13 December 2022

Hyve Group plc

("Hyve" or the "Group")

FY22 Preliminary Results

Fast pace of recovery delivered strong performance

Transformation concluded: Platform for growth established

- Hyve is now unrecognisable from its form in 2017, with a streamlined and de-risked portfolio of global, market-leading events and almost 95% of revenue now in advanced economies
- Full schedule of FY22 events ran outside China delivering revenue of £122.5m (2021: £21.8m[1]) with a number events outperforming pre-COVID-19 levels
- 110%[2] revenue recovery compared to pre-COVID-19 levels in the second half and 90%[2] revenue recovery for FY22, on a pro forma basis after excluding China[3]
- Headline profit before tax of £11.5m (2021: £13.9m[1])
- Headline EBITDA of £23.7m (2021: £28.0m). Excluding the impact of insurance proceeds of £19.3m (2021: £65.0m), headline EBITDA has increased by £41.4m to £4.4m (2021: loss of £37.0m[1])
- Headline diluted earnings per share of 4.2p (2021: 4.9p[1])
- Positive cash generation resulted in adjusted net debt of £71.0m (2021: £79.9m) at the lower end of the £70-90m guidance range from the beginning of FY22
- As a result of the £135 million refinancing completed in October 2022, the Group has a strengthened balance sheet with facilities committed to Autumn 2026 and the financial security to drive further organic growth
- Entering 2023 with momentum and good visibility of earnings through strong forward bookings of £98m (FY22: £67m[1])

Mark Shashoua, CEO of Hyve Group plc, commented:

"2022 has been a year of significant achievements for Hyve as we drew a line in the sand on the past. The business is unrecognisable from its form in 2017. We have successfully delivered on our ambitious structural transformation and today's results show the significant progress we have made delivering an industry leading recovery and performance. This is a testament to the hard work of everyone at Hyve and I want to express my sincere thanks to our whole team.

"Our portfolio of market-leading events is now de-risked, with almost 95% focused on advanced economies with an emphasis on digital-ready growth sectors. The most significant change to our portfolio during the year was the sale of the Russian business following Russia's invasion of Ukraine. I am pleased that we were able to find an outcome which answered our compliance with sanctions and moral obligations, while also offering stability to our 200+ former Russian colleagues and providing the best opportunity to realise value for the business.

"We continue to invest in our digital diversification and product extensions to deliver the highest quality customer experience and unbeatable return on investment. Hyve now has a strong platform from which to deliver growth and sustainable long-term value.

"While we are mindful of the global economic headwinds, we are reassured by the strong visibility of future earnings, cash generative business model and forward bookings of £98m. We continue to see customers choosing market leading events even in times of economic downturn, as evidenced by double-digit growth in like-for-like customer spend for the third consecutive year going into 2023."

1 Results for the year ended 30 September 2021 have been restated for the treatment of the Russian, Ukrainian and Turkish businesses as discontinued operations as disclosed in note 12 to the consolidated accounts.

2 As no events were able to run in China in the year, FY22 China revenues were £nil. The FY19 revenues for China have been removed to show the recovery level of events that were able to run during the year.

3 Recovery is assessed with reference to pro forma FY19 revenues. The FY19 revenues have been adjusted to include the FY19 results of acquisitions made since September 2019 and to exclude the FY19 results of businesses that have since been disposed of. The FY22 revenues are after excluding discontinued operations in respect of Russia, Ukraine and Turkey.

Strategic and operational highlights

- Successfully completed portfolio transformation with full return of events outside China and strong performance across all KPIs
- Streamlined and de-risked portfolio, focused on advanced economies following disposals of Russia, Ukraine, Turkey, Indonesia and ABEC
- Growing omnichannel portfolio strengthened by acquisitions and successful integration of 121 Group and Fintech Meetup
- NPS scores well above industry average and pre-COVID-19 levels
- Organic growth being driven through product extensions such as Ahead by Bett, Shoptalk Europe and Green Energy Africa and the launch of full-scale meeting programmes following successful trials in FY22
- Meaningful progress in embedding ESG strategy across the business

Outlook

- Strong forward bookings and customer like-for-like spend with FY23 on track to be the third consecutive year of double-digit growth, providing good visibility and confidence in the year ahead
- Clear demand for Hyve events with further new launches planned in 2023
- Proportion of tech-enabled revenues expected to grow as multiple full-scale tech-enabled meetings programmes are rolled out
- Planned investments into growth initiatives to scale up tech-enabled meeting programmes will have a positive impact on revenue and profitability
- Well positioned to deliver operating profit margin growth to ahead of pre-COVID-19 levels over the medium term

Results presentation

There will be an analyst and investor presentation via webcast hosted by Mark Shashoua, Chief Executive Officer and John Gulliver, Group Finance and Operations Officer at 9:15am (GMT) today.

Webcast link:	https://kvgo.com/IJLO/Hyve_FY22_Preliminary_Results_Announcement
Dial in number(s):	UK-Wide: +44 (0) 33 0551 0200 UK Toll Free: 0808 109 0700 New York New York: +1 212 999 6659 USA Toll Free: 1 866 966 5335
Password:	Quote '*Hyve'* when prompted by the operator

2023 Investor Days

The Group will be hosting two Investor Days in March 2023: one in Las Vegas at Shoptalk and the second in London at Bett UK. For more information or to register, please contact Camarco.

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 includes: Shoptalk, Spring Fair, Bett, Mining Indaba and the recently acquired Fintech Meetup, which is defining the future of events for the fintech ecosystem and uses state-of-the-art technology to power its world renowned meetings programme.

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

Chairman's statement

Post-COVID recovery

Over the course of the year, we have seen the continued recovery of the majority of our events, with many now outperforming their pre-pandemic editions. This is with the exception of China, where all events in the financial year were cancelled, as the country continues to experience disruption.

Revenue for the financial year ending 30 September 2022 amounted to £122.5m (2021: £21.8m), which is above 2019’s pre-COVID-19 revenue of £121.5m (restated to exclude discontinued operations).

Headline EBITDA for the financial year was £23.7m, compared to £28.0m in 2021. Excluding the impact of insurance proceeds of £19.3m (2021: £65.0m), headline EBITDA has increased by £41.4m to £4.4m (2021: loss of £37.0m).

This is a strong illustration of the value our customers place in market-leading in-person events.

Portfolio evolution

2022 brought further challenges, in particular Russia’s invasion of Ukraine, which necessitated the sale of our Russian business. Since then, we have also sold the Ukrainian business to its management. The Turkish business has also been sold. This leaves Hyve with a streamlined and de-risked portfolio, more than 90% rooted in advanced economies.

In addition, we have continued to diversify our portfolio with additional tech-enabled products and events, through both acquisitions and new launches.

Dividends

We do not plan to recommence dividend payments this year, but will continue to keep this under review and reintroduce them when it becomes appropriate to do so, in line with a return to sustained cash generation and profitability.

ESG

Significant progress has been made this year towards our ESG strategy. We have measured our carbon footprint, including our scope 3 emissions, allowing us to better understand the impacts of our business on the planet. In addition, we have conducted an in-depth review of the climate-related risks facing our business and are providing disclosures in line with the TCFD’s recommendations for the first time.

This important and necessary groundwork completed during the year provides us with the baseline needed to develop further our ESG strategy and targets, and contribute to the global drive to tackle climate change.

The Board

During the year, we successfully completed a Board evaluation process using a third-party provider, to measure the effectiveness of our governance and the accountability of our Board members. You can find further details in the Governance report.

Stephen Puckett, having completed nine years tenure, stepped down from the Board in February 2022. During his time Stephen was Chair of the Risk Committee and a member of the Audit Committee. Stephen was also the Senior Independent Director.

Sharon Baylay, who has served the Board since April 2014, stepped down in March 2022. During her time, Sharon was Chair of the Remuneration Committee and oversaw the formation of Hyve's ESG Committee. I would like to sincerely thank Stephen and Sharon for their excellent support during their time with Hyve and wish them well for the future.

Rachel Addison joined us as a Non-Executive Director in March 2022. Rachel brings nearly 30 years of finance and operational management experience and has most recently been Chief Financial Officer of Future plc, the global platform business for specialist media. Rachel is a chartered accountant, having started her career at Arthur Andersen, and is currently a Non-Executive Director at Marlowe Plc, Watkin Jones Plc, Gamma Communications Plc and Mango Publishing Group. Rachel is Chair of Hyve's Remuneration Committee and a member of the Risk and Audit Committees.

Anna Bateson also joined as a Non-Executive Director in March 2022, however she resigned in September, as a requirement of being appointed CEO of Guardian Media Group. The recruitment process for Anna's replacement is underway.

Our people

I would like to take this opportunity to thank our teams around the world for their commitment to Hyve and their passion for our products. It has been this dedication which has driven the continued growth and evolution of our products, and led to the successful performance we have seen this year.

Looking ahead

We are cautious of ongoing macroeconomic headwinds – in particular the ongoing COVID restrictions in China and the global recession. We do however remain confident in our ability to weather those challenges thanks to our de-risked and diversified portfolio, our strong forward bookings, and the prospect of our new product launches in the coming 12 months.

Richard Last
Chair

Chief Executive Officer's statement

In 2022 we drew a line in the sand on the past and successfully completed the structural transformation of Hyve, from a portfolio of regionally focused, mixed scale events in more volatile emerging markets, to large-scale, market leading, high-quality global brands in advanced economies and in key sectors with future growth trajectories. This is a significant achievement.

This plan was first articulated in 2017. Our proactive approach to managing the challenges of both COVID-19 and the Russian invasion of Ukraine have accelerated the business' transformation. Hyve today is unrecognisable from its form only five years ago. The portfolio is now de-risked and rooted almost 95% in advanced economies, with our divisions of RetailTech & FinTech, EdTech & Natural Resources, and Retail, Manufacturing & Engineering all operating through a centralised model of best practice.

In this landmark year we added further tech-enabled products to our portfolio through the acquisitions of 121 Group and Fintech Meetup; and drove significant organic growth through launching new product extensions, such as Shoptalk Europe and Ahead by Bett. In addition, we are rolling out full scale meeting programmes for 2023 as the trials during 2022 have proven demand. New launches are planned, including an in-person extension of Fintech Meetup.

As we move into 2023, we have established ourselves as a highly resilient, next-generation global events business with good visibility of earnings, a stronger balance sheet and clear plans to drive further organic growth and explore further digital diversification, while delivering the highest quality customer experience and return on investment.

Strong trading trajectory into 2023

Our financial performance for the full year ended 30 September 2022 delivered strong revenues of £122.5m (2021: £21.8m) from continuing operations, representing c. 90%[1] revenue recovery to pre-COVID-19 levels excluding China[2], and headline EBITDA excluding insurance proceeds of £4.4m (2021: loss of £37.0m).

Headline profit before tax from continuing operations was £11.5m (2021: £13.9m). Excluding the impact of insurance proceeds of £19.3m (2021: £65.0m) received in FY22, the Group's headline profits would have increased by £43.3m, which highlights our solid underlying trading and represents a return to positive headline EBITDA without reliance on insurance proceeds.

Hyve continues to focus on margin improvement across the new portfolio, while investing in future growth including new launches, geo-clones, and full-scale meetings programmes.

Our adjusted net debt reduced to £71m (2021: £80m), reflecting the strong cash generative qualities of our business. This is at the lower end of the previously guided range, despite significant movements in the portfolio. Post period end the refinancing was completed, with a new debt facility of £135m now in place.

The Group's liquidity position at year end was sustained at £129.6m despite the macro-economic headwinds faced during the year.

Full revenue recovery in second half

Momentum in our post-COVID-19 recovery continued during FY22, with 12 in-person events held in H1 2022 and 17 in-person events in H2. These delivered revenues of £54.9m in H1 2022 and £67.5m in H2, achieving approximately 110% recovery in the second half excluding China[2]. For the full year 2022, Hyve achieved revenues of £122.5m, circa 90%[1] revenue recovery excluding China[2]. This is an exceptional achievement, considering during the first half of the financial year we faced Omicron related uncertainty, as well as the Russian invasion of Ukraine.

To reflect our refocused portfolio, from FY22 we are reporting our divisional revenue breakdown by sector-centric divisions, rather than geographies, with 37% from RetailTech & FinTech; 32% from Retail, Manufacturing and Engineering; 26% from EdTech & Natural Resources and 5% from Asia. Of these total revenues 14% comes from our tech-enabled meetings products, which we envisage will grow as we roll out more of our tech-enabled products.

We know that our customers prioritise market leading events, and our even further honed focus on these is paying off. Customers are returning with a higher allocation of marketing budgets, which has resulted in continued growth in like-for-like customer spend, increasing 14.2% from the previous edition. Momentum is continuing into FY23, tracking at 14.8%, which would be the third consecutive year of double-digit growth in like-for-like customer spend. The quality of our events resulted in above industry average Visitor NPS scores at +36 and Exhibitor NPS at +15.

Our forward bookings as at 12 December of £98m, give us strong visibility of earnings, supporting the positive momentum as the business goes into 2023.

Portfolio transformation completed

The most significant change to our portfolio during the year was the sale of the Russian business, which reduced our total portfolio by 15 events and significantly changed the shape of Hyve. The sale was initiated following Russia's invasion of Ukraine and care was taken to find an outcome which overcame the moral, legal and compliance obligations of continuing to operate in Russia.

The Russian business has historically made a significant financial contribution to the Group but continuing to operate in the country became untenable following the Russian invasion of Ukraine. The decision to sell the business was taken after considering feedback from a number of the Group's stakeholders, including customers and shareholders, in order to protect the reputation of the Group.

The disposal ultimately achieved our objectives of protecting the future prospects of our strategically important, market-leading events outside Russia by exiting the Russian market in a prompt manner and with the prospect of value being returned to the Company. Importantly, this also provided stability to our 200+ former Russian colleagues.

As previously reported, we sold our Turkish business in October shortly after the management buyout of the Ukrainian portfolio in July, thereby completing the disposal in full of our former Eastern and Southern Europe division. Earlier in the year, we also exited Indonesia and our ABEC Indian business.

