



# Powering communities

Online and in person

Hyve Group plc  
Annual Report and Accounts 2021

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COMPANIES HOUSE

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The Strategic report was approved by the Board and signed on its behalf by Mark Shashoua, Chairman, on 16 December 2021.

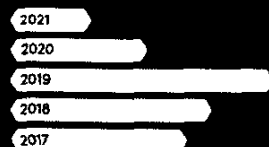
Mark Shashoua

Learn more about Hyve at [hyve.group](https://hyve.group)

## Our performance in 2021

### Revenue

(M)



### Like-for-like revenue growth

(%)



### Headline diluted earnings per share

(p)



### Headline profit (loss) before tax

(M)



### (Loss)/profit before tax

(M)



### Adjusted net debt

(M)



Our revenue in 2021 was £55.2 million, a decrease of 4.8% from £52.4 million in 2020. This was primarily due to a decrease in revenue from our core business, which was offset by an increase in revenue from our new business. Our headline diluted earnings per share in 2021 was 7.6 pence, a decrease of 40.1% from 12.7 pence in 2020. This was primarily due to a decrease in headline profit before tax, which was offset by an increase in headline profit after tax. Our headline profit before tax in 2021 was £20.8 million, a decrease of 29.4% from £16.0 million in 2020. This was primarily due to a decrease in revenue, which was offset by an increase in costs. Our adjusted net debt in 2021 was £79.9 million, a decrease of 18.1% from £67.7 million in 2020. This was primarily due to a decrease in cash and cash equivalents, which was offset by an increase in debt.

I am confident about Hyve's long-term outlook, thanks to the tireless efforts of our teams throughout the last 18 months.

Mark Shashoua  
CEO



# Our world revolves around meeting three fundamental customer needs...



...and we do that by getting to the heart of business communities.

#### Group overview

### The road to recovery

In-person events have resumed in the majority of our markets, and emerging trends are illustrating the pent-up demand for community connection.

Global Communities

**£17.7m**

2020, £55.5m

# We are Hyve

When people come together, powerful things happen. Hyve Group plc is the next-generation events business powering global industry communities and creating platforms for progress. We connect whole industry ecosystems through our unmissable in-person events, online platforms and hyper-productive facilitated meetings. By uniting vibrant industry communities through our omnichannel platforms, we aspire to shape the future for the industries we serve.



**41**

events ran in FY21

**3**

events postponed  
to FY22 due to  
COVID-19

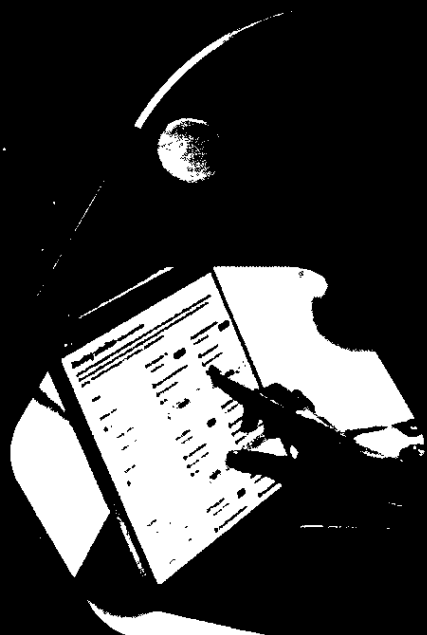
**38**

events cancelled  
due to COVID-19

The continuing impact of COVID-19

# How COVID-19 accelerated our evolution

COVID-19 accelerated trends we were already seeing, especially in terms of digital adoption and remote working. To meet demand, we fast-tracked our own omnichannel evolution.



## Leaner and more agile structure

In response to the pandemic, we have adapted to a quicker pace of work and decision-making, allowing us to innovate and evolve at pace.

## Product, tech and data function to support omnichannel evolution

We appointed a digital team to lead the innovation and development that our accelerated omnichannel strategy requires.

## Enabling trade, networking and learning online

With in-person events still impacted by COVID-19-related restrictions, we found new and creative ways to serve our customers' needs in digital formats.

## Strengthening our communities throughout the year

More than 100 webinars and online events were created for our customers to keep the conversation going and enable them to do business during lockdown.

## Active management of our portfolio, including strategic acquisitions

We acquired Retail Meetup, a first-of-its-kind online networking platform, to offer highly productive, double-opt-in online meetings for our Shoptalk and Groceryshop communities. The acquisition of 121 Group following the year end grew our facilitated meetings portfolio further.



Our future is omnichannel

# Our acquisition of Retail Meetup — is already delivering

We acquired Retail Meetup in December 2020 to accelerate the development of our omnichannel strategy.

Retail Meetup is a first of its kind online platform for the ecommerce market that enables attendees to network and trade at scale. It allows us to provide opportunities for our customers to connect outside of the main in-person events, at multiple touchpoints throughout the year. To date, we have hosted three Meetup events serving our Shoptalk and Groceryshop customer communities.



**The meetings were highly productive.** I got five new CPG leads for our sites, one job candidate, and had a great round table discussion on the future of retail.

## How it works

RETAILMeetup

1

Get your ticket, complete your profile and tell us your availability

2

Identify people you want to meet, request those meetings and select peer group discussions

3

Opt in to new meeting requests you receive

4

It's time to meet up. Engage in video-conference meetings and Tabletalks

Meetups took place over just six hours (that's over three months of meetings if they were put end to end)





**Loved the speed date like format** as I really think it made best use of everyone's time. We also loved all the Groceryshop info leading up to the event.



**738**

bookings for

**139**

Tabletalks

All meetings are double opt-in, leading to attendance rates of more than

**90%**

**Groceryshop  
Spring Meetup  
March 2021**

**1,288**

industry professionals connected (that's over 70% of the in-person event)



**This was probably the best virtual conference I have attended in the last few months.** Very well done. Small group Tabletalks were extremely productive and informative. I cannot wait to attend this in person in 2022.



**89%**

of Meetups satisfied our customers



Our future is omnichannel

# An introduction to facilitated meetings

## The concept

Pre-arranged, one-to-one, 15-minute, hyper-focused meetings, taking place at selected in-person events.

## The technology

Our in-house digital platform enables smart matchmaking, with a double-opt-in mechanism and algorithmic scheduling to ensure the perfect match.

## The benefit to customers

Access to the most relevant people, plus increased productivity and return on investment from in-person events.

## The results

In addition to the opportunity for direct monetisation, greater customer satisfaction leads to improved retention, a higher-quality buyer audience and upsell opportunities.

## Supporting our customers at every step of the journey

## Sign up

- Vendors create accounts and upload their products and services.



- Buyers create their profiles.

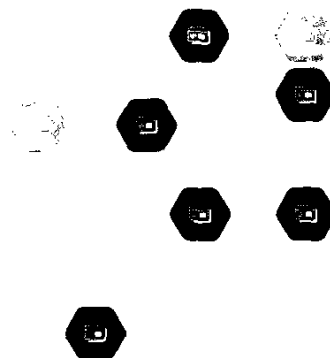


Really good job of showing off everybody's products. The setup looks great.

While enabled by highly sophisticated technology, the true value of our facilitated meetings programmes lies in the relevant and thoughtfully selected individuals taking part. This data informs the profiles we build on every customer and the personalised service offered by our teams throughout the process.

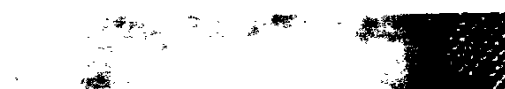
## Match

- Vendors browse buyers' profiles.
- Buyers browse products and services.
- Inquiries are made and meetings are scheduled through the platform.



It was really good to get to know brands and understand their values without having to spend loads of time walking the floor.

We build a deep understanding of our customers and the audiences that they want to see more of. Our community teams then develop propositions which give those audiences a compelling reason to attend our events and take part in our meetings programmes, resulting in the continued expansion of our communities and further opportunities for growth.



Scan here to watch our video on the facilitated 'Curated Meetings' programme of Autumn Fair



## Meet

- Vendors and buyers arrive at the event with a personalised agenda of meetings already in place.



**It's been fantastic to actually sit down with all of these different suppliers and brands... I wouldn't have necessarily gone to their stand. I've made really good relationships, and look forward to following up with everyone after the show.**



**In my very first 15-minute meeting, I've placed an order which is literally my quickest order placed ever! One word to describe Curated Meetings – efficient!**

Our customer success teams support and guide our customers through the process of creating profiles to ensure that they are representing their business and products in the best way possible.

A three-step process enables vendors to request meetings during week one. Buyers accept or decline meeting requests and initiate further requests during week two. Vendors confirm during the last week.

Our scheduling algorithm creates an optimised schedule of 15-minute meetings within the allocated times at the event, ensuring that our attendees get as many high-quality conversations as possible, with people they are perfectly matched to do business with.

Meeting invitations are sent and our community teams work closely with customers to ensure a high attendance rate. At the end of an event, our community development teams keep in touch with our customers offering them an ongoing service outside of the event boundaries.

Unmissable events

# In-person events are a vital marketing platform for our customers

Our customers' response to our events has now been overwhelmingly positive. The strong domestic attendance and emerging trends from recent events are enabling us to clearly see our recovery taking shape.

Those customers who attended events before and since the pandemic are spending more money with us, proving the important role which in-person events play in their marketing strategies.

