

### 15. Bank loans

	£000
Total drawdowns under debt facility	(156,673)
Capitalised refinancing fees	3,475
<b>Bank loans</b>	<b>(153,198)</b>
Included in current liabilities	(3,000)
Included in non-current liabilities	(150,198)
	<b>(153,198)</b>

In December 2020 the Group agreed with its lenders various amendments to the existing agreement, including a new repayment schedule. As at 31 March 2021, there were scheduled repayments of the term loan of £3.0m in March 2022, £5.0m in June 2022, £6.0m in September 2022 and November 2022, £22.5m in November 2023 and a final repayment of £22.5m on the termination date.

Interest is charged on any utilised amount on either debt facility at a rate of LIBOR plus a margin ranging from 1.90% to 3.40% dependent on the Group's leverage ratio under the agreement. The debt facilities are secured by asset pledges and debentures given by a number of Group companies.

The total drawdowns under the facility of £156.7m at 31 March 2021 (2020: £250.0m) were denominated in sterling (2020: £242.7m sterling, £7.1m euro). At 31 March 2021 the Group had £61.8m (2020: £nil) of undrawn committed facilities.

All borrowings are arranged at floating interest rates, thus exposing the Group to interest rate risk. The Group uses interest rate swaps to mitigate this risk, hedging £82.5m of the debt (2020: £100.0m), reducing the exposure to fluctuations in interest rates. All borrowings are secured by a guarantee between a number of Group companies.

As at 31 March 2021 there are capitalised fees of £3.5m (2020: £3.7m) in relation to the Group's current debt facility.

## Notes to the Interim Financial Statements

### 16. Derivative financial instruments

Derivative financial instruments are classified according to the following categories in the table below. The Group's derivative financial instruments are categorised into levels to reflect the degree to which observable inputs are used for determining their fair value. The Group's interest rate swaps are classified as Level 2, while the equity and put options are classified as Level 3.

	31 March 2021 Unaudited		31 March 2020 Unaudited		30 September 2020 Audited	
	Notional £000	Fair value £000	Notional £000	Fair value £000	Notional £000	Fair value £000
<i>Current liabilities</i>						
Equity options	-	-	8,601	8,455	9,426	9,393
	-	-	8,601	8,455	10,174	10,141
<i>Non-current liabilities</i>						
Interest rate swaps	533	533	445	445	873	873
	533	533	445	445	873	873

Level 1 fair values are measured using quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair values are measured using inputs, other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly. Level 3 fair values are measured using inputs for the asset or liability that are not based on observable market data.

For the Group's Level 3 equity options, these are valued based on a multiple as contractually agreed of forecast future EBITDA for each relevant option. The key unobservable inputs relate to the EBITDA multiple (12.5x) and forecast future EBITDA for each entity. A movement in the forecast EBITDA results for the relevant period could have a significant impact on the equity option valuation.

The following table shows the movements in the Group's equity option liabilities during the period:

	Total Unaudited £000
<b>At 1 October 2020</b>	<b>9,425</b>
Revaluation	(8,870)
Exchange differences recognised in other comprehensive income	(555)
<b>At 31 March 2021</b>	<b>-</b>

The revaluation of equity option liabilities in the period relates to the Group's option over the remaining 40% interest in ABEC, the 2015 acquisition of the Indian exhibitions company. The equity option liability relating to ABEC is valued at £nil. See note 20 for further details.

## Notes to the Interim Financial Statements

### 17. Share capital

	31 March 2021 Unaudited	31 March 2020 Unaudited	30 September 2020 Audited
	£000	£000	£000
<b>Allotted and fully-paid</b>			
265,128,107 ordinary shares of 10p each (31 March 2020: 81,578,026; 30 September 2020: 265,128,107)	26,513	8,158	26,513
	31 March 2021 Unaudited Number of shares	31 March 2020 Unaudited (restated <sup>1</sup> ) Number of shares	30 September 2020 Audited Number of shares
At 1 October	265,128,107	74,161,846	74,161,846
Share placement	-	7,416,180	7,416,180
Rights issue	-	-	183,550,081
At 31 March	265,128,107	81,578,026	265,128,107

<sup>1</sup> Number of shares has been restated to take account of the share consolidation of every 10 existing ordinary shares into 1 consolidated ordinary share

During the period, no ordinary shares of 10p each (2020: nil) were allotted pursuant to the exercise of share options. The Company has one class of ordinary shares which carry no right to fixed income.