Hyve's operations are now nearly 95% concentrated in advanced economies with approximately 30% of revenues generated in the USA whereas in 2017, c.90% of our revenues were sourced from emerging markets and only c.10% from advanced economies.

The portfolio transformation was supported by the acquisitions of 121 Group, a market leading omnichannel meetings programme organiser focused on Mining, and Fintech Meetup, the financial technology industry's leading online event, both contributing to the continued digital diversification of the Group's portfolio.

During the year we continued to invest in our brands through launching product extensions such as Ahead by Bett and Shoptalk Europe, and invested in growing our omnichannel portfolio with the trials of Connect programmes for Bett, CWIEME and Spring Fair.

After the portfolio changes in the year we now have 33 in-person events and 14 tech-enabled programmes. This represents £3.7m revenue per event based on total FY22 revenues, compared to 2017 when we had a portfolio of 269 events and revenues of £0.5m per event. The marked increase in our average revenue per event endorses the investments we have made and the subsequent increased return on investment we provide our customers with.

As we move into 2023, the historical comparatives of financial performance to pre-COVID-19 do not relate to the Hyve of today, owing to its streamlined portfolio and fundamentally different shape, centred around market leading event brands in sectors of growth.

Weaving ESG into our DNA

We made significant progress in 2022 on embedding environmental, social and governance considerations throughout Hyve.

Having launched our 'Creating Platforms for Progress' strategy last year, we see our biggest impact as putting ESG issues on the agenda and inspiring change inside and outside our Company. That is why colleagues are being given one personal objective aligned to our strategy and we have started to roll out Carbon Literacy Project-accredited training to deepen understanding.

In order to empower local communities, we set aside 0.5% of our headline PBT in FY22 to invest in community projects throughout FY23. We also rolled out volunteering schemes and agreed a new partnership with 'Making the Leap', a social mobility organisation, to help under-represented individuals find meaningful careers.

This year, a diversity & inclusion audit was undertaken, and we added an inclusion module to our employee engagement survey. We also launched Pryde, our inaugural employee resource group, to support LGBTQ+ colleagues, and used significant dates in the year such as International Women's Day and Black History Month to host important conversations and educational opportunities.

In terms of addressing our impact on the planet, we now comprehensively track our Scope 1 and 2 carbon emissions and, for the first time, calculated the average carbon footprint of an attendee of one of our events (our Scope 3).

From a governance point of view, we began to review and analyse the climate-related risks and opportunities facing Hyve and are now incorporating this into our overall Group risk review process. We will also now start to evaluate the financial impact that different climate scenarios would have on our Company.

Reflections on 2022 and what's next

FY22 has been a landmark year for Hyve. We have successfully delivered on the ambitious structural transformation of the business, first outlined in 2017. The de-risked portfolio is now 95% focused on advanced economies with high-quality events in growing sectors. Hyve now has a strong platform to deliver organic growth.

Our numbers at year end show the tangible results of the refocused portfolio. The business performed strongly, with full revenue recovery on a pro-forma basis, excluding China, to pre-COVID-19 levels in H2 and 90% for the full year. Net debt is at the lower end of guidance following strong cash generation and we have secured a new £135 million debt facility.

Our relentless focus on market leading events makes us best placed to weather macroeconomic challenges ahead, as marketing spend continues to gravitate towards must-attend leading events that drive return on investment. The quality of our events was evident with like-for-like customer spend increasing by 14.2%, tracking strongly into FY23, which would be the third consecutive year of double-digit growth. Our NPS scores are also significantly above industry average.

In March 2023 we will be holding two Investor Days: one in Las Vegas at Shoptalk and the other in London at Bett UK to showcase those key brands. As well as bringing to life our unmissable in-person events, these events will showcase the best of our tech-enabled products, which are at the forefront of the global events industry.

Hyve has a very exciting future and we have made great progress executing our strategic priorities to date. With our cash generative business model and forward bookings of £98m, we have good visibility of future earnings and remain confident as we enter 2023. The business is well positioned for growth and to deliver sustainable long-term value for all our stakeholders.

I would like to end by thanking all my colleagues for their commitment and hard work. I look forward to the year ahead with excitement as Hyve enters this new era and we reap the benefit of our transformation.

Mark Shashoua
Chief Executive Officer

Chief Finance and Operations Officer's statement

The extent and speed of the recovery has accelerated beyond expectations

Faster than anticipated recovery

The pace of recovery in FY22, in particular the acceleration seen in the second half, gives us confidence going into FY23, while the debt refinancing since the year end gives us the financial stability to pursue our growth plans.

We successfully ran a full schedule of events outside of China. In total 29 (2021: 14) in-person events took place, excluding those that ran in the year prior to the disposals of Russia, Ukraine and Turkey. Total revenue for the year from continuing operations was £122m (2021: £22m), illustrating the extent of the recovery seen in the last 12 months.

Full year revenues in FY22 recovered to c.85%[1] of pre-pandemic levels despite there being no revenue from Chinese events in the year and disruption in the first half due to the emergence of the Omicron COVID-19 variant. Despite COVID-19 disruption in the first half, which resulted in a number of event postponements, revenue still delivered 70%[1] of pre-pandemic levels in the first six months of the year. Since then the extent and speed of the recovery has accelerated, outstripping expectations such that revenues in the second half fully recovered to their pre-pandemic levels.

Refinancing provides financial stability

In October 2022, subsequent to the year end, we repaid our existing debt facilities and refinanced the Group's debt with new facilities totalling £135m, split between a term loan of £115m and a revolving credit facility ("RCF") of £20m. With the previous facility due to expire in December 2023 this provides significant additional financial security for the Group until October 2026.

The completion of the refinancing was a notable achievement at a time when debt markets are volatile, there are significant macroeconomic headwinds and the business is still recovering from the effects of the COVID-19 pandemic. In light of this, the rate of interest payable has increased, to 7.5-8.0% over SONIA on the term loan and 2.5-3.5% over SONIA on the RCF, but the facility provides the financial stability to allow us to deliver our growth plans for the Group.

The debt facilities are subject to financial covenants, with a monthly £21m minimum liquidity covenant in place until August 2023, which is replaced by a quarterly leverage ratio covenant thereafter. The leverage ratio is based on a net debt to EBITDA ratio for the preceding 12 month period, starting at 4.4x in September 2023, falling to 4.2x in December 2023 and 3.0x from March 2024.

Disposals have streamlined the event portfolio

Throughout FY22 we have continued our focus on managing the portfolio of events we run. This has been accelerated by geopolitical events during the year, not least the Russian invasion of Ukraine. During the year we completed the disposals of our businesses in Russia, Ukraine and Indonesia, sold our ABEC Indian business and subsequent to year end sold our Turkish business.

This leaves us with a streamlined portfolio of 33 events, primarily in advanced economies and in markets that are less exposed to geopolitical volatility. This largely completes the portfolio management plans set out at the inception of the Group's Transformation and Growth ("TAG") Programme back in 2017 and leaves the business with a strong portfolio of market-leading products that are well positioned to continue the post-COVID-19 recovery and deliver the Group's growth plans.

Focus is now on maximising growth potential

There is significant growth potential from the Group's products, which we are committed to delivering in the coming years. Plans are well underway to roll out meetings programmes at a number of our key events in FY23 following successful trials in FY22. We are investing significantly in these events to cement their market-leading status and increase ROI for our customers.

While FY22 has largely been about securing the recovery and executing the acquisitions and disposals, a number of growth initiatives were launched in the year. Expansion opportunities into new sectors were identified, with Ahead by Bett launched alongside Bett UK in March 2022 and Green Energy Africa Summit running as part of Africa Oil Week post-year end. Satellite events have been reintroduced, such as Bett Asia which relocated to Thailand and returned in October 2022.

We also continued to explore launch opportunities, particularly where there is significant demand for brand extensions into different sectors, formats or geographies. In FY22 Shoptalk Europe was successfully launched in London and the second edition of the event is scheduled for Barcelona in FY23. Following the success of the acquired virtual Fintech Meetup event in March 2022, demand for an in-person event in FY23 has led to the planned launch scheduled for March 2023 in Las Vegas.

These growth initiatives, in addition to further investments in FY23, provide a strong platform for organic growth. While planned investments into the growth initiatives will have a short-term impact on operating profit margins, the increased scale and breadth this will bring to our portfolio of products will have a positive impact on profitability and margins in the mid-long term.

Outlook

FY22 represented another significant step forward on the road to recovery and this continues apace as we enter FY23. Forward bookings for the year are now £98m, compared to £67m this time last year across the same portfolio of events, and customer like-for-like spend continues to increase. We remain conscious of challenges in the macro-economic environment globally, in particular the threat of recession in a number of our markets. We are seeing resilience in customer bookings and trading KPIs and this gives us confidence in the outlook for FY23.

John Gulliver
CFOO

Consolidated Income Statement

For the year ended 30 September 2022

	Notes	Year ended 30 September 2022			Year ended 30 September 2021 (restated[1])		
		Headline £000	Adjusting items (note 4) £000	Statutory £000	Headline £000	Adjusting items (note 4) £000	Statutory £000
Revenue	2	**122,472**	**–**	**122,472**	21,822	–	21,822
Cost of sales		**(83,204)**	**–**	**(83,204)**	(29,939)	–	(29,939)
Impairment (loss)/profit in respect of trade receivables		**(1,174)**	**–**	**(1,174)**	592	–	592
Gross profit/(loss)		**38,094**	**–**	**38,094**	(7,525)	–	(7,525)
Other operating income	3	**19,557**	**–**	**19,557**	66,101	–	66,101
Administrative expenses		**(40,005)**	**(30,990)**	**(70,995)**	(38,155)	(47,291)	(85,446)
Foreign exchange gain/(loss) on operating activities		**2,707**	**–**	**2,707**	(306)	–	(306)
Share of results of joint ventures		**(957)**	**225**	**(732)**	1,880	(455)	1,425
Operating profit/(loss)	3	**19,396**	**(30,765)**	**(11,369)**	21,995	(47,746)	(25,751)
Investment revenue	5	**269**	**1,652**	**1,921**	163	10,401	10,564
Finance costs	6	**(8,192)**	**(13,327)**	**(21,519)**	(8,241)	(4,037)	(12,278)
Profit/(loss) before tax		**11,473**	**(42,440)**	**(30,967)**	13,917	(41,382)	(27,465)
Tax credit/(charge)	7	**95**	**5,520**	**5,615**	(1,839)	6,475	4,636
Profit/(loss) from continuing operations		**11,568**	**(36,920)**	**(25,352)**	12,078	(34,907)	(22,829)
Profit/(loss) from discontinued operations	12	**12,894**	**(46,306)**	**(33,412)**	6,413	(3,604)	2,809
Profit/(loss)		**24,462**	**(83,226)**	**(58,764)**	18,491	(38,511)	(20,020)
Attributable to:							

Owners of the Company		**25,113**	**(83,226)**	**(58,113)**		19,323	(38,511)	(19,188)
Non-controlling interests		**(651)**	–	**(651)**		(832)	–	(832)
		24,462	**(83,226)**	**(58,764)**		18,491	(38,511)	(20,020)
Earnings per share (p)								
Basic	9	**8.7**	–	**(20.2)**		7.3	–	(7.3)
Diluted	9	**8.7**	–	**(20.2)**		7.3	–	(7.3)
Earnings per share from continuing operations (p)								
Basic	9	**4.2**	–	**(8.6)**		4.9	–	(8.3)
Diluted	9	**4.2**	–	**(8.6)**		4.9	–	(8.3)

1 Results for the year ended 30 September 2021 have been restated for the treatment of the Russian, Ukrainian and Turkish businesses as discontinued operations as disclosed in note 12. All subsequent references to restatements throughout these results refer to the restatements for the prior period error disclosed in note 1 and the treatment of discontinued operations disclosed in note 12.

The results stated above relate to continuing activities of the Group.

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2022

	Notes	**2022 £000**	2021 (restated) £000
Loss for the year attributable to shareholders		**(58,764)**	(20,020)
Cash flow hedges:			
Movement in fair value of cash flow hedges		**237**	649

Fair value of cash flow hedges released to the income statement		**–**	224
Currency translation movement on net investment in subsidiary undertakings		**30,046**	(3,227)
Total other comprehensive income/(loss)		**30,283**	(2,354)
		(28,481)	(22,374)
Tax relating to components of comprehensive loss	7	**(15)**	(130)
Total comprehensive loss for the year		**(28,496)**	(22,504)
Attributable to:			
Owners of the Company		**(28,211)**	(21,672)
Non-controlling interests		**(285)**	(832)
		(28,496)	(22,504)

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

Consolidated Statement of Changes in Equity

	Share capital £000	Share premium account £000	Merger reserve £000	Capital redemption reserve £000	ESOT reserve £000	Retained earnings (restated) £000	Translation reserve (restated) £000	Hedge reserve £000	Total (restated) £000	Non-controlling interests (restated) £000	Total equity £000
Balance as at 1 October 2021 (restated)	26,513	160,271	2,746	457	(3,083)	21,552	(53,935)	(85)	154,436	2,179	156,615
Net (loss)/profit for the year	–	–	–	–	–	(58,113)	–	–	(58,113)	(651)	(58,764)
Currency translation movement on net investment in subsidiary undertakings	–	–	–	–	–	–	29,680	–	29,680	366	30,046
Movement in fair value of cash flow hedges	–	–	–	–	–	–	–	237	237	–	237

Tax relating to components of comprehensive income (note 7)	–	–	–	–	–	(15)	–	–	(15)	–	(15)
Total comprehensive (loss)/income for the year	**–**	**–**	**–**	**–**	**–**	**(58,128)**	**29,680**	**237**	**(28,211)**	**(285)**	**(28,496)**
Dividends paid to minority interests	–	–	–	–	–	–	–	–	–	(339)	(339)
Issue of shares	2,651	25,426	–	–	–	–	–	–	28,077	–	28,077
Exercise of share options	–	–	–	–	65	(65)	–	–	–	–	–
Share-based payments	–	–	–	–	–	1,568	–	–	1,568	–	1,568
Tax credited to equity (note 7)	–	–	–	–	–	(101)	–	–	(101)	–	(101)
Disposal of subsidiary (note 12)	–	–	–	–	–	–	30,861	–	30,861	978	31,839
Balance as at 30 September 2022	**29,164**	**185,697**	**2,746**	**457**	**(3,018)**	**(35,174)**	**6,606**	**152**	**186,630**	**2,533**	**189,163**