Travel restrictions continue to impact the representation of international business at our events, but visitor numbers have largely recovered. This means the number of visitors per exhibitor is higher, delivering increased visitor density and a fantastic experience for our exhibitors. This is illustrated by the huge improvement in NPS we are seeing, and it serves to instil further confidence in the power of physical events.

As a result, we are seeing high numbers of rebookings immediately following our events and forward bookings into FY22 are strong.

## Autumn Fair 2021

**+16.2**

exhibitor NPS vs. -57.1 in 2019

**+50.7**

visitor NPS vs. -14.0 in 2019

### Groceryshop 2021

**+13%**

like-for-like  
customer spend vs  
Groceryshop 2019

### Glee 2021

**+31.0**

exhibitor NPS  
vs. -42.0 in 2019

**+51.2**

visitor NPS vs.  
+11.0 in 2019

to a new low like it. We  
booked Spring Fair and  
size of our stand.

Chairman's statement

# Continued recovery, supported by a strengthened model

As expected, the year to 30 September 2021 has been dominated by the effects of the pandemic and, until recently, the gradual but progressive unwinding of restrictions on the movement of people and the operation of businesses.

Hyve has taken steady and incremental steps on its journey back to pre-pandemic levels. Having completed 12 in-person events by the half year, we successfully ran 41 in-person events by the end of the financial year.



**It has been pleasing** to see our in-person events recover this year, with the results showing promise for recovery once international travel restrictions are lifted.

**Richard Last**  
Chairman



Revenues for the full year were £55.2m (2020: £99.4m) and adjusted net debt at the year end was £79.9m (2020: £67.7m), an improved position compared to earlier expectations. This was due in part to strong cash collections for upcoming events, continued cost control and cash management, and £65m of insurance proceeds secured during the financial year. The Group continues to maintain its strong liquidity position.

### Market context

It has been pleasing to see our in-person events return this year, with the results showing promise for recovery once international travel restrictions are lifted.

The ongoing pace of the vaccine rollout is encouraging and paves the way for our markets, however, given the recent spike in COVID-19 cases in some of our markets, the Board remains cautious and is considering a number of scenarios when planning ahead.

Simultaneously, the evolving needs and preferences of our customers have offered us an opportunity for growth, through the development of our omnichannel strategy. I look forward to the Group delivering significant progress against this ambition during the year ahead.

**£55.2m**

FY21 revenue



### 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. We have also made changes to the way we incentivise and reward the Executive Directors and senior managers. After the year end, shareholders approved changes to the Remuneration Policy, establishing a five-year Value Creation Plan. The aim is to reward those in the plan for achieving substantial growth for the business and increasing shareholder value. The plan serves as a clear statement of commitment, both from the Company and from the individuals concerned. Further details are set out in the Remuneration report.

Stephen Puckett who has served the Board as a Non-Executive Director since 2013 will be stepping down from the Board at the conclusion of our AGM in February 2022. I should like to thank Stephen for his excellent service to the Company over the past nine years, during which he has chaired the Audit Committee and more recently the Risk Committee, and particularly for his support throughout the difficult period following the outbreak of the pandemic. Stephen also served as the employee representative. We are in the process of seeking to appoint additional Non-Executive Directors to the Board.

During the year, we established the Environmental, Social and Governance (ESG) Committee, with Sharon Baylay as its Chair. Further detail is available in the ESG Committee report (see pages 82 and 83). As a company, we take very seriously our responsibilities towards the environment, combating climate change, improving social welfare and governance. The establishment of the ESG Committee demonstrates the Board's commitment to these issues.

### Dividends

We are not planning to recommence dividend payments this year, but we are committed to reintroducing them when appropriate to do so, when the business returns to sustained cash generation and profitability.



**I would like to thank everybody at Hyve for their substantial support and commitment during the difficult circumstances brought about by the pandemic.**

### Team performance

I would like to thank everybody at Hyve for their substantial support and commitment during the difficult circumstances brought about by the pandemic. This includes responding so well to the disruptions and challenges that were a result of the various lockdowns and restrictions, adapting to working from home, and the positive responses in relation to returning to the office. We look forward to continuing to renew the office working culture and investing in the wellbeing and development of all at Hyve. I would also like to thank those involved in the global taskforce to create COVID-19-safe event standards, which helped pave the way for the events we have been able to run this year.

### Customer and other support

Our customers, venue owners and suppliers have all suffered to a greater or lesser extent as a result of the pandemic. Their support and flexibility throughout this period has enabled Hyve to continue to operate and reopen events as soon as restrictions have allowed. I would like to thank them for their continued support and belief in Hyve and its portfolio of events.

### Looking ahead

We expect recovery to continue as we return to a more normal footing. However, we must remain cautious that international travel restrictions, as well as new COVID-19 variants, will impact the pace of that recovery. We will continue to respond to guidance and prioritise health and safety. Alongside the recovery of our in-person events, we will continue to develop our digital products to add additional, scalable revenue opportunities to our model.

**Richard Last**  
Chairman

Chief Executive Officer's statement

# Our omnichannel evolution is under way

Our focus since the outbreak of COVID-19 has been to emerge with a stronger customer proposition and robust financial platform. This has prepared us well to meet significant pent-up demand and accelerate our omnichannel offering as markets reopened.



**When we compare the spend** of those customers who attended events both before and since the pandemic, we are seeing a like-for-like increase across the vast majority of our events.

**Mark Shashoua**  
Chief Executive Officer







**The successful reopening of in-person events in all our major markets has led to a strong and encouraging performance across our key indicators – particularly in the second half – where our shows performed well on a wide range of important metrics, including like-for-like customer spend, visitor density, net promoter scores and forward bookings.**

This time a year ago, we wanted to position our business for success as markets recover by achieving three clear priorities: building customer market share on our market-leading shows, trialling facilitated meetings for rollout in FY22, and accelerating our omnichannel strategy through the launch of new online meet-ups, following the acquisition of Retail Meetup, augmented by the acquisition of i21 Group in November this year. We have delivered on all three.

Also, to further develop the positive impact of our brands on communities and the environment, we have launched a new environmental, social and governance (ESG) strategy that will be embedded across our business.

Looking ahead, our robust financial position, strengthened customer engagement and omnichannel strategy mean we are well placed to benefit from a continued recovery of physical events. Whilst there has been an encouraging return in domestic demand, uncertainties remain around the timing of full recovery, the speed of which is likely to be influenced by the reaction to new variants by governments across our key markets. We continue to monitor any developments and adapt our operations accordingly, based on extensive scenario planning and thorough processes in place. I would like to thank all my colleagues for their support and determination in what has been a demanding period for our business.

• **Following the work done in FY20 to create a stable financial platform and secure the future of the business, how is Hyve's recovery progressing?**

We enter FY22 in a strong position, with almost all our events having resumed, including the long-awaited reopening of events in the UK and US during the fourth quarter of the year. The reception from our customers has been overwhelmingly positive, and we are seeing encouraging trends beginning to emerge as some events are now entering their second cycle since the pandemic.

While this is promising, we continue to exercise caution and expect that international travel restrictions will affect our events for the near future. We must also remain mindful that local COVID-associated disruptions have the potential to impact our future events. For example, due to the recent re-introduction of restrictions in Shanghai, we had to cancel two events scheduled for August. As we have for the last 18 months, we continue to closely monitor developments regarding new COVID-19 variants across the markets we operate in.

• **Have customer needs changed since the COVID-19 pandemic?**

People consistently ask "How will COVID-19 change your business model?" The reality is that COVID-19 will only accelerate trends that were happening anyway. There was already a shift of corporate marketing spend towards investing solely in the main event in the relevant sector or geography.

We had already future-proofed the business against this change through our Transformation and Growth (TAG) programme, which saw us invest significantly into our events and solidify their market-leading position. In addition, we sold any smaller, more regionally focused events, such as those we previously owned in Central Asia. We now run a streamlined portfolio of 63 in-person events, down from a high of 269 in May 2017, with revenue per event now more than five times higher than in 2017.

• **You mentioned encouraging trends – what customer behaviours and patterns are you seeing?**

Firstly, the number of domestic exhibitors attending our events is showing strong signs of recovery with some events already achieving more than 100% of the number of domestic exhibitors in FY19. When we compare the spend of those customers who attended events both before and since the pandemic, we are seeing a like-for-like increase across the vast majority of our events. In addition, we are seeing that number increase again as we look ahead to FY22 events. This clearly demonstrates the value our customers place on the unique marketing opportunity presented by market-leading in-person events.

We have also been able to attract a sizeable visitor base, despite the restrictions in place, which is resulting in increased visitor density (the number of visitors per exhibitor), delivering higher return on investment for our exhibitors. This is increasing customer satisfaction, which is in turn producing higher NPS scores and forward bookings.



## Chief Executive Officer's statement

### • What steps have you taken to develop your omnichannel strategy throughout FY21 and what value is this adding for customers?

The pandemic expedited a change in customer behaviours and preferences and drove an increase in digital adoption. To continue to pre-empt the demand of our customers, we have accelerated our omnichannel strategy both through building up our own in-house digital product team as well as through acquisition.

One of the first steps in that journey was to acquire Retail Meetup, an online networking platform, in December 2020. This business provides us with an exciting new proposition and a blueprint for growth. We ran two Meetup events post-acquisition during the financial year, both of which exceeded the expectations formed at the time of the acquisition, and since the end of the financial year successfully ran Shoptalk Fall Meetup.

In addition, since the year end, we announced the acquisition of 121 Group. 121 Group is a series of meeting programmes taking place in both in-person and online formats, for the mining investment sector. This acquisition adds further strength and diversity to our omnichannel product portfolio.