### 18. Net debt

	At 1 October 2020 £000	Cash flow £000	Foreign exchange £000	Cash and cash equivalents classified as held for sale £000	At 31 March 2021 £000
Cash	50,330	10,373	99	(2,827)	57,975
Debt due within one year	(17,500)	14,500	-	-	(3,000)
Debt due after one year	(100,485)	(49,713)	-	-	(150,198)
	(67,655)	(24,840)	99	(2,827)	(95,223)
Lease liabilities					(18,250)
<b>Net debt</b>					<b>(113,473)</b>
Cash and cash equivalents classified as held for sale					2,827
Lease liabilities					18,250
<b>Adjusted net debt</b>					<b>(92,396)</b>

Net debt is defined as cash and cash equivalents after deducting bank loans and lease liabilities. The Board consider net debt to be a reliable measure of the Group's net indebtedness that provides an indicator of the overall balance sheet strength. It is also a single measure that can be used to assess the combined impact of the Group's cash position and its indebtedness.

The disclosure of net debt is not required for interim reporting purposes but is a key alternative performance measure for the Group and is therefore included to provide additional information on the performance of the business.

## Notes to the Interim Financial Statements

### 19. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions with key management personnel will be disclosed in the Group's Annual Report for the year ended 30 September 2021. Transactions between the Group and its associates, where relevant, are disclosed below.

#### *Trading transactions with associates*

During the period ended 31 March 2021 the Group charged management fees of £0.2m (2020: £0.1m) to Sinostar ITE, the Group's joint venture operation in Hong Kong and China.

### 20. Contingent liabilities

On 15 November 2020, the minority shareholders of ABEC issued notice of the exercise of their put option in respect of 19.8% of the total shares of ABEC for consideration of INR 67.7m (approximately £6.8m). As disclosed in note 31 of the FY20 Annual Report, the validity of the option exercise was under review, as was the amount of the claim. Subsequently, on 13 December 2020, the minority shareholders of ABEC issued notice of the exercise of their put option in respect of the final 20.2% of the total shares of ABEC for consideration of INR 67.8m (approximately £6.8m). The validity and amounts of both option exercises are now in dispute.

Legal proceedings have begun and the Group is engaged in litigation with the minority shareholders. The Group's lawyers' advice is that they consider the Group likely to succeed in the litigation. Accordingly, no provision has been made as at 31 March 2021 as management does not expect any economic outflow will arise as a result of the litigation in respect of the option exercises.

The Group's lawyers' advice is that the option exercise is invalid and unenforceable, both in respect of the option exercises of 15 November 2020 and 13 December 2020 as well as any subsequent attempt to exercise the option in a future period. Accordingly, a put option liability of £nil (2020: £8.5m) is recognised at 31 March 2021.

A contingent liability of £13.6m is disclosed, representing the total value claimed by the minority shareholders.

### 21. Post balance sheet events

#### **Insurance proceeds**

Since 31 March 2021 the Group has had confirmation of a further £13.9m of insurance proceeds in respect of event cancellation and postponement claims, taking confirmed insurance proceeds in FY21 to £62.9m and in total since the outbreak of COVID-19 to £84.9m.

#### **Disposal of Kazakhstan events portfolio**

In April 2021 Hyve completed 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. This completes the Group's planned exit of its business in Central Asia.

The Group's current expectation for consideration receivable is 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.

The assets and liabilities of the Kazakhstan business have been classified as held for sale at 31 March 2021. The Group's exit from Central Asia has been treated as a discontinued operation. See Note 7.

## Independent review report to Hyve Group plc

### Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2021 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of financial position, the condensed consolidated cash flow statement and the related notes 1 to 21.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

### Directors' responsibilities

The half-yearly financial report is the responsibility of and has been approved by the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with international accounting standards in conformity with the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

### Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2021 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the European Union, and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

### Material uncertainty related to going concern

We draw attention to the 'Going Concern' section of the Interim Management Report., which indicates the Company would, under its base case forecast, breach both its leverage and interest cover covenants upon their reinstatement in June 2022. Should the Company be unsuccessful in securing waivers, as stated in the Interim Management Report, this may prevent the company from being able to continue its operations. These events or conditions, along with the other matters set forth in the Interim Management Report, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting its responsibilities in respect of half-yearly financial reporting in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP  
Chartered Accountants  
London  
17 May 2021

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

## Directors and professional advisers

Directors	Richard Last, non-executive Chairman Mark Shashoua, Chief Executive Officer John Gulliver, Chief Finance and Operations Officer (appointed 1 October 2020) Nicholas Backhouse, non-executive Director Sharon Baylay, non-executive Director Stephen Puckett, non-executive Director
Company Secretary	Jared Cranney
Registered office	Hyve Group plc, 2 Kingdom Street, London, W2 6JG
Registration number	01927339
Auditor	BDO LLP, 55 Baker St., London, W1U 7EU
Solicitors	DLA Piper UK LLP, 160 Aldersgate Street, London, EC1A 4HT
Company Brokers	Numis Securities Limited, The London Stock Exchange Building, 10 Paternoster Square, London, EC4M 7LT
Registrars	Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
Public Relations	FTI Consulting Limited, 200 Aldersgate Street, London, EC1A 4HD
Website	<a href="http://www.hyve.group">www.hyve.group</a>

## Financial calendar

The Group's financial calendar can be found at <https://hyve.group/Investors/Financial-Calendar>