	Share capital £000	Share premium account £000	Merger reserve £000	Capital redemption reserve £000	ESOT reserve £000	Retained earnings (restated) £000	Equity option reserve £000	Translation reserve (restated) £000	Hedge reserve £000	Total (restated) £000	Non-controlling interests (restated) £000	Total equity £000
Balance as at 1 October 2020 (restated)	26,513	160,271	2,746	457	(3,175)	52,531	(13,255)	(52,636)	(958)	172,494	4,552	177,046
Net loss for the year	–	–	–	–	–	(19,188)	–	–	–	(19,188)	(832)	(20,020)
Currency translation movement on net investment in subsidiary undertakings	–	–	–	–	–	–	–	(3,227)	–	(3,227)	–	(3,227)
Movement in fair value of cash flow hedges	–	–	–	–	–	–	–	–	649	649	–	649
Fair value of cash flow hedges released to the income statement	–	–	–	–	–	–	–	–	224	224	–	224
Tax relating to components of comprehensive income	–	–	–	–	–	(130)	–	–	–	(130)	–	(130)
Total comprehensive (loss)/income for the year	**–**	**–**	**–**	**–**	**–**	**(19,318)**	**–**	**(3,227)**	**873**	**(21,672)**	**(832)**	**(22,504)**
Dividends paid to minority interests	–	–	–	–	–	–	–	–	–	–	(671)	(671)
Exercise of share options	–	–	–	–	92	(92)	–	–	–	–	–	–
Share-based payments	–	–	–	–	–	715	–	–	–	715	–	715

Tax credited to equity (note 7)	–	–	–	–	–	101	–	–	–	101	–	101
Disposal of subsidiary (note 12)	–	–	–	–	–	870	–	1,928	–	2,798	(870)	1,928
Expiry of equity option	–	–	–	–	–	(13,255)	13,255	–	–	–	–	–
Balance as at 30 September 2021 (restated)	**26,513**	**160,271**	**2,746**	**457**	**(3,083)**	**21,552**	**–**	**(53,935)**	**(85)**	**154,436**	**2,179**	**156,615**

Consolidated Statement of Financial Position

30 September 2022

	Notes	**2022 £000**	2021 (restated) £000
Non-current assets			
Goodwill	10	**141,183**	73,702
Other intangible assets		**195,620**	200,660
Property, plant and equipment		**15,165**	17,237
Interests in joint ventures		**33,195**	37,126
Deferred and contingent consideration receivable	13	**7,364**	7,357
Deferred tax asset		**12,959**	5,707
		405,486	341,789
Current assets			
Trade and other receivables		**40,772**	35,569
Tax prepayment		**2,174**	1,818
Derivative financial instruments		**152**	–
Cash and cash equivalents		**28,068**	41,733
Assets classified as held for sale	12	**2,963**	–

		74,129	79,120
Total assets		**479,615**	420,909
Current liabilities			
Bank loans	14	**(6,000)**	(11,751)
Trade and other payables		**(63,186)**	(42,665)
Deferred income		**(57,769)**	(72,277)
Corporation tax		**(884)**	(1,259)
Provisions		**(100)**	–
Liabilities classified as held for sale	12	**(2,854)**	–
		(130,793)	(127,952)
Non-current liabilities			
Bank loans	14	**(93,101)**	(109,849)
Deferred income		**(204)**	–
Provisions		**(1,582)**	(1,400)
Deferred and contingent consideration payable	15	**(39,391)**	–
Lease liabilities		**(11,829)**	(13,375)
Deferred tax liabilities		**(13,552)**	(11,633)
Derivative financial instruments		–	(85)
		(159,659)	(136,342)
Total liabilities		**(290,452)**	(264,294)
Net assets		**189,163**	156,615

	Notes	**2022 £000**	2021 (restated) £000
Equity			
Share capital		**29,164**	26,513
Share premium account		**185,697**	160,271
Merger reserve		**2,746**	2,746
Capital redemption reserve		**457**	457
Employee Share Ownership Trust (ESOT) reserve		**(3,018)**	(3,083)
Retained earnings		**(35,174)**	21,552
Translation reserve		**6,606**	(53,935)
Hedge reserve		**152**	(85)
Equity attributable to equity holders of the parent		**186,630**	154,436
Non-controlling interests		**2,533**	2,179
Total equity		**189,163**	156,615

The financial statements of Hyve Group plc, registered company number 01927339, were approved by the Board of Directors and authorised for issue on 13 December 2022. They were signed on their behalf by:

Mark Shashoua
Chief Executive Officer

John Gulliver
Chief Finance and Operations Officer

Consolidated Cash Flow Statement

For the year ended 30 September 2022

	Notes	2022 £000	2021 (restated) £000
Operating activities			
Operating loss from continuing operations		**(11,369)**	(25,751)
Operating (loss)/profit from discontinued operations	12	**(30,490)**	2,522
Operating loss		**(41,859)**	(23,229)
Adjustments:			
Depreciation and amortisation		**33,704**	34,734
Impairment of goodwill, intangible assets and investments in joint ventures	10, 13	**2,850**	19,028
Share-based payments		**1,598**	761
Increase/(decrease) in provisions		**87**	(442)
(Profit)/loss on disposal of plant, property and equipment and computer software		**76**	146
Loss on disposal of subsidiary holdings	12	**42,332**	3,415
Fair value of cash flow hedges recognised in the income statement		**–**	224
Share of profit/(loss) from joint ventures		**873**	(1,545)
Operating cash flows before movements in working capital		**39,661**	33,092
Increase in receivables		**(26,960)**	(7,298)
Utilisation of venue prepayments		**–**	72
Increase in deferred income		**555**	11,959

Increase/(decrease) in payables		**18,442**	(9,367)
Operating cash flows after movements in working capital		**31,698**	28,458
Dividends received from associates and joint ventures		**200**	1,958
Cash generated from operations		**31,898**	30,416
Tax paid		**(2,654)**	(3,266)
Net cash from operating activities		**29,244**	27,150
Investing activities			
Interest received	5	**269**	163
Acquisition of businesses – cash paid net of cash acquired	11	**(23,389)**	(18,307)
Purchase of plant, property and equipment and computer software		**(960)**	(975)
Disposal of plant, property and equipment and computer software		–	73
Settlement of deferred and contingent consideration receivable	13	**2,508**	304
Settlement of deferred and contingent consideration payable	15	**(7,692)**	(4,693)
Disposal of subsidiaries and investments – cash received net of cash disposed and costs to sell	12	**(10,237)**	(3,784)
Net cash utilised on investing activities		**(39,501)**	(27,219)

Financing activities			
Equity dividends paid		**–**	–
Dividends paid to non-controlling interests		**–**	(671)
Interest paid and bank charges	6	**(6,676)**	(6,556)
Principal lease payments	16	**(3,448)**	(4,015)
Proceeds from the issue of share capital and exercise of share options		**29,048**	–

Fees relating to the issues of share capital		**(971)**	–
Drawdown of borrowings		**2,000**	69,604
Repayment of borrowings		**(25,423)**	(67,249)
Net outflow from financing activities		**(5,470)**	(8,887)
Net decrease in cash and cash equivalents	16	**(15,727)**	(8,956)
Cash and cash equivalents at beginning of year		**41,733**	50,330
Effect of foreign exchange rates		**3,575**	359
Cash and cash equivalents classified as held for sale	12	**(1,513)**	–
Cash and cash equivalents at end of year	16	**28,068**	41,733

1 Basis of accounting

Whilst the financial information included in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRS"), this announcement does not contain sufficient information to comply with IFRS. The Company expects to publish full financial statements that comply with IFRS in January 2023. These will be available at www.hyve.group.

The financial information set out does not constitute the Company's statutory accounts for the years ended 30 September 2022 or 2021 but is derived from those accounts. Statutory accounts for 2021 have been delivered to the Registrar of Companies and those for 2022 will be delivered following the Company's annual general meeting. The auditors have reported on those accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s498(2) or (3) Companies Act 2006 or equivalent preceding legislation.

The Directors have, at the time of approving the Consolidated Financial Statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

As part of their assessment of the appropriateness of adopting the going concern basis when preparing the annual report and financial statements, the Directors have considered the current strength of the Group’s liquidity, recent trading performance indicators and the potential impact of forecast scenarios on the Group’s financial position over the next twelve months.

In October 2022, the Group completed the refinancing of its debt facilities. The new facilities, totalling £135m, comprise a £115m term loan and £20m revolving credit facility. The £101.0m that was drawn on the previous facility was repaid in full on 20 October 2022, with the new term loan of £115m being fully drawn on the same date. The term loan will be repaid in full upon the expiry of the facility in October 2026.

Under the new facilities a minimum liquidity covenant of £21m is in place up to and including August 2023. Thereafter a quarterly leverage ratio applies, set at 4.4x in September 2023, 4.2x in December 2023 and at 3x thereafter.

With the exception of China, the Group has run a full schedule of events in FY22. The pace of in-person event recovery has quickened throughout the financial year, alongside a number of other positive trends, including increased like-for-like customer spend, improved NPS scores, the return of international attendance and strong forward bookings for next year’s events. The Group’s recovery has been supported by the acquisitions of 121 Group in November 2021 and Fintech Meetup in March 2022, which have accelerated the Group’s omnichannel strategy.

The Group has modelled a number of scenarios based on different assumptions, regarding the next twelve months. For the purposes of considering the Group’s going concern assessment, we have focussed on two scenarios:

- A Base Case; and
- A Downside Case.

The Base Case, which represents the Directors’ current best estimate, assumes a full schedule of events will take place in FY23. This considers the latest information available in respect of COVID-19 restrictions in China and reflects that we currently expect to be able run our events in the region but with some Q1 events postponed until later in FY23, including the Chinacoat event, operated by our 50% joint venture Sinostar, which will result in no dividend from the joint venture being received in FY23 as the event moves into Sinostar’s year ending December 2023. Under the Base Case scenario, available liquidity is expected to remain in excess of £43m throughout the twelve-month period from the date of the Annual Report.

The Downside Case has been modelled for the purposes of ensuring the minimum liquidity covenant and leverage covenant are not breached during the period of assessment, even if the Group’s trading is impacted by a deterioration of the wider macroeconomic environment, including the impact of a possible recession, or if its event schedule in China is disrupted by the reintroduction of COVID-19 restrictions, or a combination of these events.

The Downside Case considers the impact a global recession could have on the Group’s financial performance and takes account of the relative strength of the industries and geographies that the Group’s events operate in and how exposed they could be to an economic downturn. For example, the latest economic forecasts suggest that the UK could face a worse recessionary environment than many other countries and we have therefore applied larger reductions to the UK retail and fashion event projections. In conjunction with this trading decline, we have also considered the impact that a reasonably possible increase in interest rates would have under the Group's new debt facilities. A margin of 7.75% is payable on the £115m term loan plus a variable rate of interest based on SONIA, which in the Downside Case we assume increases to 5%. Finally, the Downside Case assumes that due to an extension of COVID-19 restrictions in China that the Group's events in the region will not be able to take place for their next scheduled edition, and therefore that no events will take place in China until FY24.

In response to this scenario playing out, modest cost savings have been assumed, including reduced discretionary bonus payments and variable event savings as a result of the reduced revenues and event cancellations. Liquidity is expected to remain in excess of £34m throughout the twelve-month period from the date of the Annual Report.

Throughout the twelve-month period of assessment, both scenarios have material headroom over and above both the £21m minimum liquidity covenant in place through to the end of August 2023 and the leverage ratio covenant after its introduction in September 2023.

The Directors have also modelled a reverse stress test, which assesses the liquidity and covenant position if an even more extreme deterioration in event performance were to occur. This has been reflected through a 20% reduction to all event revenues throughout the forecast period, except where forward bookings are already in excess of this level. This is in addition to the cancellation of the Group's Chinese events in FY23 and an increase in the variable interest rate paid on the Group's debt.

As in the Downside Case, variable event savings have been modelled in response to the reduced revenues. Given the significance of the reductions, additional cost actions, over and above those assumed in the Downside Case, have also been assumed, reflecting a reduction in discretionary spend that could be implemented if required.

Under this scenario the Group would still have available liquidity of at least £30m within the period of assessment and therefore would have material headroom above the minimum liquidity covenant but would breach the leverage covenant when it is introduced in September 2023 and would therefore require a covenant waiver. The Directors feel that the assumptions applied in this reverse stress test are remote, given the performance of the Group's recent events and the current level of forward bookings for FY23.

Further, the Group could still implement a number of additional mitigating actions if required. The Group implemented a material cost savings programme in response to the COVID-19 outbreak and has demonstrated an ability to quickly action cost reductions if necessary. Further cost savings over and above those assumed in the reverse stress test scenario could be actioned to help ease liquidity if required, including:

- A delay in planned investments, including the rollout of meetings programmes;
- A further reduction in discretionary staff bonus payments;
- A hiring freeze on staff vacancies; and
- A reduction in discretionary spend in other areas, including travel, technology and people-related investments such as reward and training.

These mitigating actions would enable the Group to meet the leverage covenant in September 2023 even if the reverse stress test scenario were to play out. The Group also has a number of additional actions that could be taken, including staff redundancies, disposal of events or portfolios of events or an equity raise, all of which have been successfully actioned in recent years since the start of the COVID-19 pandemic.