An omnichannel model enables us to provide customers with a calendar of opportunities to learn, network and trade, both online and in person, throughout the entire year. In turn, this further cements our position as a strategic partner for our customer communities.

### • One of your FY21 priorities was to begin the rollout of facilitated meetings. How did you perform against this priority and what is next for the product?

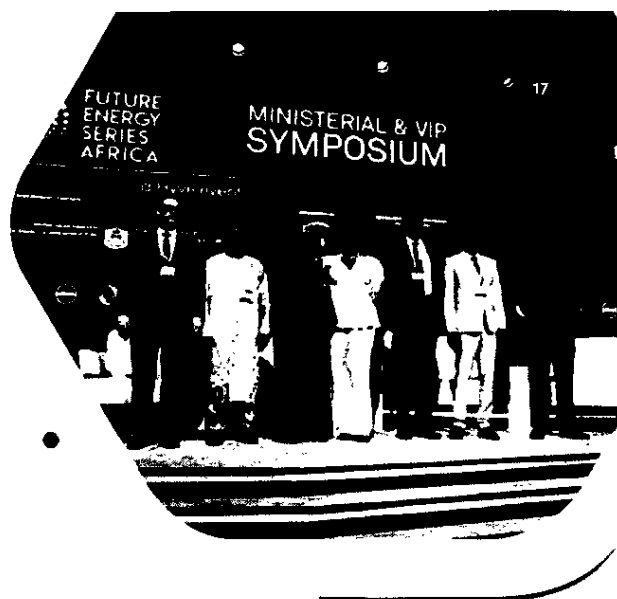
Facilitated meetings are all about ensuring the right connections between buyers and sellers, helping them identify the key people they should be meeting, and providing an inspiring space in which they can do that. This is all enabled by our digital platform and the detailed profiles we are building, as well as the enormous amount of personalised support from our product teams (see pages 8 and 9).

Because our customer community teams get to the heart of industries, and meetings have a double-opt-in process, we know that those meetings will be very relevant for both individuals with a high probability of a tangible outcome.

This is a tried and tested model, proven by Shoptalk and Groceryshop, with Groceryshop facilitating more than 1,700 meetings at its September event.

We trialed facilitated meetings under the name 'Curated Meetings' at Autumn Fair, with huge success. Customers told us that they found it enormously valuable and we are now working to integrate a full facilitated meetings programme into Bett and Spring Fair in 2022.





### How has the disruption affected your people, and what changes are you making to their development?

Some of our teams had been working on their events for up to 11 months when the pandemic hit, and so cancelling them was very difficult. I am so grateful to our people for their resilience, determination and the passion they showed towards our products and customers, as well as each other.

During the course of the pandemic, like all businesses, we had a bigger responsibility than ever to support our people. We did this through scaling up the well-being and mental health resources we provide, including launching Spill, an online counselling service, for UK teams. We also introduced mental health first aiders, and a global programme of wellbeing webinars covering topics such as stress, mindfulness, nutrition and sleep.

We also launched Peaxon, a listening tool where employees can offer their feedback on what is and isn't working for them. The platform highlights ways we can improve our working culture as well as development, reward and well-being. Data is regularly reviewed at Board, Group, divisional and team level with action plans created to address the feedback. We are committed to continuously improving working life at Hyve and making Hyve a great place to work.

### In addition to these social improvements, what are you doing to address wider ESG issues?

As the voice of many major industries, we recognise we have a unique opportunity to put sustainable development on the agenda, and we want to use the power of our events to create platforms for change. That is why, this year, we have defined an ambitious ESG strategy (see pages 30 to 32).

Whether in diversity and inclusion, ethical business or sustainability, we can use our influence to bring positive change across the industries we work with, and to redefine ESG within our own industry. Of course, this means we will also increase our focus on the social and environmental impacts of our own events while partnering with the wider industry to tackle some of its largest issues.

### How do you see the outlook for the business?

I am confident about Hyve's long-term outlook, thanks to the tireless efforts our teams made throughout the last 18 months. As we look ahead, while uncertainty about the evolution of the pandemic has increased in recent weeks, we are excited to continue to support our vibrant industry communities and connect them through our unmissable in-person events, online platforms and productive facilitated meeting programmes, while advocating for sustainable development both inside our own business and throughout the industries we work in.

**Mark Shashoua**  
CEO



## Business model

# When people come together, powerful things happen

## What we offer

While each of our products is highly tailored to the industries and geographies we work in, the one thing they all have in common is their purpose. Our customer communities rely on us to meet three fundamental needs:

## Trade

Our customers rely on our products and services to connect, transact and manage their business relationships with the supply chain. Our digital commerce and procurement platforms are helping businesses become more efficient and resilient, following the COV19 pandemic.

## Network

We connect the people, products and organisations that create value, improve efficiency and drive innovation. Our digital platforms are at the heart of the industry and connect our customers, suppliers, partners and customers with the people and matter.

## Learn

We help our customers to learn from their data and experience, and to make better decisions. Our digital platforms are helping businesses to understand their customers, suppliers and partners, and to make better decisions. Our digital platforms are helping businesses to understand their customers, suppliers and partners, and to make better decisions.

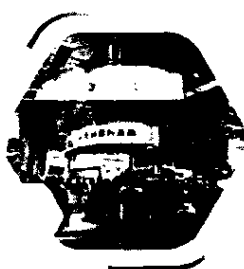
## Who our customers are

A Hyve customer could be anyone – a buyer, seller, group, individual, corporation, government, school, influencer or decision-maker, to name just a few.

- Hyve events catalyse business communities around the world, providing a place to meet, discuss, do business and get inspired. At any one of our events, thousands of connections happen.
- We play a significant role across major sectors, such as education technology, ecommerce and energy, by hosting important discussions which have the power to advance industries.
- Our platforms are important marketing opportunities for our customers, and we see a clear trend towards allocation of marketing budgets to events which are, or have the potential to be, market-leading.
- In addition to exhibitors and visitors, we also consider our sponsors, speakers and special guests to be our customers, as they too have something to add to and gain from our events, whether that be networking, marketing or influencing.

## What we do

Our omnichannel model revolves around three core products.



### Unmissable events

We run 63 in-person events across multiple major industries and throughout the world. From Glee, connecting the UK's gardening and outdoor living sector, to MITT, bringing together an international travel and tourism audience in Moscow, our events are important dates in the calendars of major industries, and are where our customers come to get inspired, expand their business contacts and do business.



### Optimised facilitated meetings programmes

Our facilitated meetings programmes, managed by our community development teams, help our customers to curate their own agendas ahead of our in-person events. This means they arrive with a clear plan of who they will meet and when, leaving them with more time to learn and discover. Read more about the process, and the technology which powers this solution, on pages 8 and 9.



### Online networking

With increased demand from our customers to stay connected year-round, online networking is an important part of our model. Our online programmes, such as Shoptalk Meetup for Women, Learnit Live and 121 Mining Investment Online, support our in-person events by offering additional opportunities for our communities to connect, through multiple formats and at multiple times per year.



## Business model

### — How we make money

**66%**

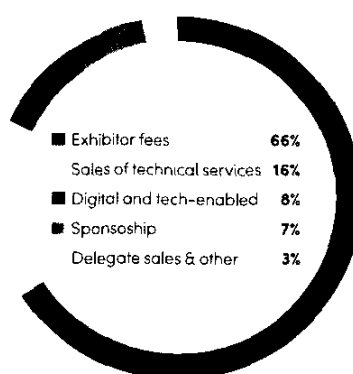
(2020: 72%)

The majority of our revenue is generated from the fees that our exhibitors pay for space at one of our exhibitions. We receive payment for an event ahead of the bulk of our costs being spent, making our working capital cycle very strong.

**34%**

(2020: 28%)

16% (2020: 9%) comes from the sale of technical services to exhibitors, such as stand construction. 7% (2020: 6%) comes from selling sponsorship opportunities – for example, stage branding or supporting an awards programme. 3% (2020: 11%) comes from delegate sales at our conferences, and the remaining 8% (2020: 2%) comes from digital and tech-enabled revenue streams such as online event participation and facilitated meeting programmes.

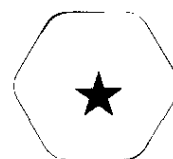


We believe that Hyve is in a strong position to compete, given our ability to capitalise on several sustainable, competitive advantages.

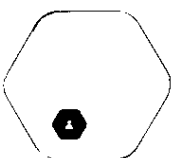


## Our data

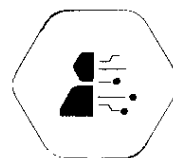
By getting to know our attendees, we are able to build detailed profiles of our visitors and their reasons for attending our events. And this is highly valuable data for our customers.



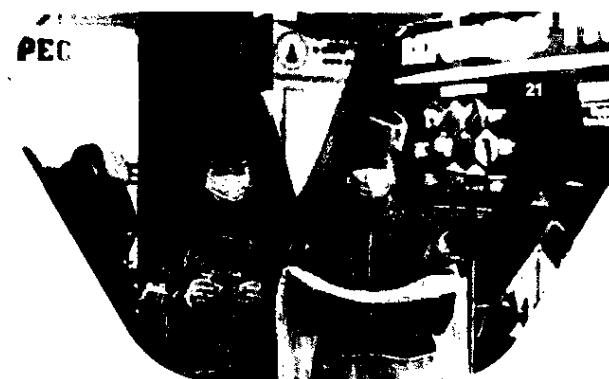
We are absolutely committed to delivering quality products that provide enormous value for our customers. Our Transformation and Growth programme instilled a best practice culture across our global business, and our portfolio now comprises only the most highly regarded events.