Based on the current and projected levels of liquidity, under a range of modelled scenarios, the Directors believe that the Group is well placed to manage its financial obligations and other business risks satisfactorily. The Directors have been able to form a reasonable expectation that the Group has adequate resources to continue in operation for at least 12 months from the signing date of these financial statements. The Directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the Annual Report and financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Group's accounting policies, a number of judgements and estimates have been made by management. Those that have the most significant effect on the amounts recognised in the financial statements or have the most risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical accounting judgements

Adjusting items

The classification of adjusting items requires significant management judgement after considering the nature and intentions of a transaction. The Group's definitions of adjusting items are outlined within both the Group accounting policies and the Glossary, as included within the Group annual report and financial statements. These definitions have been applied consistently year-on-year.

Note 4 provides further details on current year adjusting items.

Valuation of separately identifiable intangible assets

To determine the value of separately identifiable intangible assets on a business combination, and deferred tax on those intangible assets, the Group is required to make judgements when utilising valuation methodologies. The valuation is based upon discounted cash flows models and includes judgements in relation to future cash flows, discount rates intended to reflect the risk-adjusted cost of capital in the territory of the acquisition, revenue forecasts and the estimates for the useful economic lives of intangible assets. There are significant judgements involved in assessing what amounts should be recognised as the estimated fair value of assets and liabilities acquired through business combinations, particularly the amounts attributed to separate intangible assets such as trademarks and customer relationships. These judgements impact the amount of goodwill recognised on acquisition. Any provisional amounts are subsequently finalised within the 12-month measurement period, as permitted by IFRS 3 Business Combinations. The Group considers the advice of third-party independent valuers to identify and calculate the valuation of intangible assets on acquisition. Details of acquisitions in the year are set out in note 11.

Key sources of estimation uncertainty

Impairment of goodwill and intangible assets

There are a number of estimates management considers when determining value in use, most significantly the growth rates applied to future cash flows and the discount rates used to derive the present value of those cash flows. Growth rates reflect management's view of the long-term forecast rates of growth, using third party sources such as the International Monetary Fund (IMF) where appropriate. Discount rates are selected to reflect the risk-adjusted cost of capital for the respective territories. The most significant area of estimation uncertainty relates to forecast cash flows at each CGU. Forecast cash flows are based on Board-approved budgets and plans. A significant change in the assumptions used in determining the value in use of certain CGUs, could potentially result in an impairment charge being recognised in relation to these CGUs.

See note 10 for further detail.

The carrying value of goodwill and intangible assets at 30 September 2022 is £141.2m (2021: £73.7m) and £195.6m (2021: £200.7m) respectively.

Deferred and contingent consideration receivable and payable

The valuation of deferred and contingent consideration receivable of £9.3m (2021: £9.8m) and payable of £58.0m (2021: £0.8m), recognised upon disposal or acquisition of the Group's businesses, is significantly impacted by the estimation of the discount rate used in determining the present value of the consideration. The discount rate is selected to reflect the risk-adjusted cost of capital for the territory in which the disposal or acquisition has taken place, as well as the size and credit risk of the buyer for disposals. Any contingent element of the deferred and contingent consideration receivable and payable is recognised at fair value based on the directors' best estimate of the relevant performance of the disposed of or acquired business.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

	Fair value at			Range of inputs (probability weighted average)		
Description	**30-Sep-22 £000**	30-Sep-21 £000	Un-observable inputs	**2022**	2021	Relationship of unobservable inputs to fair value
Deferred and contingent consideration payable	**58,039**	–	Risk-adjusted discount rate	5%	n/a	A change in the discount rate by 5% would increase/decrease the fair value by £4.2m
			Expected cash inflows	5%	n/a	If expected cash flows were 5% higher or lower, the fair value would increase/decrease by £2.5m

Deferred tax assets

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Therefore, there is estimation uncertainty relating to the forecast profits. The forecast profits are based on Board-approved budgets and plans and are consistently used across all key sources of estimation uncertainty. The deferred tax asset of £8.5m is subject to sensitivities of the US forecast profit for the years ending 30 September 2023 to 30 September 2026. At 30 September 2022 deferred tax assets of £13.0m (2021: £5.7m) have been recognised.

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 Communities division was previously managed by a single divisional leadership team but during the year was divided into three new operating segments, each consisting of complementary event portfolios that are managed in unison by separate divisional leadership teams. The three new operating segments are as follows:

- EdTech & Natural Resources;
- Retail, Manufacturing & Engineering; and
- RetailTech & FinTech.

Following the Group's disposal of its Russian and Ukrainian businesses during the year and its subsequent disposal of the Turkish business subsequent to the year ended 30 September 2022, the Russian, Ukrainian and Turkish businesses are treated as discontinued operations in both the current and comparative periods. The Ukrainian and Turkish businesses together comprise the Eastern & Southern Europe division.

In the year ended 30 September 2021, the Central Asia division was also treated as a discontinued operation. As a result, the comparative results are restated to incorporate the Russian, Eastern & Southern Europe and Central Asian divisions.

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:

Year ended 30 September 2022	EdTech & Natural Resources £000	Retail, Manufacturing & Engineering £000	RetailTech & FinTech £000	Asia £000	Continuing operations £000	Discontinued operations £000	Total Group £000
Revenue	**32,659**	**38,966**	**45,017**	**5,820**	**122,462**	**44,827**	**167,289**
Segment headline profit/(loss) before tax	**1,018**	**5,764**	**9,300**	**(2,112)**	**13,970**	**15,781**	**29,751**
Other operating income					**19,557**	**–**	**19,557**
Unallocated costs					**(22,054)**	**–**	**(22,054)**
Headline profit before tax					**11,473**	**15,781**	**27,254**
Adjusting items					**(42,440)**	**(46,271)**	**(88,711)**
Loss before tax					**(30,967)**	**(30,490)**	**(61,457)**
Tax					**5,615**	**(2,922)**	**2,693**
Loss for the period					**(25,352)**	**(33,412)**	**(58,764)**

The revenue in the year of £167.3m includes £1.4m (2021 (restated): £0.4m) of marketing and advertising services revenues. No individual customer amounts to more than 10% of Group revenues.

Other operating income includes insurance proceeds received in the year of £19.3m (2021: £65.0m) in relation to claims regarding the cancellation or postponement of a number of events that were scheduled to take place in FY20 and FY21. The gross proceeds are recognised in the income statement as other operating income when the receipt of the proceeds is virtually certain. Please refer to the Chief Finance and Operations Officer's statement for further detail.

Unallocated costs 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.

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

Year ended 30 September 2022	EdTech & Natural Resources £000	Retail, Manufacturing & Engineering £000	RetailTech & FinTech £000	Asia £000	Continuing operations £000	Discontinued operations £000	Total Group £000
Share of results of joint ventures							
Share of results before tax	–	–	–	**(957)**	**(957)**	**(177)**	**(1,134)**
Tax	–	–	–	**225**	**225**	**35**	**260**
Share of results after tax	–	–	–	**(732)**	**(732)**	**(142)**	**(874)**
Capital expenditure							
Segment capital expenditure	**32**	**7**	**116**	**31**	**186**	**215**	**401**
Unallocated capital expenditure							**559**
							960
Depreciation and amortisation							
Segment depreciation and amortisation	**9,450**	**10,172**	**8,128**	**1,272**	**29,022**	**575**	**29,597**
Unallocated depreciation and amortisation							**4,107**
							33,704

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

	2022 £000	2021 (restated) £000
EdTech & Natural Resources	–	–
Retail, Manufacturing & Engineering	–	19,028
RetailTech & FinTech	–	–
Asia	–	–

Discontinued operations	**2,850**	–
	2,850	19,028

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

30 September 2022	**EdTech & Natural Resources £000**	**Retail, Manufacturing & Engineering £000**	**RetailTech & FinTech £000**	**Asia £000**	**Total Group £000**
Assets					
Segment assets	**137,240**	**99,496**	**162,398**	**62,367**	**461,501**
Assets classified as held for sale					**2,963**
Unallocated assets					**15,151**
					479,615
Liabilities					
Segment liabilities	**(52,556)**	**(22,564)**	**(65,133)**	**(15,442)**	**(155,695)**
Liabilities classified as held for sale					**(2,854)**
Unallocated liabilities					**(131,903)**
					(290,452)
Net assets					**189,163**

All assets and liabilities are allocated to reportable segments except for certain centrally held balances, including property, plant and equipment and computer software relating to the Group's head office function, the Group's bank loan, and taxation (current and deferred).

Year ended 30 September 2021 (restated)	EdTech & Natural Resources £000	Retail, Manufacturing & Engineering £000	RetailTech & FinTech £000	Asia £000	Continuing operations £000	Discontinued operations £000	Total Group £000
Revenue	984	10,055	6,669	4,114	21,822	33,428	55,250

Segment headline (loss)/profit before tax	(7,822)	(6,749)	(6,153)	(7,454)	(28,178)	6,136	(22,042)
Other operating income					66,101	–	66,101
Unallocated costs					(24,006)	–	(24,006)
Headline profit before tax					13,917	6,136	20,053
Adjusting items					(41,382)	(3,616)	(44,998)
Loss/(profit) before tax					(27,465)	2,520	(24,945)
Tax					4,636	289	4,925
Loss/(profit) for the period					(22,829)	2,809	(20,020)

Year ended 30 September 2021 (restated)	EdTech & Natural Resources Group £000	Retail, Manufacturing & Engineering £000	RetailTech & FinTech £000	Asia £000	Continuing operations £000	Discontinued operations £000	Total £000
Share of results of joint ventures							
Share of results before tax	–	–	–	1,880	1,880	120	2,000
Tax	–	–	–	(455)	(455)	–	(455)
Share of results after tax	–	–	–	1,425	1,425	120	1,545
Capital expenditure							
Segment capital expenditure	54	3	63	71	191	230	421
Unallocated capital expenditure							554
							975
Depreciation and amortisation							
Segment depreciation and amortisation	8,501	11,096	6,789	1,588	27,974	925	28,899
Unallocated depreciation and amortisation							5,835

							34,734

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

30 September 2021 (restated)	EdTech & Natural Resources Group £000	Retail, Manufacturing & Engineering £000	RetailTech & FinTech £000	Asia £000	Eastern & Southern Europe £000	Russia £000	Total £000
Assets							
Segment assets	78,893	115,828	76,566	68,488	5,938	31,592	377,305
Unallocated assets							43,604
							420,909
Liabilities							
Segment liabilities	(14,384)	(17,657)	(17,524)	(22,172)	(3,914)	(26,567)	(102,218)
Unallocated liabilities							(162,076)
							(264,294)
Net assets							156,615

Information about the Group’s revenue by origin of sale and non-current assets by geographical location is detailed below.

Geographical information

	Revenue						**Non-current assets[1]**	
	2022			2021				
	Continuing £000	**Discontinued £000**		Continuing £000	Discontinued £000		**2022 £000**	2021 £000
Asia	**5,820**	**–**		4,317	–		**45,319**	46,377
Central Asia	–	–		–	49		–	–

Eastern & Southern Europe	**–**	**8,842**		–	5,401		–	2,340
Russia	**–**	**28,952**		–	21,398		–	19,170
UK	**42,219**	**–**		9,311	–		**70,382**	82,073
US	**40,142**	**–**		6,674	–		**133,468**	91,879
Rest of the World	**34,281**	**7,033**		1,520	6,580		**123,407**	94,243
	122,462	**44,827**		21,822	33,428		**372,575**	336,082

1 Non-current assets exclude deferred tax assets and non-current assets classified as held for sale.

3 Operating profit/(loss)

Operating profit/(loss) from continuing operations is stated after charging/(crediting):

	2022 £000	2021 (restated) £000
Staff costs	**53,658**	36,219
Redundancy, severance and payments in lieu of notice	**–**	(129)
Government grants – furlough payments received	**–**	(35)
Depreciation of property, plant and equipment	**3,437**	4,777
Amortisation of intangible assets included within administrative expenses	**29,693**	29,032
Impairment of assets (notes 10 and 13)	**2,850**	19,028
Profit on disposal of subsidiary holdings (note 12)	**(3,974)**	(197)
Short-term leases – offices	**90**	161
Short-term leases – venues	**30,035**	7,654

Loss/(gain) on derivative financial instruments – equity options	**–**	(8,807)
Foreign exchange (gain)/loss on operating activities	**(2,707)**	306
Other operating income	**19,557**	66,101

Depreciation of property, plant and equipment of £0.6m (2021: £0.9m) is included in profit/(loss) from discontinued operations.

Other operating income arises mainly from insurance proceeds received in the year in relation to claims regarding the cancellation or postponement of a number of events that were scheduled to take place in previous financial years.

	2022 £000	2021 £000
Cancellation insurance proceeds	**19,255**	64,992
Government and other subsidies	**–**	596
Other	**302**	513
Other operating income	**19,557**	66,101

Auditor’s remuneration

The analysis of the auditor’s remuneration is as follows:

	2022 £000	2021 £000
Fees payable to the Company’s auditor for the audit of the Company’s annual accounts	**533**	408
Fees payable to the Company’s auditor and its joint ventures for other services:		
– The audit of the Company’s subsidiaries pursuant to legislation	**231**	220
– Additional fees paid in relation to the 2021 audit	–	100
Total audit fees	**764**	728
– Other services pursuant to legislation (Interim review)	**84**	69
– Advice regarding regulatory enquiries	–	12
– Reporting accountant work – Class 1 transaction	**231**	–

Total non-audit fees	**315**	81
	1,079	809

4 Adjusting items

	2022 £000	2021 £000
Operating adjusting items		
Amortisation of acquired intangible assets	**28,838**	27,770
Impairment of assets (notes 10 and 13)	**2,850**	19,028
Profit on disposal of subsidiary holdings (note 12)	**(3,974)**	(189)
Transaction costs on completed and pending acquisitions and disposals	**3,276**	682
Tax on income from joint ventures	**(225)**	455
Total operating adjusting items	**30,765**	47,746
Financing adjusting items		
Revaluation of assets and liabilities on completed acquisitions and disposals		
– Gain on revaluation of equity options	**–**	(8,807)
– Loss on revaluation of deferred and contingent consideration payable (note 15)	**6,783**	1,350
– Loss on revaluation of deferred and contingent consideration receivable (note 13)	**1,050**	2,687
– Unwind of imputed interest credit on discounted deferred and contingent consideration receivable (note 13)	**(1,652)**	(1,594)
– Unwind of imputed interest charged on discounted deferred and contingent consideration payable (note 15)	**5,494**	–
Total adjusting items before tax	**42,440**	41,382

The loss from discontinued operations is adjusted for the following items:

	2022 £000	2021 £000
Operating adjusting items		
Loss on disposal of discontinued operations (note 17)	**46,306**	3,604
Discontinued operations – adjusting items	**46,306**	3,604

The adjusting items are discussed in the Chief Finance and Operations Officer's statement and the alternative performance measures section of the Glossary.

5 Investment revenue

	2022 £000	2021 £000
Interest receivable from bank deposits	**269**	163
Gain on revaluation of equity options	–	8,807
Unwind of imputed interest credit on discounted deferred and contingent consideration receivable (note 13)	**1,652**	1,594
	1,921	10,564

6 Finance costs

	2022 £000	2021 £000
Interest on bank loans	**5,674**	5,241
Bank charges	**1,926**	2,350
Loss on revaluation of deferred and contingent consideration receivable (note 13)	**1,050**	2,687

Loss on revaluation of deferred and contingent consideration payable (note 15)	**6,783**	1,350
Unwind of imputed interest charged on discounted deferred and contingent consideration payable (notes 13 and 15)	**5,494**	–
Interest on lease liabilities	**592**	650
	21,519	12,278

7 Tax on profit on ordinary activities

Analysis of tax credit for the year:

	2022 £000	2021 (restated) £000
Group taxation on current year result:		
UK corporation tax (credit)/charge on result for the year	**(178)**	1,211
Adjustment to UK tax in respect of previous years	**(222)**	17
	(400)	1,228
Overseas tax – current year	**400**	1,334
Overseas tax – previous years	**126**	(735)
	526	599
Current tax	**126**	1,827
Deferred tax		
Origination and reversal of temporary differences:		
Current year	**(5,576)**	(4,953)
Prior year	**(165)**	(1,510)

	(5,741)	(6,463)
	(5,615)	(4,636)

The tax impact of the adjusting items outlined within note 4 and within the Consolidated income statement relates to the following:

	2022 Gross £000	**2022 Tax impact £000**	2021 (restated) Gross £000	2021 (restated) Tax impact £000
Amortisation of acquired intangible assets	**28,838**	**5,745**	27,770	5,526
Impairment of assets	**2,850**	–	19,028	5,206
Change of rate of deferred tax on intangible assets	–	–	–	(4,712)
Profit on disposal of subsidiary holdings	**(3,974)**	–	(189)	–
Transaction costs on completed and pending acquisitions and disposals	**3,276**	–	682	–
Tax on income from joint ventures	**(225)**	**(225)**	455	455
Revaluation of liabilities on completed acquisitions				
– Gain on revaluation of equity options	–	–	(8,807)	–
– Loss on revaluation of deferred and contingent consideration payable	**6,783**	–	1,350	–
– Loss on revaluation of deferred and contingent consideration receivable	**1,050**	–	2,687	–
– Unwind of imputed interest credit on discounted deferred and contingent consideration receivable	**(1,652)**	–	(1,594)	–
– Unwind of imputed interest charged on discounted deferred and contingent consideration payable	**5,494**	–		
	42,440	**5,520**	41,382	6,475

The tax credit for the year can be reconciled to the loss per the income statement as follows:

	2022 £000	2021 (restated)

		£000
Loss on ordinary activities before tax from continuing operations	**(30,967)**	(27,465)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2021: 19.0%)	**(5,884)**	(5,218)
Effects of:		
Profit on disposal of subsidiary holdings	**790**	(29)
Transaction costs	**209**	181
Tax effect of equity options and deferred contingent consideration	**2,218**	(1,133)
Impairment of assets	**543**	283
Other expenses not deductible for tax purposes	**873**	611
Tax effect of amortisation of intangible assets	**(86)**	(1,386)
Brought forward deferred tax asset recognised	**(4,602)**	(2,411)
Movement on provisions for tax uncertainties	**(283)**	(76)
Current year losses not recognised as a DTA	**–**	3,594
Brought forward losses utilised - no brought forward DTA	**57**	**–**
Withholding tax on overseas dividends suffered in the year	**85**	563
Deferred tax provision on repatriation of overseas profits	**(100)**	950
Adjustments in response to prior years	**(261)**	(2,215)
Change in tax rate at which deferred tax is calculated	**–**	2,072
Deferred tax brought forward at 25% but utilised at 19%	**790**	**–**
Effect of different tax rates of subsidiaries in other jurisdictions	**(109)**	(137)
Associate tax	**145**	(285)
Total tax credit	**(5,615)**	(4,636)

Current tax is the amount of corporate income taxes expected to be payable or recoverable based on the profit for the period as adjusted for items that are not taxable or not deductible and is calculated using tax rates and laws that were enacted or substantively enacted at the date of the statement of financial position.

The Group seeks to pay tax in accordance with the laws of the countries where it does business. The Group estimates its tax on a country-by-country basis. Current tax includes amounts provided in respect of uncertain tax positions where management expects that, upon examination of the uncertainty by a tax authority in possession of all relevant knowledge, it is probable that an economic outflow will occur. While the Group is confident that tax returns are appropriately prepared and filed, amounts are provided in respect of uncertain tax positions that reflect the risk with respect to tax matters are considered to involve uncertainty. Provisions against uncertain tax positions are measured using a probability weighted expected measure – where on the balance of probabilities something will be paid to the tax authorities but there is no definite outcome, the provision is the sum of the probability of the weighted outcomes. There are no ongoing discussions with tax authorities relating to uncertain tax positions.

A tax charge of £2.9m (2021 restated: a tax credit of £0.3m) has been recognised in respect of discontinued operations.

	2022 £000	2021 £000
Tax relating to components of comprehensive income:		
Cash flow (losses) – Deferred	**(15)**	(130)
Tax relating to amounts (charged)/credited to equity:		
Share options – Deferred	**(101)**	101
	(101)	101
	(116)	(29)

8 Dividends

The Directors have not proposed a final dividend (2021: nil) for the year ended 30 September 2022. The payment of dividends was restricted during the year under the terms of the waivers agreed with the Group’s lenders in May 2020 and extended in November 2021, and remain restricted under the terms of the new debt facility agreed in October 2022 until the business is sufficiently deleveraged.

There were not any interim dividends declared or paid in the years ended 30 September 2022 and 30 September 2021.

Under the terms of the trust deed dated 20 October 1998, the Hyve Group Employees Share Trust, which holds 671,757 (2021: 771,375) ordinary shares representing 0.2% of the Company’s called up ordinary share capital, has agreed to waive all dividends due to it each year.

9 Earnings per share

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

	2022 No. of shares (000)	2021 No. of shares (000)
Weighted average number of shares:		
For basic earnings per share	**287,388**	264,349
Effect of dilutive potential ordinary shares	**293**	132
For diluted and headline diluted earnings per share	**287,681**	264,481

Basic and diluted earnings per share

The calculations of basic and diluted earnings per share are based on the loss for the financial year attributable to equity holders of the parent of £58.1m (2021: loss of £19.2m). Basic and diluted earnings per share were (20.2)p and (20.2)p respectively (2021: (7.3)p and (7.3)p). No share options were included in the weighted average number of ordinary shares used in the calculation of the diluted earnings per share because their effect would have been anti-dilutive.

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 £25.1m (2021: profit of £19.3m). Headline basic and diluted earnings per share were 8.7p and 8.7p respectively (2021: 7.3p and 7.3p).

Basic and diluted earnings per share from continuing operations

The calculations of basic and diluted earnings per share from continuing operations are based on the loss for the financial year attributable to equity holders of the parent from continuing operations of £24.7m (2021 restated: loss of £22.0m). Basic and diluted earnings per share from continuing operations were (8.6)p and (8.6)p respectively (2021 restated: (8.3)p and (8.3)p). No share options 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 anti-dilutive.

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 £12.2m (2021 restated: £12.9m). Headline basic and diluted earnings per share from continuing operations were 4.2p and 4.2p respectively (2021 restated: 4.9p and 4.9p respectively).

A reconciliation of the loss for the financial year attributable to equity holders of the parent to the headline earnings for the financial year after tax is provided below:

	2022 £000	2021 (restated) £000
Loss for the financial year attributable to equity holders of the parent	**(58,113)**	(19,188)
Amortisation of acquired intangible assets	**28,838**	27,770
Impairment of assets (notes 10 and 13)	**2,850**	19,028
Profit on disposal of subsidiary holdings (note 12)	**(3,974)**	(189)
Loss on disposal of discontinued operations (note 12)	**46,306**	3,603
Transaction costs on completed and pending acquisitions and disposals	**3,276**	682
Tax on income from joint ventures	**(225)**	–
Revaluation of assets and liabilities on completed acquisitions and disposals		
– Gain on revaluation of equity options	–	(8,807)
– Loss on revaluation of deferred and contingent consideration payable (note 15)	**6,783**	1,350
– Loss on revaluation of deferred and contingent consideration receivable (note 13)	**1,050**	2,687
– Unwind of imputed interest credit on discounted deferred and contingent consideration receivable (note 13)	**(1,652)**	(1,594)
– Unwind of imputed interest charged on discounted deferred and contingent consideration payable (note 15)	**5,494**	–
Tax effect of other adjustments	**(5,520)**	(6,019)
Headline profit for the financial year attributable to equity holders of the parent	**25,113**	19,323
Headline profit from discontinued operations	**12,894**	6,413
Headline profit for the financial year attributable to equity holders of the parent from continuing operations	**12,219**	12,910

10 Goodwill

	Goodwill

	£000
Cost	
At 1 October 2020	297,675
Additions through business combinations	12,741
Foreign exchange	(3,689)
Disposal	(5,777)
At 30 September 2021	**300,950**
Additions through business combinations (note 11)	62,025
Disposals	(55,110)
Foreign exchange	34,883
Goodwill classified as held for sale	(10,173)
At 30 September 2022	**332,575**
Provision for impairment	
At 1 October 2020	**(233,997)**
Disposals	2,029
Foreign exchange	4,720
At 30 September 2021	**(227,248)**
Disposals	36,771
Impairment	(2,072)
Foreign exchange	(9,016)
Accumulated impairment losses classified as held for sale	10,173
At 30 September 2022	**(191,392)**
Net book value	
At 30 September 2022	**141,183**

At 30 September 2021	73,702

Goodwill with a net book value of £18.3m was disposed of during the year following the disposal of the Russian business. The net book value of goodwill held in respect of ABEC and Ukraine, which were also disposed of during the year, was £nil. The goodwill classified as held for sale in respect of Turkey has a net book value of £nil having previously been fully impaired (see note 12).

An impairment charge of £2.1m has been recognised in respect of Fin-mark Srl, which previously organised the Aqua-therm event in Ukraine. The impairment charges are recognised within administrative expenses in the Consolidated income statement.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. 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 the Group's cash flow forecasts, long-term growth rates and discount rates applied to the forecast cash flows.

Cash flow forecasts

The Group prepares cash flow forecasts based upon management's most recent four-year financial plans presented to and approved by the Board and thereafter creates a terminal value by extrapolating the planned cash flows.

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 the impact of COVID-19 on the Group's event schedule will be minimal, with the notable exception of China (both in respect of events taking place in China and Chinese international participation at events outside China). On a total basis, adjusted for the Group's recent disposals, we now forecast a full recovery by the end of the financial year ending 30 September 2023, with further growth driven from the recent acquisitions of 121 Group and Fintech Meetup.

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.

Long-term growth rates

Growth rates beyond the detailed plans are based on IMF forecasts of inflation 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 4%, do not exceed the long-term growth rates for the economies in which these businesses operate.

Discount rates

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 CGUs are between 16% and 20% (2021: 12% and 17%). The large variance in discount rates applied reflects the differences in risks inherent in the regions in which the CGUs operate. challenging macroeconomic environment.

Discount rates have increased significantly since the prior year, reflecting a number of changes in the Group's internal and external environment:

- Cost of debt – the Group's cost of debt has increased following the completion of a refinancing in challenging market conditions whilst the business is still recovering from the COVID-19 pandemic (see note 14). SONIA, the variable element of the Group's interest rates, has also increased significantly during the period.
- Macroeconomic uncertainty – the discount rates used by management are required to reflect market conditions at the reporting date. Due to the turmoil caused by the UK Government's "mini-budget" in September 2022, risk-free rates as at 30 September 2022 were markedly higher than in the months preceding the reporting date and have since fallen.
- Share price volatility – as a result of the COVID-19 pandemic and the subsequent Russia Ukraine war, the Group's share price has been highly volatile in recent years with the Group's market capitalisation falling significantly. Therefore the Group's beta, a measure of Hyve's volatility relative to market volatility, has increased and the size premium used in the discount rate build-up has been updated to reflect the Group's current value-in-use.

Individually significant CGUs

Significant CGUs	Goodwill		Other intangible assets		Long-term growth rates		Pre-tax discount rates		Recoverable amount in excess of carrying value	
	2022 £m	2021 £m	**2022 £m**	2021 £m	**2022 %**	2021 %	**2022 %**	2021 %	**2022 £m**	2021 £m
China	**10.7**	9.6	**0.7**	1.8	**2.0**	2.0	**17.2**	12.7	**1.4**	18.8
Global Natural Resources	**47.3**	0.8	**32.9**	27.7	**3.2**	3.3	**19.2**	15.1	**26.1**	14.1
Bett	**0.7**	0.7	**36.4**	40.2	**1.9**	2.0	**17.1**	12.6	**21.1**	6.9
Shipping & Specialised Engineering	**17.6**	16.2	**37.2**	41.5	**2.2**	1.9	**16.7**	12.0	**0.8**	14.1
UK	–	–	**23.2**	28.9	**1.9**	2.0	**17.1**	13.0	**26.0**	–
RetailTech	**36.2**	29.4	**62.6**	58.6	**2.0**	2.4	**16.5**	12.5	**77.8**	39.6
FinTech	**28.7**	–	**1.7**	–	**2.0**	n/a	**16.5**	n/a	**17.6**	n/a

A new CGU, FinTech, has been formed following the acquisition of Fintech Meetup in March 2022.