We are developing solutions using a mixture of in-house and third-party technology to create the best possible user experience for our customers, such as our facilitated meetings platform (see pages 8 and 9).



Whereas pure digital platform providers are able to offer part of the experience, and other events companies can provide the in-person experience, we are able to cater to our customers in multiple ways, which helps us to build a single view of their needs, and positions us at the heart of the industries.



## Business model

### — How we're evolving

As the physical and digital worlds merge, our omnichannel approach will enable us to scale, as will a more agile approach to work and increased focus on the bigger picture.

1

#### An agile approach to work

- Change is the new normal. To embrace this, we are adopting a more flexible way of working, allowing us to scale teams as required and respond to both changing environments and customer demands
- This approach also allows our teams to be more entrepreneurial and take accountability for decision-making
- For example, to support our omnichannel strategy, we have built a digital team, which aims to develop new experiences, pilot them as early as possible and work in partnership with our customers to develop high-value products that our customers need



2

#### Accelerating omnichannel

- COVID-19 accelerated changes in customer behaviour and we have worked quickly to adapt our products to better meet their needs
- The addition of technology-enabled facilitated meetings adds significant value to our in-person events, while our online meeting programmes enable us to support our customers at multiple touchpoints throughout the year, with highly productive programmes and without the need to travel
- In addition to our market-leading in-person events, our omnichannel strategy allows us to connect our customer communities in multiple formats multiple times a year

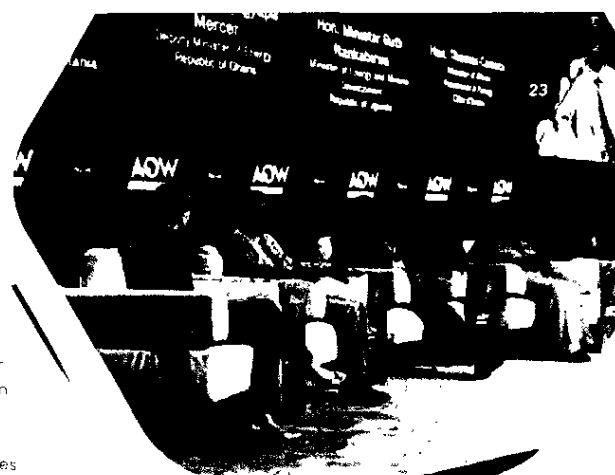


3

## Creating 'platforms for progress'

- This year, we have also acted on our responsibility to do more to protect the planet and its people. Our newly launched environmental, social and governance strategy (see pages 30 to 32) highlights how we plan to make a difference

- As well as addressing the impact of our own events on the environment and our local communities, we have an ambition to grow all of our events into 'platforms for progress'. We will drive forward sustainable development in the industries we work with, leveraging support from our customer communities to collectively make positive changes



## Our evolving model in action

Bett is one of our leading global brands, and exemplifies the success of our progressive, omnichannel approach.

Bett is the global community for education leaders. We mark, meet, create, connect, and accelerate progress, driving impact and improving outcomes for teachers and learners.

Our omnichannel approach includes a mix of events, both in-person and online, and bringing together over 800 leading education, technology, start-ups, and over 33,000 attendees from 125 countries. We have a strong focus on the future of education, as well as the role of technology and innovation play in enabling education and careers to thrive.

- **Bett UK** – in-person event

- **Learnit conference** – in-person event

- **Newly launched Ahead by Bett** – in-person event aimed at higher education

- At those in-person events, customers can join the hosted leaders programme, to benefit from focused 15-minute, thoughtfully matched meetings

- **Learnit Live** – a five-day global online event for education leaders

### YEAR ROUND

- **Bett Academy** online learning – coming soon
- **Learnit podcast**

- **Bett Brasil** – in-person event

- **Bett Asia** – in-person event

JAN

FEB

MAR

APR

MAY

## Our strategy

1

### Facilitated meetings at in-person events

Professional, double-opt-in matchmaking programmes at in-person events, curated by our community development teams and enabled by bespoke technology, to bring together buyers and sellers with mutual interests. See our introduction to facilitated meetings on pages 8 and 9 for more information.



# Bringing omnichannel to life

Our omnichannel strategy is all about developing new ways to meet our customers' needs to trade, network and learn in complex and evolving sectors.

In addition to our core business of market-leading in-person events, we support our customers with multiple products, throughout the entire year, through both online and in-person formats.

Once our omnichannel model is applied to an event brand, in addition to attending the annual in-person events, we enable our customer communities to stay connected throughout the year with online meetings programmes, round tables and inspiring content. As well as creating more touchpoints with our customers, this also strengthens our position at the heart of our industries while enabling us to take a leading role in their sustainable development and help our customers navigate their complex ecosystems. There are two key drivers of our omnichannel strategy.

2

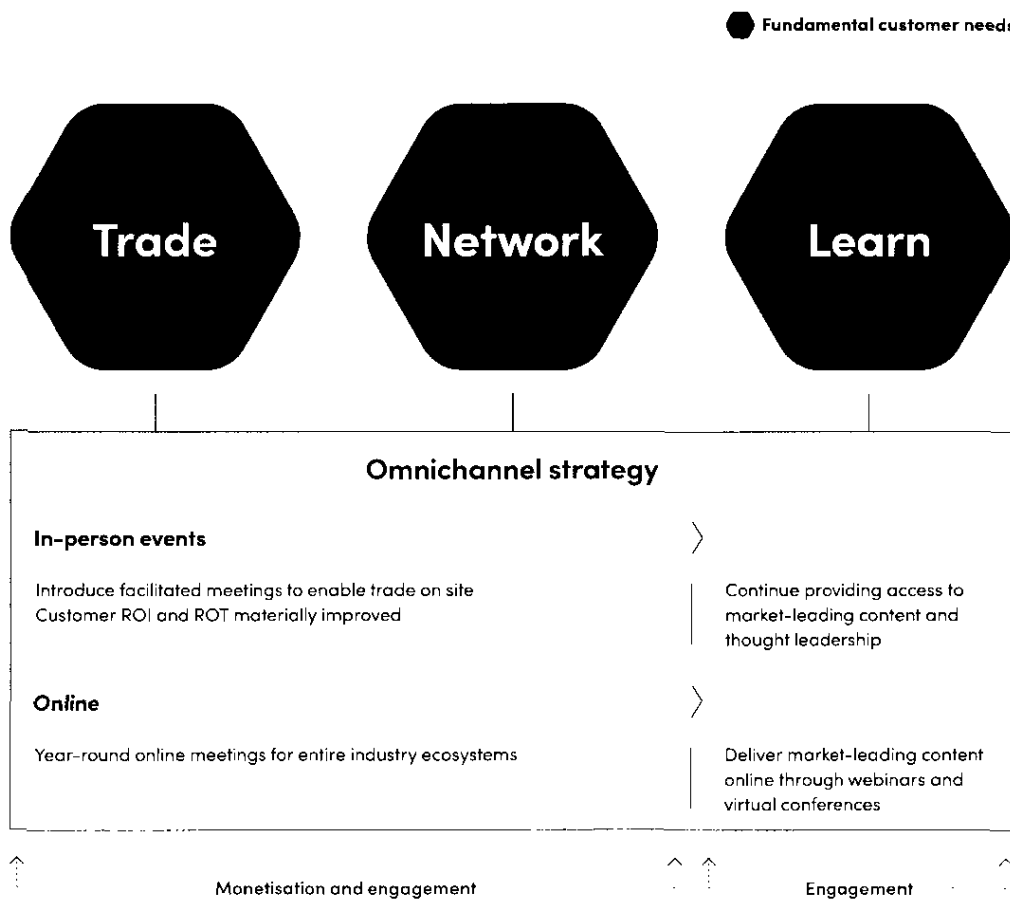
### Online meetings programmes

Online meetings and collaboration events that bring entire industry ecosystems together, including analysts, experts and investors. These programmes are setting the new standard for online events. Learn more by reading our Groceryshop Spring Meetup case study on pages 6 and 7.





## The omnichannel model

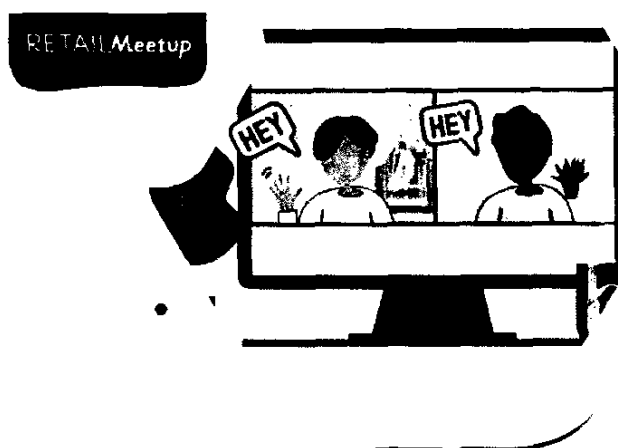


## Our strategy

# Strategic acquisitions

We have acquired two proven products into our portfolio to support our omnichannel evolution.

**Retail Meetup** is a one-of-a-kind online experience that brings a large group within the retail industry together for curated, double-oot-n meetings and expert-led peer discussions. It offers customers the chance to have three months' worth of meetings in just three half-days. Since the inaugural Retail Meetup in October 2020, more than 5,000 participants have completed over 50,000 meetings, making this series retail's largest meetings programme ever.








## 121 GROUP



**121 Group** is a popular and proven platform that connects the mining investment industry through a series of in-person and online networking events. In 2021 alone, it facilitated more than 17,000 meetings between mining companies and investors. In addition to expanding our presence in the mining industry both in terms of geography and developing an omnichannel presence, 121 Group's Capex town meeting programme is highly complementary to Mining Impact and opens new opportunities for growth.

## Expanding our omnichannel portfolio

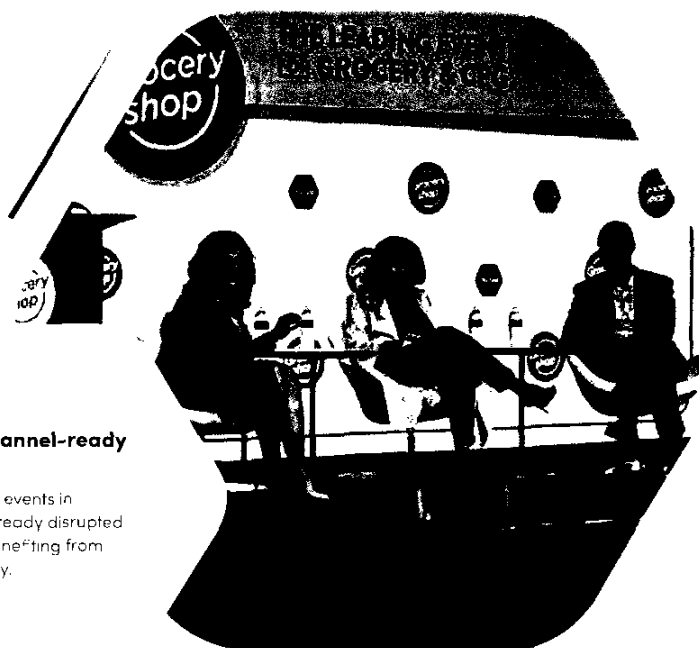
Omnichannel-ready sector	Market-leading event	Facilitated meetings	Online meetings
Ecommerce for retail	SHOPTALK	✓	✓ 
Ecommerce for grocery		✓	✓ 
Giftware	AUTUMNFAIR SPRINGFAIR	✓	✗ Not suitable for virtual format
Education Technology		✓ 2022	✓ Trial 2022
Commodities		✓ I2I	✓ I2I



## Our strategy

### Omnichannel-ready events

In-person events in sectors already disrupted by and benefiting from technology.



# Fuelling future growth

We see a significant opportunity for our products both within our existing sectors and new industries, driving clear growth ambitions for Hyve. As value chains and market dynamics become increasingly complex, we see a greater need for Hyve to support sector communities and facilitate connections.

Our growth ambitions will be realised through the successful implementation of our omnichannel products and continued product development to meet the changing needs of our customers.

In order to accelerate this strategy, we have outlined clear acquisition criteria as well as a pipeline of products.

In terms of potential acquisitions, we have identified a clear main driver of suitability as digital adoption, which varies by sector and geography. We have undertaken a thorough review of the industries that have a ready seen or are in the process of being disrupted by technology. We will prioritise these sectors as we review our acquisition pipeline, which has two main areas of focus: Omnichannel-ready events and Omnichannel products.



### Omnichannel products

Platforms or technology that support and accelerate the development of our existing brands into omnichannel platforms



Environmental, social and governance strategy

# Creating platforms for progress

As well as aspiring to become a champion for sustainable development within our own industry, we recognise the unique opportunity Hyve has to lead by example, and educate, empower and drive positive change across the global industries we work with.

1

## Developing the strategy

Creating a strategy that's authentic to Hyve, and that focuses on the areas we can make the most impact, was our priority when defining our approach to environmental, social and governance (ESG). As such, we worked with specialist consultancy Simply Sustainable to develop a long-term view on sustainable development.

The process to design our strategy included a thorough review of the political, economic and social influences and issues in each of the countries we operate in. We also gathered stakeholder insights from colleagues, customers, shareholders and suppliers to hear directly from our communities on what matters to them and where they believe Hyve can have the most influence. An ESG risk and maturity assessment was also completed, highlighting our current strengths and weaknesses, and finally a materiality assessment, taking all of the above into consideration, helped us to pinpoint those topics where our potential to make positive change is the greatest.

2

## Change starts within

We know that our ability to influence change will be most powerful when our global teams are engaged in a shared goal. That's why, this year, we have made sustainable development one of our three internal Group priorities. This has ensured that every individual, in each of our offices, is considering ESG matters when setting their individual priorities for the year.

In addition, this year, we have pledged to significantly ramp up our investment in training and development, including specific training relating to ESG matters.

To ensure that ESG is well governed, we have implemented a Board committee, chaired by Sharon Baylay (see pages 82 and 83 for more information).

3

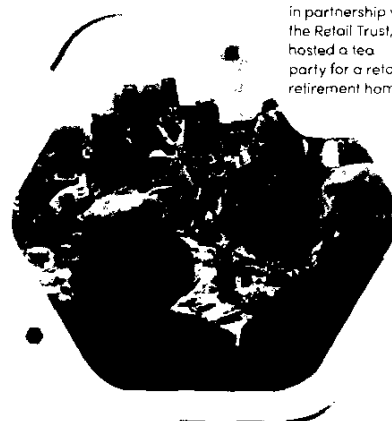
## Strategy in action

We have set ourselves a number of targets which reflect our ESG ambitions and will guide our actions and planning over the coming years.

These targets were developed in consultation with our global teams and are being incorporated into our event and functional planning processes to ensure alignment and a collective effort.



Women-owned township cooperatives in Cape Town created delegate bags and face masks for this year's AOW.



Our UK Retail team, in partnership with the Retail Trust, hosted a tea party for a retail retirement home.



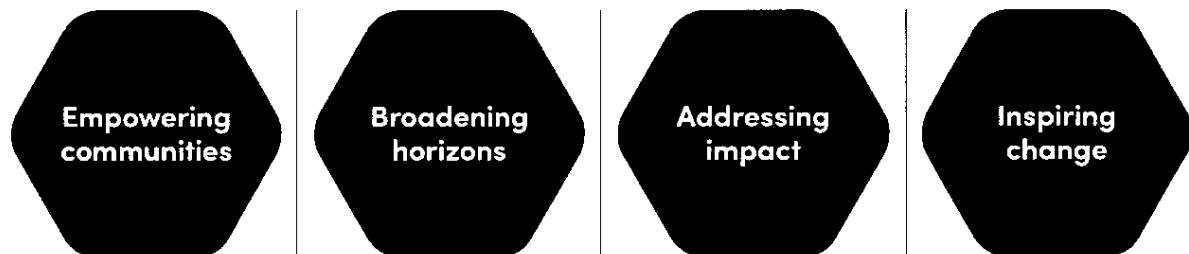
## A clear and inspiring strategy

### Vision

#### Creating platforms for progress

We aim to redefine sustainability within our industry and use our unique influence to educate, empower and drive positive change across the global industries we work with.

### Strategic pillars



### Objectives

We are experts in connecting people and forming communities. We will use those skills to support communities both local to the events we run, and to champion enterprise and innovation.

Our business is built on human connections. We will inspire people to be their full selves, in a safe and inclusive environment, while developing talent for the next generation.

We must also address our own carbon footprint. We will push boundaries in the events industry and aspire for customers to recognise the commitment of Hyve events to sustainability.

We recognise that we have a unique opportunity and a responsibility to influence change. We will use our platforms to move sustainable development forward across major industries.

### Material ESG topics

- Supporting enterprise and trade
- Community relations
- Social mobility

- Employee training and development
- Equality, diversity and inclusion
- Fair and decent work

- Sustainable travel
- Sustainable supply chain
- Reducing carbon emissions
- Reducing waste

- Global education and training
- Environmental awareness
- Customer sustainability awareness

### Foundation

Safety, wellbeing, ethics and security

## Environmental, social and governance strategy

### Just some of our ambitions

#### Empowering communities

- Giving back to the local communities we work with
- Helping everyone, irrespective of their background, achieve their potential

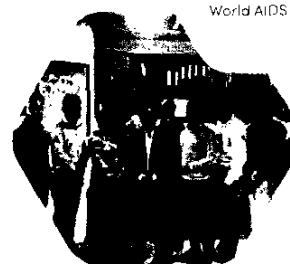
Our Pharmtech Tutor programme, in its third year, helps students develop their career in the industry



#### Broadening horizons

- Building our understanding of our role in inclusion
- Ensuring on-stage representation

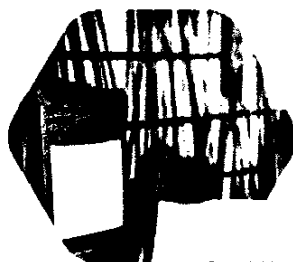
Our New Delhi team proudly supported World AIDS Day



#### Addressing impact

- Measuring and reducing our waste
- Measuring and addressing our emissions

Recyclable event passes at RosJI Pack



Marketing Executive Jingwen used one of her volunteering days to help out at her local COVID-19 vaccination centre



#### Inspiring change

- Creating a culture of responsibility for ESG among our people
- Making Hyve events platforms for progress

Lame Verre from Lean in Energy leading the Inclusivity Matters session at Africa On Week



## Non-financial information

We use a range of financial and non-financial metrics to measure our performance both internally and with our people (through employee listening) and externally with our customers (through NPS scores and relationship management), alongside metrics relevant to our financial strength, engagement and impact on society and the wider environment.