Goodwill of £38.1m and intangibles of £9.0m in respect of the acquisition of 121 Group have been allocated to the Global Natural Resources CGU (formerly Africa Oil & Mining 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 a recession in FY23. 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:

- A recession in FY23. We have sensitised forecasts to factor in the potential impact of a recession in FY23. Under this scenario FY23 revenues in the China and UK CGUs decrease by 10%, revenues in Bett and CWIEME (a component of the Shipping & Specialised Engineering CGU) decrease by 5% and revenues in RetailTech decrease by 2%. The cost savings associated with these revenue declines are included in the forecast. Overall this represents an 11% decline in operating profits.
- An increase in the discount rate by 5%. This is comparable to the increase in the discount rates experienced in FY23 compared to FY22.
- A decrease in the long-term growth rate by 1%.

The sensitivity analysis shows that no impairment would result from the modelled recession scenario in FY23, a decrease in the long-term growth rate, an increase in the discount rate, or an aggregate of these sensitivities, in any CGU other than in the China, Shipping & Specialised and Global Natural Resources CGUs. The changes in key assumptions that would cause the recoverable value of the CGUs to equal their carrying values are shown below.

Sensitivity	China	Shipping & Specialised Engineering	Global Natural Resources
% change in operating profit	**–4.9%**	**–1.0%**	**–31.8%**
% change in discount rate	**1.5%**	**0.2%**	**5.1%**
% change in long term growth rate	**–2.1%**	**–0.3%**	**–5.0%**

11 Acquisitions

121 Group
On 26 November 2021 the Group acquired 100% of the share capital of 121 Group (HK) Limited and 121 Partners Limited (together “121 Group”) a market leading omnichannel meetings programme organiser focused on the mining sector across EMEA, North America and APAC. Initial cash consideration of £22.9m was paid at acquisition and the fair value of the deferred contingent consideration at the acquisition date was £24.4m. The acquisition was completed to support Hyve’s digital evolution and the delivery of its omnichannel strategy.

The deferred contingent consideration relates to three earn-out payments based on the EBITDA of 121 Group for the years-ending 31 March 2022, 31 March 2023 and 31 March 2024. The deferred contingent consideration was calculated based on management’s expectations of EBITDA at acquisition. A settlement of £7.2m was paid in July 2022 and the deferred contingent consideration was subsequently revalued at year-end based on the latest forecasts, resulting in an increase of £2.3m of undiscounted forecast consideration payments compared with management’s expectations at the time of acquisition.

During the period the Group incurred transaction costs on the acquisition of £1.8m, 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:

	Fair value £000

Non–current assets	
Intangible assets – Customer relationships	**6,790**
Intangible assets – Trademarks	**2,259**
Property, plant and equipment	**587**
Current assets	
Trade and other receivables	**809**
Cash and cash equivalents	**3,126**
Total assets	**13,571**
Current liabilities	
Trade and other payables	**(606)**
Current tax liabilities	**(702)**
Deferred income	**(1,186)**
Non–current liabilities	
Deferred tax liability	**(1,686)**
Lease liabilities	**(254)**
Total liabilities	**(4,434)**
Identifiable net assets	**9,137**
Goodwill arising on acquisition	**38,122**
Total consideration	**47,259**
Satisfied by	
Initial cash consideration	**22,905**
Deferred and contingent consideration	**24,354**

	47,259
Net cash outflow arising on acquisition	**(19,779)**
Net cash outflow arising on settlement of deferred contingent consideration	**(24,354)**
Total net cash outflow from acquisition	**(44,133)**

The goodwill of £38.1m arising from the acquisition reflects the strategic value of the opportunity to share best practices across Hyve and 121 Group omnichannel events and the potential synergies with the Group's Mining Indaba event. The goodwill of £38.1m is expected to be deductible for tax purposes.

The acquired business has contributed £6.3m to Group revenue and £2.1m to statutory profit before tax. Had the acquisition occurred on 1 October 2021, the acquired businesses would have contributed £9.2m to Group revenue and £4.1m to statutory profit before tax.

Net cash outflow arising on acquisition was £19.8m and net cash outflow arising on settlement of deferred contingent consideration was expected to be £24.4m at the acquisition date.

At 26 November 2021, the purchase price allocation (PPA) was prepared on a provisional basis in accordance with IFRS 3. During the 12-month measurement period from the acquisition date, the Group finalised the valuation of assets and liabilities acquired. Adjustments were made to the provisional PPA which was disclosed in the Group's condensed consolidated financial statements for the six months ended 31 March 2022, resulting in an increase in the goodwill recognised on acquisition by £2.9m.

Fintech Meetup

On 11 March 2022 the Group announced the acquisition of 100% of the share capital of Fintech Meetup LLC ("Fintech Meetup"), an organiser of the leading U.S. based fintech facilitated meetings event, for initial cash consideration of £4.2m. Deferred contingent consideration payable with a fair value of £19.9m was recognised at the acquisition date. The deferred contingent consideration relates to two earn-out payments based on the EBITDA of Fintech Meetup in the years ending 30 September 2023 and 30 September 2024.

The deferred contingent consideration was calculated based on management's expectations of EBITDA at acquisition and was subsequently revalued at year-end based on the latest forecasts, resulting in a forecast additional £5.0m of undiscounted consideration being payable compared with management's expectations at the time of acquisition.

During the period the Group incurred transaction costs on the acquisition of £1.0m, 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:

	Fair value £000
Non–current assets	
Intangible assets – Customer relationships	**797**
Intangible assets – Trademarks	**797**

Deferred tax asset	**490**
Current assets	
Trade and other receivables	**17**
Cash and cash equivalents	**622**
Total assets	**2,723**
Current liabilities	
Trade and other payables	**(108)**
Deferred income	**(2,396)**
Total liabilities	**(2,504)**
Identifiable net assets	**219**
Goodwill arising on acquisition	**23,903**
Total consideration	**24,122**
Satisfied by	
Initial cash consideration	**4,208**
Deferred and contingent consideration	**19,914**
	24,122
Net cash outflow arising on acquisition	**(3,586)**
Net cash outflow arising on settlement of deferred contingent consideration	**(19,914)**
Total net cash outflow from acquisition	**(23,500)**

The goodwill of £23.9m 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.

The acquired business has contributed £2.3m to Group revenue and £1.0m to statutory profit before tax. Had the acquisition occurred on 1 October 2021, the acquired businesses would have contributed £2.3m to Group revenue and (£2.7m) to statutory profit before tax.

Net cash outflow arising on acquisition was £3.6m and net cash outflow arising on settlement of deferred contingent consideration was expected to be £19.9m at the acquisition date.

12 Disposal of subsidiaries and discontinued operations

In the year the Group completed the disposal of its Russian business, Ukrainian business, ABEC portfolio of events in India and its interest in the Debindo joint venture in Indonesia.

The profit/(loss) on disposal of subsidiary holdings and the net cash outflow arising on disposal are summarised as follows:

	Profit/(loss) on disposal of subsidiary holdings					Net cash outflow arising on disposal		
	Continuining operations £000	Discontinued operations £000	Total £000		Consideration received in cash and cash equivalents £000	Cash and cash equivalents disposed of £000	Costs to sell £000	Net cash outflow arising on disposal £000
Russia	–	(38,272)	(38,272)		–	(6,405)	(2,728)	(9,133)
Ukraine	–	(8,034)	(8,034)		(250)	(62)	(90)	(402)
ABEC	3,140	–	3,140		974	(2,059)	–	(1,085)
Debindo	834	–	834		535	–	(152)	383
Total	**3,974**	**(46,306)**	**(42,322)**		**1,259**	**(8,526)**	**(2,970)**	**(10,237)**

The Group's disposals of ABEC and Debindo are not treated as discontinued operations because the disposal did not meet the IFRS 5 criteria: the disposal of a separate major line of business or a separate geographical area of business. The Group did not incur any transaction costs in respect of the disposal of ABEC because the business was sold to existing minority shareholders.

Russia
In March 2022 the Group announced the disposal of its Russian business and on 13 May 2022 it completed the disposal of its 100% shareholding of the Russian business to Rise Expo Limited, a newly incorporated entity in the UAE which is majority owned by a German national with significant experience in the events industry.

The consideration for the sale was wholly structured as earn out consideration of up to £72.0m payable over a ten-year period. Sanctions imposed on Russia in response to the war in Ukraine limit the Group's ability to receive consideration in respect of the disposal of the Russian business and as at the reporting date the severity of the sanctions imposed has only increased. A change in the global sanctions landscape is expected to be required before consideration could be received, the timing and extent of which is very unpredictable but is not anticipated in the short term. The consideration receivable at the disposal date is therefore deemed to have a fair value of £nil.

The sensitivity of the fair value to changes in assumptions has been considered, including a scenario where sanctions are relaxed before the final earn-out payment is due in December 2032. Were the Russian business to deliver a performance to trigger the maximum £72.0m consideration payable, the length of the period until receipt would result in an immaterial fair value of £1.2m. It should also be noted that the business reported a loss in the period between disposal and 30 September 2022. The calculated fair value of £1.2m is after being discounted at a rate of 48% to reflect the significant risks inherent both in operating in Russia and the counterparty risk. This value could also reduce further if sanctions were not lifted until beyond December 2032, supporting the £nil fair value for the consideration receivable.

The assets of the Russian business were not impaired prior to their classification as held for sale as their recoverability was supported by the trading of the Russian business at that time. A loss on disposal of £38.3m is recognised in the year ended 30 September 2022, being equal to the value of the disposal costs, the net assets being disposed of, and the amounts held with the Group's foreign currency translation reserve in respect of the Russian business which must be reclassified to the income statement on disposal.

At the time of the disposal, the 'Proposed Disposal of Russian Business' Circular disclosed a present value for the disposal proceeds of £14.6m, while at the same time outlining the risk that earn-out consideration may be less than envisaged or not received at all. An estimated loss on disposal of £27.5m was disclosed, compared to the final loss on disposal of £38.3m. The difference primarily relates to the subsequent recognition of the fair value of the deferred consideration receivable at £nil, as detailed above, and the recalculation of the cumulative exchange differences, which, when recalculated at the disposal date foreign exchange rate, decreased to £24.5m from the £27.2m disclosed in the Circular.

The net assets of the entities disposed of at the date of disposal were as follows:

	£000
Goodwill	18,339
Investment in joint venture	2,910
Property, plant and equipment	1,711
Deferred tax asset	1,053
Trade and other receivables	7,891
Cash and cash equivalents	6,405
Trade and other payables	(13,972)
Deferred income	(13,332)
Net assets	**11,005**

Fair value of consideration received	–
Costs to sell	(2,728)
Proceeds net of related selling expenses	**(2,728)**
Cumulative exchange differences	**(24,539)**
Loss on disposal	**(38,272)**
Satisfied by:	
Cash and cash equivalents	–
Deferred and contingent consideration	–
Net cash outflow arising on disposal:	
Consideration received in cash and cash equivalents	–
Less: cash and cash equivalents disposed of	(6,405)
	(6,405)

During the period the Group incurred costs to sell of £2.7m in respect of the disposal of the Russian business, which are included within the loss on disposal.

In line with the requirements of IFRS 5, the Group's exit from Russia 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 Russian business is a separately identifiable reporting segment.

The results of the discontinued operations which have been included in the Consolidated income statement are as follows:

	Year ended 30 September 2022				Year ended 30 September 2021		
	Headline £000	**Adjusting items (note 4) £000**	**Statutory £000**		Headline £000	Adjusting items (note 4) £000	Statutory £000
Revenue	**35,985**	**–**	**35,985**		27,314	–	27,314

Cost of sales	**(17,644)**	**–**	**(17,644)**		(16,001)	–	(16,001)
Gross profit	**18,341**	**–**	**18,341**		11,313	–	11,313
Administrative expenses	**(2,956)**	**(38,272)**	**(41,228)**		(3,725)	–	(3,725)
Share of (loss)/profit from joint ventures	**(176)**	**35**	**(141)**		120	–	120
Operating profit/(loss)	**15,209**	**(38,237)**	**(23,028)**		7,708	–	7,708
Profit/(loss) before tax	**15,209**	**(38,237)**	**(23,028)**		7,708	–	7,708
Tax on profit/(loss)	**(2,556)**	**(35)**	**(2,591)**		181	–	181
Profit/(loss) from discontinued operations	**12,653**	**(38,272)**	**(25,619)**		7,889	–	7,889
Attributable to:							
Owners of the Company	**12,653**	**(38,272)**	**(25,619)**		7,889	–	7,889
Non-controlling interests	**–**	**–**	**–**		–	–	–
	12,653	**(38,272)**	**(25,619)**		7,889	–	7,889

The comparatives within the income statement have been restated to show the results of this discontinued operation as discontinued in the prior year, as required by IFRS 5.

The share of (loss)/profit from joint ventures relates to the Comtrans joint venture which had a carrying value of £2.9m on the date of disposal.

The adjusting items include the loss on disposal of the Russian business and the tax credit/(charge) on the share of (loss)/profit from joint ventures.

Ukraine

On 8 August 2022 the Group completed the disposal of its 100% shareholding in Premier Expo and Beautexco LLC in Ukraine to ProExpo (Europe) Limited and Anatoly Sushon, the local management team. The disposal of the Ukrainian business executes the Group's strategy to refocus its portfolio towards advanced economies and a de-risked portfolio of events.

The consideration for the sale was structured as earn out consideration of up to £3.0m payable over a seven-year period. At a time when due to the ongoing conflict in Ukraine no events can be held, the Group has agreed to support the Ukrainian Business with funding of up to £1.2m to be repaid by September 2027, dependent on future profitability. At 30 September 2022, the present value of the reverse earn-out is £0.4m after payments of £0.2m in August 2022 and £0.5m in September 2022.