We aim to comply with the non-financial reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006. The below table, and information it refers to, is intended to help stakeholders understand our position on key non-financial matters. The information required to be contained in the non-financial reporting statement pursuant

to the Companies Act 2006 is set out in this non-financial information statement. Other relevant information about our business model, KPIs and our approach to governance review and risk management are detailed elsewhere in this report.

Reporting requirement	Policies and standards which govern our approach	Where to find additional information
<b>Environmental matters</b>	The Company addresses environmental matters at event level. During the financial year the Board established an Environmental, Social and Governance (ESG) Committee to draw up, implement and monitor its ESG strategy.	<ul style="list-style-type: none"> <li>• More information on our ESG strategy can be found on pages 30 to 32.</li> <li>• We have included information about greenhouse gas emissions in our Directors' report on page 73.</li> </ul>
<b>Employees</b>	The Group's Code of Conduct sets out what is expected from every person working for, and with, our businesses anywhere in the world. The code acts as an umbrella for the following policies: Gifts and Hospitality, Whistleblowing, Anti-Bribery and Corruption, Anti-Modern Slavery/Human Trafficking, Conflict of Interest, Sanctions and Expenses.	<ul style="list-style-type: none"> <li>• We have included a statement about our whistleblowing arrangements in our Corporate governance report on page 68.</li> <li>• Information about our employees can be found in the 'Our People and values' section on pages 34 and 35, the section 172 (1) statement on page 56 and in the Directors' report on page 73.</li> </ul>
<b>Human rights</b>	Human Rights Policy Modern Slavery Statement Anti-Slavery and Human Trafficking Policy	<ul style="list-style-type: none"> <li>• Our approach to human rights is covered by our Code of Conduct which was launched during FY20. Further information can be found in our Corporate Governance report on page 71 and on our website <a href="https://hyvegroup.com/Responsibility/Human-Rights">hyvegroup.com/Responsibility/Human-Rights</a>.</li> <li>• We have included a statement about modern slavery in our Corporate governance report on page 71.</li> <li>• Our Modern Slavery Statement can be found on our website <a href="https://hyvegroup.com/Responsibility/Modern-Slavery-Statement">hyvegroup.com/Responsibility/Modern-Slavery-Statement</a>.</li> </ul>
<b>Social matters</b>	The Company addresses social and community matters at event level. As stated above, during the financial year the Board established an ESG Committee to draw up, implement and monitor its ESG strategy.	<ul style="list-style-type: none"> <li>• More information on our ESG strategy can be found on pages 30 to 32.</li> <li>• Information on our social responsibility can be found on our website <a href="https://hyvegroup.com/Responsibility/Social-Responsibility">hyvegroup.com/Responsibility/Social-Responsibility</a>.</li> </ul>
<b>Anti-corruption and anti-bribery</b>	Anti-Corruption Policy Gifts and Entertainment Policy	<ul style="list-style-type: none"> <li>• We have included a statement about anti-corruption policies in our Corporate governance report on page 70.</li> <li>• Further information can be found on our website <a href="https://hyvegroup.com/Responsibility/Anti-Corruption">hyvegroup.com/Responsibility/Anti-Corruption</a>.</li> </ul>
<b>Description of principal risks and impact on business activity</b>		See pages 36 to 39 of this report.
<b>Description of business model</b>		See pages 18 to 23 of this report.
<b>Non-financial KPIs</b>		See pages 54 and 55 of this report.

## Our people and values

# Celebrating and empowering amazing people

As a business, we make it our mission to celebrate and empower amazing people and our internal approach to people and culture is no different.

Our constantly evolving strategy is all about offering a unique experience, which gives our people both the support they need, as well as the freedom to enable them to show up to work as their authentic and best selves.

Throughout this year, we have transformed our approach to how we support our people, with the ambition of creating a more tailored and inclusive experience for all Hyve colleagues.

Our strategy never stands still. We are committed to continuously improving our approach to people and culture and to responding to the latest insights we have available to us, enabling us to provide the most supportive and rewarding experience for our global team communities.



**We have transformed our approach to how we support our people,** with the ambition of creating a more tailored and inclusive experience for all Hyve colleagues.

## Celebrating individuality

Listening is a vital element of our people strategy. This year, we partnered with Peakon, enabling us to gather insights from our people and hear what is working well, and where we have space to improve. Now, our leaders can base their people plans on real-time data from their teams and focus on the things that matter.

We acknowledge that work is never done with regards to inclusion. We are constantly making improvements to our processes and partnerships to create a more welcome and supportive place of work. We have already begun to roll out diversity training across the Group and are committed to training 100% of colleagues by the end of next year.

We are also developing our inclusivity calendar to help us celebrate individuality across our business and ensure that we are recognising and continuously re-educating ourselves about different cultures and causes.

## Encouraging ownership

Our culture is evolving, with accountability becoming ever-more important. We believe that it is our responsibility to ensure that the right tools, space and support are in place to allow our people to take ownership, whether that be of their work, their environment or their own development. Accountability supports the creation of a dynamic culture, where people feel empowered to make decisions and react quickly to shifting situations, as we get used to change becoming the new normal.

**11,100+**

comments have been shared through Peakon



**50+**

More than 50 of our leaders attended our two-day annual leadership team conference



## Communication

We have overhauled our communication channels this year, implementing new, more engaging and interactive ways to share news and providing opportunities to have discussions. Our monthly CEO videos celebrate success from around the Group. We launched HyveTV, an internally produced news show to get our teams closer to what is happening around the network. We run regular global virtual Q&A sessions with senior leaders. Monthly Global Gatherings act as CEO focus groups with global colleagues.

## Recognition

Our newly launched global recognition programme, Hy Five, rewards 10 colleagues each quarter for living our company values. Winners attend a personal development session, fun team-building activity and dinner with the senior team.

**Hy Five**



## Spotlight on wellbeing

The topic of wellbeing is discussed regularly among our leadership team. We are committed to making sure that our people know they are cared about and supporting their health.

After an extremely demanding year, **every Hyve colleague was given a wellbeing day off to spend relaxing, seeing friends and family, or doing something they had missed during lockdown.** This was just one way of showing our gratitude to our people for their increased commitment to our business and customers, and the resilience they showed throughout the pandemic.

A particular focus was put on mental health, with the launch of Mental Health First Aiders and access to free online therapy provided for some of our teams. In addition, colleagues were actively encouraged to join a series of webinars created especially for our people on topics including mindfulness, sleep and nutrition.

## Investing in You

We launched our Investing in You programme – our improved approach to learning and development, offering training that is less about function and is more beneficial to the development of our people.

We created a Knowledge Hub on our intranet, filled with crowd-sourced training and demonstration videos created by our global teams, on topics ranging from Google Analytics to Photoshop, so that people can build their own bespoke training syllabus. One of our most popular training courses was a session on improving your online presenting skills, now that so much of our work is done through video conference.

Our teams were also invited to attend career clinics and received guidance on their personal development and career goal planning.

Looking ahead, we have a plan in place to roll out mental health training to all managers, to help them spot the signs when someone needs help and provide support for colleagues.

6

We arranged six bespoke mental wellbeing sessions during our **Summer of Wellbeing programme.**

We kept the focus on health throughout the year, with the creation of our Wellbeing Hub on our intranet and a series of initiatives such as celebrating World Wellbeing Week. During the week our colleagues were invited to attend healthy cooking demonstrations, yoga classes and mindfulness sessions, as well as being given access to support material. Our team in India celebrated Happiness Week to give the team a much-needed boost as they came out of lockdown, and our team in Moscow collaborated to produce their best practice guide to mental wellbeing at work.

119

**of our leaders attended a Management Training programme** spanning eight modules, equipping them with the important skills needed to be brilliant leaders.

Our just-launched **Leadership programme** is themed around adaptive leadership and coping with eternal change.

Going forward, we aspire to move to a model that sees colleagues given an allowance of training hours per month, which they are encouraged to use towards their own development, whether that be through coaching, watching TED talks or attending courses. We want to put our people in control of their own direction and growth.



Jo Rabbett has joined Hyve as Chief Talent Officer, with the aim of developing the talent within the business and making Hyve an employer of choice.

+35

We scored an **employee NPS of +35 against the mental wellbeing driver** in our latest Peakon survey, which puts us in the top 10% of companies using the tool.

The pandemic helped us to better understand the positive impact that remote working can have on both the physical and mental wellbeing of our people. We listened to the preferences of our colleagues on what working arrangements would work for them and are implementing solutions which strike the right balance between home working and creating an office space that encompasses our culture, while taking account of the local nuances of the geographies that we work within.

## Employee voice

Peakon is playing a huge role in ensuring that the employee voice is represented at Board meetings, with the results of every survey being discussed at length. In addition, the full team of Non-Executive Directors attended one of our largest UK events, Autumn Fair, taking the opportunity to speak with colleagues and see their work first hand.

We are also taking steps to familiarise colleagues with members of the Board through an internal engagement campaign including interviews on our intranet and appearances at internal events.

## Principal risks and uncertainties

# How we've managed our key risks in these uncertain times

The Group has well-established risk management processes for identifying and monitoring risks and uncertainties affecting the Group.

The principal risks facing Hyve are reviewed regularly by both the Risk Committee and the Board, who confirm that they have carried out a robust assessment of the principal and emerging risks facing the Group, including those that could threaten its business model, future performance, solvency and liquidity.





In March 2020, the COVID-19 outbreak escalated into a global pandemic leading to unprecedented societal, governmental and personal impacts and restrictions. The exposure to an extended period of time during which a communicable disease severely impacts on the Group's ability to organise events represents a

principal risk for the Group and consequently the risk of a pandemic (and, as such, on epidemic disease) was added to the list of principal risks and uncertainties last year. Although the Group has taken decisive actions over the last 12 months and run events in the majority of markets, the ongoing disruption and potential threat of cancellations or postponements on our events schedule still remains a significant risk.

The risks described below represent those that we consider have the greatest potential to impact on our ability to meet our strategic objectives. Standard operational risks are not presented in the list of principal risks and

uncertainties below as they are considered pervasive risks that are not Hyve-specific and would be risks for the majority of listed groups.

Along with the principal risks and uncertainties set out below, the Group considers a range of other risks, including climate change and sustainability. While not considered a principal risk, severe weather events are recognised as a factor in the venue unavailability risk described below. The Group continues to monitor ways in which we can limit our impact on the environment throughout our operating model. Hyve's impact on the environment primarily relates to energy consumption at our offices and events, business travel to and from our events and the use of non-sustainable materials at our events, all of which we are taking proactive steps to minimise.

Risk title	Potential impact	Updates during the year	Mitigation	Change in risk rating from prior year
 <b>Pandemic, natural disaster or terrorist incident</b>	<p>Pandemic, extreme weather conditions, earthquake, storm damage, gas or explosion or terrorism, by definition, could affect employees and events.</p> <p>Employers may be unable to access services or Hyve systems. Should a venue become unavailable, the Group would be forced to source a new location, which would likely affect visitor numbers. Lockdowns and restrictions on mass gatherings limit access to events and limit the ability to hold events.</p> <p>Event cancellation would result in reduced customer engagement and affect trading results.</p>	<p>In response to the COVID-19 pandemic, working from home was implemented across our global network. As offices have reopened, measures have been put in place to ensure the safety of our teams.</p> <p>Government restrictions introduced in response to the COVID-19 pandemic impacted our ability to run events. At our events that have reopened, we have implemented our own Safe &amp; Secure standards to ensure globally consistent best practice.</p> <p>The Group has event cancellation insurance and this previously included cover for non-travel related cancellations for our top 20 events for FY20 and FY21. This cover is benefited from a financial insurance provider during the year, thereby reducing the cost of the premium and the cover.</p>	<p>Venue contracts allow for a degree of recourse/obligations to refund/till gate.</p> <p>Systems are in place to ensure that employees are able to work remotely and to access systems remotely. Office risk assessments are undertaken regularly.</p> <p>Event cancellation insurance for our top 20 events and business continuity insurance are in place. However, event cancellation cover for communicable disease, such as likely to be difficult to obtain for FY22.</p>	
 <b>Political and economic instability</b>	<p>Political and economic instability that may impact client, supplier or other operating in a country and through changing government policies, economic downturns and market regulation, could impact the Group's ability to trade.</p> <p>Political and economic instability could impact the Group's ability to trade in a country, which could impact the Group's trading results.</p> <p>Political and economic instability could impact the Group's ability to trade in a country, which could impact the Group's trading results.</p>	<p>The Group has implemented measures to reduce the risk of political and economic instability. This includes working from home, implementing remote working policies, and ensuring that the Group's operations are resilient to disruption.</p> <p>The Group has implemented measures to reduce the risk of political and economic instability. This includes working from home, implementing remote working policies, and ensuring that the Group's operations are resilient to disruption.</p>	<p>The Group has implemented measures to reduce the risk of political and economic instability. This includes working from home, implementing remote working policies, and ensuring that the Group's operations are resilient to disruption.</p> <p>The Group has implemented measures to reduce the risk of political and economic instability. This includes working from home, implementing remote working policies, and ensuring that the Group's operations are resilient to disruption.</p>	

Risk title	Potential impact	Updates during the year	Mitigation	Change in risk rating from prior year
<p>3</p> <p><b>Liquidity risk</b></p>	<p>Significantly reduced trading over an extended and undetermined timeframe, combined with an inability to effectively manage expenditure if cash flows decline, could impair the Group's ability to operate within and secure additional committed credit facilities</p>	<p>The COVID-19 pandemic has caused significant disruption to our event schedule, reducing operational cash flows and increasing liquidity risk.</p> <p>In the previous financial year, we agreed the waiver of our quarterly leverage ratio and interest cover covenants up to and including March 2022 and replaced them with a single liquidity covenant.</p> <p>Subsequent to the year end, the Group has secured further waivers to its leverage and interest cover covenants up to and including March 2023. As before, a single liquidity covenant will remain in place during this period.</p> <p>At 30 September 2021, cash and undrawn debt facilities were £130.1m, providing the Group with significant liquidity going into FY22.</p>	<p>The Group has cancellation insurance policies to mitigate the liquidity risk of disruption to our event schedule. During FY21, the Company received £60.0m (2020: £22.0m) in insurance proceeds. Since the year end, confirmation of an additional £10.6m has been received, bringing total confirmed insurance claims to £92.6m. Further sums may be received during FY22 as the remaining claims are concluded.</p> <p>There is flexibility in the Group's cost base should events not take place. Further cost control measures are available to management should they be required to increase liquidity.</p> <p>At 30 September 2021, the Group has £212.4m of long-term borrowing facilities with a syndicate of lenders, providing access to significant liquidity until maturity in December 2023.</p>	<p>↔</p>
<p>4</p> <p><b>Venue unavailability</b></p>	<p>Damage to or unavailability of a venue could lead to event cancellation impacting the Group's trading position. This could occur due to, among other things, severe weather events, natural disaster, terrorism or disputes with venue owners.</p>	<p>Cancellation insurance for our top 20 events was renewed (although cover for communicable diseases is no longer available).</p> <p>The COVID-19 pandemic has continued to have a significant impact on venue availability during the financial year due to government restrictions in all markets on large gatherings.</p> <p>In December 2020, the Company acquired a Retail Meet-up enabling it to offer high-quality events in a digital format.</p>	<p>Our Top 20 events through to the end of the financial year ended 30 September 2021 were covered for communicable diseases such as COVID-19. Event cancellation for our Top 20 events is renewed annually.</p> <p>Throughout the pandemic, we have been in continual dialogue with venue owners to secure venues for our rescheduled events.</p>	<p>↔</p>
<p>5</p> <p><b>Repatriation of profits from subsidiaries</b></p>	<p>The Group operates in a number of countries with complex local requirements surrounding overseas payments. There is a risk of cash being "trapped" in subsidiaries, resulting in liquidity problems within the Group.</p> <p>This would also expose us to the risk of jurisdictions materially increasing the withholding tax rate on the payment of dividends.</p>	<p>During the financial year, the Group disposed of its Kazakhstan operations, completing the exit from the Central Asia market and reducing the number of territories from which it needs to repatriate cash.</p>	<p>Overseas cash balances are monitored on a weekly basis by Group management and cash transferred whenever the opportunity arises.</p> <p>The Group has well-established payment mechanisms to repatriate cash from its subsidiaries.</p> <p>A franchise fee transfer pricing model is in operation in all key markets.</p>	<p>↓</p>
<p>6</p> <p><b>Breach of anti-bribery laws or similar</b></p>	<p>Should an employee or other associated party commit a bribery offence or contravene other similar laws, the Group could potentially be exposed to criminal or financial sanctions, reputational damage, exclusion from bidding for public sector contracts in the EU and a reduction in share price.</p> <p>Breaches also constitute a breach of facilities agreements, entitling lenders to call for early repayment of loans.</p>	<p>Policies covering matters such as anti-corruption, bribery, modern slavery, whistleblowing, gifts and entertainment and conflicts of interest fall under the umbrella of the Code of Conduct. During the financial year the policies were reviewed and refreshed to ensure they remain fit for purpose.</p> <p>Furthermore, standard clauses on these areas were prepared for supplier and customer contracts and rollout commenced.</p> <p>The rollout of a new online reporting tool for gifts and entertainment began in September 2021 and a contract for the provision of online learning courses to employees was also signed to be rolled out in the coming financial year.</p>	<p>Staff are instructed to adhere to the Group's unambiguous policies on business ethics, available on the intranet. These cover subjects such as anti-bribery and gifts and entertainment. Additionally, individual business units are required to record and obtain approval for certain expenditure.</p> <p>The Group's Internal Audit function is outsourced to PwC who perform periodic checks of compliance with record keeping obligations and general awareness among staff of the applicable policies.</p>	<p>↓</p>