A loss on disposal of £8.0m is recognised in the year ended 30 September 2022 as the fair value of the net consideration of £0.5m is lower than the net liabilities being disposed of.

The loss on disposal is after including the amounts held within the Group's foreign currency translation reserve in respect of the Ukrainian business which must be reclassified to the income statement on disposal.

The net assets of the entities disposed of at the date of disposal were as follows:

	£000
Property, plant and equipment	34
Trade and other receivables	467
Cash and cash equivalents	62
Trade and other payables	(687)
Deferred income	(167)
Net liabilities	**(291)**
Fair value of consideration received	545
Costs to sell	(90)
Proceeds net of related selling expenses	**455**
Cumulative exchange differences	**(8,780)**
Loss on disposal	**(8,034)**
Satisfied by:	
Cash and cash equivalents	(250)
Deferred contingent consideration	795
	545
Net cash outflow arising on disposal:	

Net consideration paid in cash and cash equivalents	(250)
Less: cash and cash equivalents disposed of	(62)
	(312)

During the period the Group incurred costs to sell of £0.1m in respect of the disposal of the Ukrainian business, which are included within the loss on disposal.

Deferred contingent consideration includes £1.7m of deferred contingent consideration receivable arising on disposal and the deferred reverse earn-out of (£0.9m) at net present value.

In line with the requirements of IFRS 5, the Group's exit from Ukraine 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 results of the discontinued operations which have been included in the Consolidated income statement are as follows:

	Year ended 30 September 2022				Year ended 30 September 2021		
	Headline £000	**Adjusting items (note 4) £000**	**Statutory £000**		Headline £000	Adjusting items (note 4) £000	Statutory £000
Revenue	**1,165**	–	**1,165**		2,911	–	2,911
Cost of sales	**(1,241)**	–	**(1,241)**		(2,120)	–	(2,120)
Gross (loss)/profit	**(76)**	–	**(76)**		791	–	791
Administrative expenses	**(586)**	**(8,034)**	**(8,620)**		(963)	–	(963)
Operating loss	**(662)**	**(8,034)**	**(8,696)**		(172)	–	(172)
Loss before tax	**(662)**	**(8,034)**	**(8,696)**		(172)	–	(172)
Tax on loss	**(179)**	**–**	**(179)**		205	–	205
(Loss)/profit from discontinued operations	**(841)**	**(8,034)**	**(8,875)**		33	–	33
Attributable to:							
Owners of the Company	**(841)**	**(8,034)**	**(8,875)**		33	–	33

Non-controlling interests	–	–	–		–	–	–
	(841)	**(8,034)**	**(8,875)**		33	–	33

The comparatives within the income statement have been restated to show the results of this discontinued operation as discontinued in the prior year, as required by IFRS 5.

The adjusting items are the loss on disposal of the Ukrainian business.

Turkey
On 5 October 2022 the Group announced the disposal of its Turkish business to ICA (JV) Ltd, the previous buyer of the portfolio of events in Central Asia with significant experience in the events industry. The disposal of the Turkish business executes the Group's strategy to refocus its portfolio towards advanced economies and a de-risked portfolio of events.

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 30 September 2022 and concluded that the relevant criteria for recognition as held for sale have been met as at this date. The Turkish business was available for immediate sale and the sale was highly probable at the reporting date. This conclusion has subsequently been supported by the conditional sale agreement signed on 4 October 2022 and the completion of the disposal of the Turkish business on 24 October 2022.

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 £4.0m (the undiscounted value of the expected consideration is £8.0m). As the fair value less costs to sell of the disposal group exceeds the carrying value of the disposal group of £0.1m, at 30 September 2022, the disposal group was held at carrying value and comprised the below assets and liabilities.

	£000
Property, plant and equipment	46
Trade and other receivables	1,404
Cash and cash equivalents	1,513
Total assets classified as held for sale	**2,963**
Trade and other payables	(1,701)
Deferred income	(1,153)

Total liabilities classified as held for sale	**(2,854)**
Net assets classified as held for sale	**109**

In line with the requirements of IFRS 5, the Group's exit from Turkey 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 results of the discontinued operations which have been included in the Consolidated income statement are as follows:

	Year ended 30 September 2022			Year ended 30 September 2021		
	Headline £000	**Adjusting items (note 4) £000**	**Statutory £000**	Headline £000	Adjusting items (note 4) £000	Statutory £000
Revenue	**7,677**	–	**7,677**	3,154	–	3,154
Cost of sales	**(4,880)**	**–**	**(4,880)**	(2,822)	–	(2,822)
Gross profit	**2,797**	–	**2,797**	322	–	322
Administrative expenses	**(1,201)**	**–**	**(1,201)**	(1,007)	–	(1,007)
Operating profit/(loss)	**1,596**	**–**	**1,596**	(675)	–	(675)
Net monetary loss arising from hyperinflationary economies	**(362)**	**–**	**(362)**	–	–	–
Profit/(loss) before tax	**1,234**	**–**	**1,234**	(675)	–	(675)
Tax on profit/(loss)	**(138)**	**–**	**(138)**	(11)	–	(11)
Profit/(loss) from discontinued operations	**1,096**	**–**	**1,096**	(686)	–	(686)
Attributable to:						
Owners of the Company	**1,096**	**–**	**1,096**	(686)	–	(686)
Non-controlling interests	**–**	**–**	**–**	–	–	–
	1,096	**–**	**1,096**	(686)	–	(686)

The comparatives within the income statement have been restated to show the results of this discontinued operation as discontinued in the prior year, as required by IFRS 5.

The £0.4m net monetary loss arising from hyperinflationary economies is due to £0.2m of losses resulting from the restatement of the monthly results of the Turkish business and £0.2m of losses resulting from the restatement of non-monetary assets and liabilities.

The discontinued operations for the year ended 30 September 2021 also include the results of the Central Asian division until the disposal in April 2021. In the year ended 30 September 2021, the Central Asian division contributed a loss of £4.4m.

The earnings per share from the Group's discontinued operations are as follows:

	Year ended 30 September 2022			Year ended 30 September 2021		
	Headline	**Adjusting items (note 4)**	**Statutory**	Headline	Adjusting items (note 4)	Statutory
Earnings per share from discontinued operations (p)						
Operating profit/(loss) from discontinued operations	**16,143**	**(46,271)**	**(30,128)**	6,136	(3,616)	2,520
Profit/(loss) from discontinued operations	**12,894**	**(46,306)**	**(33,412)**	6,413	(3,604)	2,809
Basic	**4.5**		**(11.6)**	2.4		1.0
Diluted	**4.5**		**(11.6)**	2.4		1.0

ABEC

On 12 November 2021, the Group completed the disposal of its 60% shareholding in ABEC, the operating company for a portfolio of exhibitions in India including the Acetech constructions events. The Group received upfront consideration of £1.0m in respect of the disposal. The business was sold to the previous minority shareholders. The goodwill arising from the acquisition of ABEC was fully impaired in the year ended 30 September 2020. As a result the net book value of goodwill on the date of disposal was £nil (see Note 10). The Group's disposal of ABEC is not treated as a discontinued operation because the disposal did not meet the IFRS 5 criteria: the disposal of a separate major line of business or a separate geographical area of business.

The net assets of the entity disposed of at the date of disposal were as follows:

	£000
Net liabilities	**(686)**
Fair value of consideration received	974
Proceeds net of related selling expenses	**974**

Non-controlling interest	**(978)**
Cumulative exchange differences	**2,458**
Profit on disposal	**3,140**
Net cash outflow arising on disposal:	
Consideration received in cash and cash equivalents	974
Less: cash and cash equivalents disposed of	(2,059)
	(1,085)

Debindo
On 23 June 2022, the Group disposed of its 50% interest in the joint venture PT Debindo International Trade and Exhibitions in Indonesia. The Group received upfront consideration of £0.5m in respect of the disposal. A gain on disposal of £0.8m is recognised in the year ended 30 September 2022 as the fair value of the net consideration of £1.0m is higher than the net assets being disposed of following the impairment of the Group's investment in the joint venture in the year ended 30 September 2022. The Group's disposal of Debindo is not treated as a discontinued operation because the disposal did not meet the IFRS 5 criteria: the disposal of a separate major line of business or a separate geographical area of business.

During the period the Group incurred costs to sell of £0.2m in respect of the disposal of Debindo, which are included within the loss on disposal.

	£000
Net assets	–
Fair value of consideration received	986
Costs to sell	(152)
Proceeds net of related selling expenses	**834**
Profit on disposal	**834**
Net cash inflow arising on disposal:	

Consideration received in cash and cash equivalents	535
Less: cash and cash equivalents disposed of	–
	535

13 Deferred and contingent consideration receivable

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

	£000
At 30 September 2020	8,143
Arising on disposal	3,085
Consideration received	(335)
Unwind of imputed interest credit on discounted deferred and contingent consideration receivable	1,594
Revaluation of deferred and contingent consideration receivable	
– Modification of deferred and contingent consideration receivable	(3,114)
– Revaluation	297
– Foreign exchange	130
At 30 September 2021	9,800
Arising on disposal (note 12)	2,105
Consideration received	(2,508)
Unwind of imputed interest credit on discounted deferred and contingent consideration receivable	1,652
Revaluation of deferred and contingent consideration receivable	
– Revaluation	(927)
– Foreign exchange	(123)

Impairment	(778)
Foreign exchange	42
At 30 September 2022	9,263
Included in non-current assets	7,364
Included in current assets	1,899
	9,263

14 Bank borrowings

	2022 £000	2021 £000
Total drawdowns under debt facility	**(101,000)**	(124,423)
Capitalised refinancing fees	**1,899**	2,823
Bank loans	**(99,101)**	(121,600)
Included in current liabilities	**(6,000)**	(11,751)
Included in non-current liabilities	**(93,101)**	(109,849)
	(99,101)	(121,600)

In December 2021 the Group amended and restated its debt facilities agreement to accommodate for the change of base rate from LIBOR to SONIA.

At 30 September 2022 the Group had total available facilities of £201.0m (2021: £212.8m), comprising a revolving credit facility of £150.0m (2021: £150.0m) and a term loan of £51.0m (2021: £62.8m). During the year term loan repayments of £11.8m were made including mandatory payment of 50% of insurance proceeds subsequent to the Group receiving more than £82.5m of proceeds in total.

At 30 September there were scheduled repayments of the term loan of £6.0m in November 2022, £22.5m in November 2023 and a final repayment of £22.5m on the termination date in December 2023. As a result, £6.0m of the drawn debt was included in current liabilities.

Interest was charged on any utilised amount at a rate of SONIA plus 3.40% margin. The debt facility was secured by asset pledges and debentures given by a number of Group companies.

At 30 September 2022 the Group had total drawn amounts under the debt facility agreement of £101.0m (2021: £124.4m), all of which were denominated in sterling, and had £100.0m (2021: £88.4m) of undrawn committed facilities.

On 10 October 2022 the Group’s interest rate swap contract was terminated in line with the requirements of the new senior facilities agreement. At 30 September 2022 the notional amount hedged was £32.5m (2021: £41.3m).

As at 30 September 2022 there were capitalised fees of £1.9m (2021: £2.8m) in relation to the Group’s debt facility.

In response to the COVID-19 outbreak, the Group obtained waivers for the leverage ratio and interest cover covenants on its debt facilities up to and including March 2022, replacing them with a minimum liquidity test, whereby the Group had to ensure that the aggregate of cash and undrawn debt facilities was not less than £40.0m at the end of each month, except between April and October 2021 being not less than £30.0m. In the year ended 30 September 2022 the Group secured an extension of the covenant waivers up to and including March 2023 with the same minimum liquidity test remaining in place.

Subsequent to the period end, in October 2022 the Group completed the refinancing of its debt. New debt facilities totalling £135.0m were signed comprising a £115.0m term loan and a £20.0m super senior revolving recredit facility (‘SSRCF’). The new debt facilities replaced the Group’s previous debt facilities, and so the £101.0m drawn debt as at 30 September 2022 was repaid in full on 20 October 2022 when the new term loan of £115.0m was fully drawn on the same date. The voluntary repayment of the drawn debt is a non-adjusting event in accordance with IAS 10 and, other than the £6.0m due in November 2022, the previous loan was classified as a non-current liability under the repayment terms of the previous debt facility.

The £115.0m term loan is provided by certain funds and accounts of HPS Investment Partners, LLC or subsidiaries or affiliates thereof and is repayable over the next four years. Interest is initially payable at a rate of 7.75% over SONIA subject to a margin ratchet, with a margin range of 7.5% to 8.0% over SONIA.

The £20.0m SSRCF is provided by HSBC UK Bank PLC and is available over the next three years and nine months. Interest is initially payable on drawn amounts at 3.5% over SONIA, subject to a margin ratchet, with a margin range of 2.5% to 3.5% over SONIA, with a commitment fee of 35% payable on undrawn amounts.

With the previous facility having been due to expire in December 2023 this provides significant additional financial security for the Group until October 2026.
The Group’s banking covenants include a monthly £21.0m minimum liquidity covenant up to and including August 2023 before reverting to a quarterly leverage ratio from September 2023. Details of the quarterly leverage test are presented below:

- Adjusted net debt must be less than 4.4x times adjusted EBITDA across the last 12 months for the quarter ending 30 September 2023
- Adjusted net debt must be less than 4.2x times adjusted EBITDA across the last 12 months for the quarter ending 31 December 2023
- Adjusted net debt must be less than 3.0x times adjusted EBITDA across the last 12 months for all subsequent quarters until the expiry of the facility.

15 Deferred and contingent consideration payable

The movements in deferred and contingent consideration payable during the year are shown in the table below:

	Total £000
At 1 October 2020	**881**
Arising on acquisition	3,440
Consideration paid	(4,693)
Revaluation of deferred and contingent consideration payable	1,350
Foreign exchange	(143)
At 30 September 2021	**835**
Arising on acquisition (note 11)	44,268
Arising on disposal	23
Consideration paid (notes 11 and 12)	(7,692)
Unwind of imputed interest charged on discounted deferred and contingent consideration payable	5,494
Revaluation of deferred and contingent consideration payable	6,783
Foreign exchange	8,328
At 30 September 2022	**58,039**

Included in non-current liabilities	39,391
Included in current liabilities	18,648
	58,039

16 Net debt and movements in liabilities arising from financing activities

	At 1 October 2021 £000	Cash flow £000	Non-cash movements £000	Foreign exchange £000	Classified as held for sale	At 30 September 2022 £000
Cash at bank and on hand	**41,733**	**(15,727)**	**–**	**3,575**	**(1,513)**	**28,068**
Cash and cash equivalents	**41,733**	**(15,727)**	**–**	**3,575**	**(1,513)**	**28,068**
Debt due within one year	**(11,751)**	**6,675**	**(924)**	**–**	**–**	**(6,000)**
Debt due after one year	**(109,849)**	**16,748**	**–**	**–**	**–**	**(93,101)**
Adjusted net debt	**(79,867)**	**7,696**	**(924)**	**3,575**	**(1,513)**	**(71,033)**
Lease liabilities	**(16,722)**	**3,448**	**(785)**	**(1,190)**	**–**	**(15,249)**
Net debt	**(96,589)**	**11,144**	**(1,709)**	**2,385**	**(1,513)**	**(86,282)**

	At 1 October 2020 £000	Cash flow £000	Non-cash movements £000	Foreign exchange £000	At 30 September 2021 £000
Cash at bank and on hand	50,330	(8,956)	–	359	41,733
Cash and cash equivalents	50,330	(8,956)	–	359	41,733
Debt due within one year	(17,500)	5,749	–	–	(11,751)
Debt due after one year	(100,485)	(8,104)	(1,260)	–	(109,849)
Adjusted net debt	(67,655)	(11,311)	(1,260)	359	(79,867)
Lease liabilities	(18,835)	4,015	(2,172)	270	(16,722)
Net debt	(86,490)	(7,296)	(3,432)	629	(96,589)

Included within the net cash inflow of £11.1m (2021: net cash outflow of £7.3m) is £25.4m (2021: £67.2m) of repayments on the Group’s debt facility and £2.0m (2021: £69.6m) of drawdowns on the Group’s debt facility. At 30 September 2022 the Group had £100.0m (2021: £88.4m) of undrawn debt facilities.

Analysis of changes in other financing liabilities:

	At 1 October 2021 £000	Cash flow £000	Non-cash movements £000	At 30 September 2022 £000

Interest payable	**(90)**	**6,676**	**(6,684)**	**(98)**

	At 1 October 2020 £000	Cash flow £000	Non-cash movements £000	At 30 September 2021 £000
Interest payable	(315)	6,556	(6,331)	(90)

Interest payable at 30 September 2022 of £0.1m (2021: £0.1m) is recognised as a current liability within accruals.

17 Post balance sheet events

On 20 October 2022, the Group completed the refinancing of its debt facilities. The new debt facilities totalling £135m comprise a £115m term loan and a £20m super senior revolving credit facility. The new debt facilities replace the Group's previous debt facilities and the £101m drawn down as at 30 September 2022 was repaid in full on 20 October 2022 when the new funds were drawn. In advance of the debt refinancing, on 10 October 2022, the Group terminated its interest rate swap contract which was due to expire in November 2022.

On 24 October 2022, the Group completed the disposal of Hyve Fuarcılık Anonim Şirketi and its subsidiaries ("the Turkish business") for consideration of up to £8m to ICA (JV) Limited. The Group has received upfront consideration of £2.0m in respect of the disposal and expects to receive between £4m and £6m of deferred contingent consideration, payable over the six year period until December 2028 based on the profitability of the Turkish business. The assets and liabilities of the Turkish business have been classified as held for sale as at 30 September 2022 in accordance with IFRS 5 'Non-Current Assets Held for Sales and Discontinued Operations'.

Glossary

Alternative performance measures (APMs)

In accordance with the Guidelines on APMs issued by the European Securities and Markets Authority (ESMA), additional information is provided on the APMs used by the Group below.

In the reporting of financial information, the Group uses certain measures that are not required under IFRS. These additional measures provide additional information on the performance of the business and trends to stakeholders. These measures are consistent with those used internally and are considered important to understanding the financial performance and position of the Group. APMs are considered to be an important measure to monitor how the Group is performing because this provides a meaningful comparison of how the business is managed and measured on a day-to-day basis and achieves consistency and comparability between reporting periods.

These APMs may not be directly comparable with similarly titled profit measures reported by other companies and they are not intended to be a substitute for, or superior to, IFRS measures.

<table>
<tr><th>APM</th><th>Closest equivalent statutory measure</th><th>Reconciling items to statutory measure</th><th>Definition and purpose</th></tr>
<tr><td>Headline profit/(loss) before tax</td><td>Profit/(loss) before tax</td><td>Adjusting items as disclosed in note 4</td><td>Headline profit before tax is profit/(loss) before tax and adjusting items, as presented in note 4. 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.
Refer to the Chief Financial Officer’s statement for a reconciliation to the statutory measure, and explanations of the amounts adjusted for.</td></tr>
<tr><td>Headline profit for the year</td><td>Profit/(loss)</td><td>Adjusting items as disclosed in note 4</td><td>Headline profit for the year is profit/(loss) and adjusting items, as presented in note 4.</td></tr>
<tr><td>Headline operating profit/(loss)</td><td>Operating profit/(loss)</td><td>Operating adjusting items as disclosed in note 4</td><td>Headline operating profit is operating profit before operating adjusting items, as presented in note 4.
<table>
<tr><th></th><th>2022
£000</th><th>2021
(restated)
£000</th></tr>
<tr><td>Operating loss</td><td>(11,369)</td><td>(25,751)</td></tr>
<tr><td>Operating adjusting items (note 4)</td><td>30,765</td><td>47,746</td></tr>
<tr><td>Headline operating profit</td><td>19,396</td><td>21,995</td></tr>
</table></td></tr>
<tr><td>Headline operating profit margin</td><td>Operating profit margin</td><td>Operating adjusting items as disclosed in note 4</td><td>Headline operating profit margin is headline operating profit as a percentage of revenue.</td></tr>
<tr><td>Headline EBITDA</td><td>Operating profit</td><td>Operating adjusting items as disclosed in note 4, depreciation of property, plant and equipment and amortisation of computer software</td><td>Headline EBITDA is headline operating profit before operating adjusting items, depreciation of property, plant and equipment and amortisation of computer software.
<table>
<tr><th></th><th>2022
£000</th><th>2021
(restated)
£000</th></tr>
<tr><td>Operating loss</td><td>(11,369)</td><td>(25,751)</td></tr>
<tr><td>Operating adjusting items (note 4)</td><td>30,765</td><td>47,746</td></tr>
<tr><td>Depreciation of property, plant and equipment</td><td>3,437</td><td>4,777</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>APM</th><th>Closest equivalent statutory measure</th><th>Reconciling items to statutory measure</th><th>Definition and purpose</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td>Amortisation of computer software</td><td>855</td><td>1,262</td></tr>
<tr><td>Headline EBITDA</td><td>23,688</td><td>28,034</td></tr>
</table></td></tr>
<tr><td>Net debt</td><td>Cash and cash equivalents less bank loans and lease liabilities</td><td>Reconciliation of net debt (note 16)</td><td>Net debt is defined as cash and cash equivalents after deducting bank loans and lease liabilities.</td></tr>
<tr><td>Adjusted net debt</td><td>Cash and cash equivalents less bank loans</td><td>Reconciliation of net debt (note 16)</td><td>Adjusted net debt is defined as cash and cash equivalents after deducting bank loans.
The Board consider adjusted 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 and can be compared consistently against prior periods.</td></tr>
<tr><td>Adjusted net debt: headline EBITDA</td><td>None</td><td>N/A</td><td>Adjusted net debt: headline EBITDA is the ratio of adjusted net debt to headline EBITDA.</td></tr>
<tr><td>Cash conversion</td><td>None</td><td>N/A</td><td>Cash conversion is defined as headline cash generated from operations as a percentage of headline operating profit before non-cash items. Headline cash generated from operations is cash generated from operations before net venue utilisation, the cash impact of adjusting items included in the definition of headline profit before tax after adjusting for any wrong pocket true-ups through working capital adjustments on acquisitions or disposals. Headline operating profit before non-cash items is headline operating profit before foreign exchange gains/losses, depreciation and amortisation.
<table>
<tr><th></th><th>2022
£000</th><th>2021
£000</th></tr>
<tr><td>Cash generated from operations</td><td>31,898</td><td>30,416</td></tr>
<tr><td>Less cash generated from discontinued operations</td><td>(8,696)</td><td>(1,506)</td></tr>
<tr><td>Net venue utilisation</td><td>–</td><td>(72)</td></tr>
<tr><td>Adjusting items:</td><td></td><td></td></tr>
<tr><td>Transaction costs on completed and pending acquisitions and disposals</td><td>3,276</td><td>1,218</td></tr>
<tr><td>Adjusted cash flow from operations</td><td>26,478</td><td>30,056</td></tr>
</table></td></tr>
</table>

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<tr><th>APM</th><th>Closest equivalent statutory measure</th><th>Reconciling items to statutory measure</th><th>Definition and purpose</th></tr>
<tr><td></td><td></td><td></td><td>
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<tr><td>Headline operating profit</td><td>19,396</td><td>21,995</td></tr>
<tr><td>Depreciation of property, plant and equipment (note 3)</td><td>3,437</td><td>4,777</td></tr>
<tr><td>Amortisation of computer software</td><td>855</td><td>1,262</td></tr>
<tr><td>Foreign exchange (gain)/loss on operating activities</td><td>(2,707)</td><td>306</td></tr>
<tr><td>Headline operating profit on a cash basis</td><td>20,981</td><td>28,340</td></tr>
<tr><td>Cash conversion</td><td>126%</td><td>111%</td></tr>
</table>
</td></tr>
<tr><td>Headline basic earnings per share</td><td>Basic earnings per share</td><td>Adjusting items in the earnings per share note (note 9)</td><td>Profit after tax attributable to owners of the Parent and before the impact of adjusting items, divided by the weighted average number of ordinary shares in issue during the financial year.</td></tr>
<tr><td>Headline diluted earnings per share</td><td>Diluted earnings per share</td><td>Adjusting items in the earnings per share note (note 9)</td><td>Profit after tax attributable to owners of the Parent and before the impact of adjusting items, divided by the weighted average number of ordinary shares in issue during the financial year adjusted for the effects of any potentially dilutive options unless anti-dilutive.</td></tr>
<tr><td>Headline effective tax rate</td><td>Effective tax rate</td><td>Adjusting items and the tax impact of adjusting items (note 4 and note 7)</td><td>The income tax charge for the Group excluding the tax impact of adjusting items, divided by headline profit before tax.
This measure is a useful indicator of the ongoing tax rate for the Group.
<table>
<tr><th></th><th>2022
£000</th><th>2021
£000</th></tr>
<tr><td>Tax credit per income statement</td><td>5,615</td><td>4,636</td></tr>
<tr><td>Tax on share of results of associates and joint ventures</td><td>225</td><td>(455)</td></tr>
<tr><td>Tax impact of adjusting items</td><td>(5,745)</td><td>(6,020)</td></tr>
<tr><td>Headline tax credit/(charge)</td><td>95</td><td>(1,839)</td></tr>
<tr><td>Headline profit/(loss) before tax</td><td>11,473</td><td>13,917</td></tr>
<tr><td>Headline effective tax rate</td><td>(1%)</td><td>13%</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>APM</th><th>Closest equivalent statutory measure</th><th>Reconciling items to statutory measure</th><th>Definition and purpose</th></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>Free cash flow from the business</td><td>None</td><td>N/A</td><td>Free cash flow from the business represents cash generated from operations (after movements in working capital), tax paid, capital expenditure, lease payments and net interest costs. Free cash flow is therefore before equity or acquisition and disposal related cash flows.
<table>
<tr><th>Free cash flow from the business</th><th>2022
£000</th><th>2021
£000</th></tr>
<tr><td>Cash generated from operations</td><td>31,898</td><td>30,416</td></tr>
<tr><td>Capital expenditure and lease payments</td><td>(4,408)</td><td>(4,990)</td></tr>
<tr><td>Interest received</td><td>269</td><td>163</td></tr>
<tr><td>Interest paid</td><td>(6,676)</td><td>(6,556)</td></tr>
<tr><td>Tax paid</td><td>(2,654)</td><td>(3,266)</td></tr>
<tr><td>Free cash flow from the business</td><td>18,429</td><td>15,767</td></tr>
</table>
</td></tr>
<tr><td>Like-for-like</td><td>None</td><td>N/A</td><td>Like-for-like (or underlying) results are stated on a constant currency basis, after excluding events which took place in the current period, but did not take place under our ownership in the comparative period and after excluding events which took place in the comparative period, but did not take place under our ownership in the current period. This excludes:

Biennial events;
Timing differences (i.e. events that ran in only one of the current or comparative periods, due to changes in the event dates);
Launches;
Cancelled or disposed of events that did not take place under our ownership in the current year;
Acquired events in the current period; and
Acquired events in the comparative period that did not take place under our ownership in the comparative period (i.e. they took place pre-acquisition).

Refer to the Chief Finance and Operations Officer’s statement for a reconciliation to the closest statutory measures.</td></tr>
</table>

APM	Closest equivalent statutory measure	Reconciling items to statutory measure	Definition and purpose
Forward bookings	None	N/A	Forward bookings are contracted revenues for the following financial year. Unless otherwise stated these are as at the date of announcement (i.e. late November/early December each year).
Revenue per event	None	N/A	Revenue per event is calculated based on the total revenue divided by the number of events in the portfolio at the period end. The 2021 metric includes discontinued revenues and events that are now presented as discontinued.
Customer like-for-like	None	N/A	Customer like-for-like results are the change in average spend per customer across customers who are booked to attend the current edition of an event who also attended the previous edition of the event. They are stated on a constant currency basis.