## Principal risks and uncertainties

Risk title	Potential impact	Updates during the year	Mitigation	Change in risk rating from prior year
 <b>Breach of sanctions</b>	<p>Should an individual representing the Group trade with a restricted party, in sector in a country to which sanctions apply, and in contravention of these sanctions, this could expose the Group to risks including financial fines, reputational damage and a reduction in share price. It could potentially be considered a breach of a facilities agreement, entitling lenders to call for early repayment of loans.</p> <p>Any extension of international sanctions regimes could reduce the volume of business the Group is able to transact.</p>	<p>The Sanctions Policy, launched in FY20, was reviewed and refreshed during the year. An operating model for sanctions queries was established in FY21 and numerous sanctions checks carried out using the procedure.</p> <p>During the year an initiative was initiated to ensure our agents are contracted via the Customer Relationship Management (CRM) system, which contains automatic flags for sanctioned markets to prompt an approval process.</p> <p>During the year the Group also disposed of its business in Central Asia, thereby reducing the Group's exposure to countries that tend to trade more with certain sanctioned countries.</p>	<p>Staff are instructed to adhere to the Group's unambiguous policy on sanctions available on the intranet. This details the sanctions risks, and when and how to conduct checks.</p> <p>Individual business units are required to record and obtain approval before transacting with persons or entities from sanctioned countries.</p> <p>Our CRM system is used to automatically flag sanctioned markets for internal approval and we also make use of an external risk portal to check sanctions lists.</p>	
 <b>Breach of health and safety regulations</b>	<p>A breach of regulation or policy during build-up or while an event is running could lead to personal injury.</p> <p>This could result in financial stake to fines and damages, lost revenue through customer attrition and reputational damage from negative press coverage. There could also be damaging effects on staff morale, together with the risk of personal liability for Directors.</p> <p>Our risk exposure may be greater when such a breach involves a joint venture or subsidiary that is not wholly owned by us as we may not be able to exercise full operational control.</p>	<p>With restrictions easing and events returning, an in-depth assessment of the Health, Safety, and Security (HSS) status of the business was undertaken. This involved interviews with all Regional Directors, Portfolio Directors and their respective Senior Operations staff members, the completion of questionnaires by all Operations teams and a deep dive on documentation and process, including HSS policies.</p> <p>As a result of the review the HSS policies are being updated and refresher training courses are being arranged. Plans have been put in place to manage areas of risk highlighted by the assessment. Recognising the impact of COVID-19 on the future of events, plans and procedures continue to evolve to ensure the safe and secure delivery of events. All UK events are required to adopt the AFQ All Secure Standard. Events outside the UK operate in accordance with local laws, restrictions and best practice guidelines.</p>	<p>We reinforce our reliance on the vendors and contractors we use and we seek to ensure that such third parties adhere to our own health and safety policies, where practical and to local regulations.</p> <p>A Health, Safety and Security Policy is embedded across the business, ensuring event-level Major Incident Management Plans are put in place event by event.</p> <p>Regional management is held accountable for health and safety standards in their region.</p> <p>The Board is immediately notified of any serious breaches.</p>	
 <b>Breach of data protection regulations</b>	<p>The need to comply with data protection legislation could affect the Group in a number of ways, including making it more difficult to grow and maintain marketing data or in also through potential litigation relating to any data breach or misuse of personal data.</p> <p>A breach arising from inadequate controls over customer, visitor or employee data could result in sizeable fines and reputational damage arising from negative press coverage.</p>	<p>The Data Protection Working Group (DPWG) has developed a plan of initiatives to improve the Group's data protection, information security, and information governance framework.</p> <p>A new contract governance and procurement process for Tech, Data and Digital Marketing was also launched.</p> <p>The Group's legal team has worked with external legal counsel to refresh the Group's framework of privacy-related notices, policies and contracts.</p> <p>The Group is undertaking a review of its cyber security, insurance coverage to determine the appropriate level of coverage.</p> <p>The Company retained a Group Data Protection Officer who is a data protection expert with extensive knowledge of data protection and cyber security.</p>	<p>The Group discharges its data protection obligations through the operation of the cross-functional DPWG which meets regularly. The DPWG reports to a Steering Committee which in turn reports to the Risk Committee.</p> <p>A contract governance and procurement process requires that suppliers and contracts are considered for information security and data protection compliance before contracts are signed.</p> <p>Our standard terms and conditions and commercial contracts include appropriate data protection provisions.</p> <p>The Group maintains comprehensive security, insurance and cyber including a review of its level of cover.</p> <p>The Group employs specialists and staff training to ensure appropriate measures of data protection and cyber security are in place.</p>	



Risk title	Potential impact	Updates during the year	Mitigation	Change in risk rating from prior year
<b>10</b> <b>IT cyber/ phishing attack resulting in data loss</b>	<p>The inability to protect our IT systems or infrastructure against a targeted cyber or phishing attack could reduce our ability to make sales, damage our reputation and harm customer relationships. The same applies if internet restrictions are applied by the governments of any of the markets in which we operate.</p> <p>A complete loss of connectivity would potentially halt business operations.</p> <p>Any data loss could expose the Group, to fines, while a systems breach could make us vulnerable to a ransomware attack.</p>	<p>A recruitment programme has been implemented to significantly strengthen the IT team.</p> <p>During the financial year, cyber insurance was put in place for the Group's US businesses. The Group is in the process of sourcing a global cyber insurance policy.</p>	<p>A programme of defensive measures is in place to reduce the risk of a cyber / phishing attack.</p> <p>In addition to the items put in place during the financial year, mitigation includes regular system penetration testing across the organisation, firewalls to protect computer networks, advanced endpoint protection for email, based links and data backups for our major offices.</p> <p>The Group implements solutions provided by large and trusted providers such as Microsoft.</p>	
<b>11</b> <b>Acquisition integration</b>	<p>Integration issues and a failure to realise planned operational and synergistic benefits are a risk to delivering the expected returns on our investments.</p>	<p>During the financial year, Hyve continued with its integration of ShopTalk Commerce LLC and Groceryshop, LLC as per the integration plan, which included the appointment of a new General Manager.</p> <p>In December 2020, the Group acquired Relat Meetup LLC to support Hyve's digital evolution and delivery of its omnichannel strategy.</p> <p>The technology underpinning these brands has been successfully transitioned to a new tech supplier, and we have established our own team for maintaining and developing the technology.</p> <p>The Group has formed the position of Chief Transition and Integration Officer, to sit on the Executive Team, and give due focus to acquisition integration.</p>	<p>The Group employs experienced professionals to drive the acquisition process and perform financial, tax, legal and commercial due diligence to inform detailed integration plans, which aim to ensure that business issues are effectively integrated into the Group, and the planned synergies are realised.</p> <p>A Chief Transition and Integration Officer sits on the Executive Team to give due focus to integration work, and an internal Hyve team exists to maintain and develop acquired technology.</p>	
<b>12</b> <b>Effective control over non-wholly owned entities</b>	<p>Day to day management and control of non-wholly-owned entities is often in the hands of local management which may also be shareholders. The venture may not be run in a manner fully consistent with Hyve's policies.</p>	<p>A small, 70% owned subsidiary ITC Ebseex Exhibitions Company Ltd was disposed of during the year.</p> <p>In November 2021, subsequent to the year end, the Group also disposed of its 60% interest in ABEC Exhibitions &amp; Conferences Pvt. Ltd.</p>	<p>We incorporate controls in the shareholder agreement or equivalent governing documents and have in place a Group authority matrix.</p>	
<b>13</b> <b>Pay and performance – for business benefit</b>	<p>Poor performance management, a lack of alignment from the business plan through to individual objectives and associated reward metrics may cause confusion and demotivation. This may lead to targets not being met, potential revenue loss and poor business results.</p>	<p>At the beginning of the financial year, an achievable business plan for the financial year ending 30 September 2021 was established as a retention mechanism following the substantial restructure of the organisation.</p> <p>During the financial year, a reward consultant was recruited to support the work being undertaken on the Group's reward strategy, work on the strategy is under way with plans and initiatives to be rolled out in FY22.</p> <p>Global benchmark information was purchased in the UK and Russia to support the process of ensuring that appropriate reward levels are applied.</p> <p>The annual pay review cycle was moved from January to October to align with the Group's financial year.</p>	<p>The Group has a Global Performance Management Framework in place. Managers' guides to performance management, together with training in setting SMART objectives and how to give regular and relevant feedback have been provided.</p>	

Chief Finance and Operations Officer's statement

# Decisive action to reduce costs, conserve cash and boost liquidity

While FY20 will be remembered for the emergence and initial impact of COVID-19, together with the decisive actions we subsequently took to stabilise the business, the impact on the Group's financial results has clearly been more pronounced this year.



**The reopening of events in almost all of our markets by the end of the financial year**, as well as increasing customer spend and forward bookings, has put us in a strong position going into FY22.

**John Gulliver**  
Chief Finance and Operations Officer



## COVID-19 impact on our event schedule

Pre-pandemic we were able to run 31 events in the first half of FY20, including four of our top 10 events. In contrast, in FY21 we were only able to run 12 in-person events in the first half of the year, none of which feature in our top 10 events.

More positively, as restrictions lifted in the second half of FY21 across more of our markets, we were able to run a further 29 in-person events. Following successful events in the UK and the US in the final month of the year, operations have now resumed in the majority of our markets. Overall, we generated revenues of £55.2m from 43 events including two Retail Meetup online events (2020: £99.4m from 43 events).

## Encouraging trends

Following the reopening of events during FY21, a number of positive trends have emerged which give us confidence in the trajectory of the recovery as we look ahead.

For example, while prolonged restrictions on international business travel have impacted the size of our events, revenues from domestic exhibitors have recovered strongly, demonstrating pent-up demand where exhibitors and visitors are physically able to attend. Furthermore, the recovery of domestic revenues has been stronger in markets that reopened earlier, most prominently in China where events have performed at pre-COVID levels, but also in Russia where events in the second half of the year have outperformed those which took place in the first half.

At many of our events we have also observed an increase in like-for-like spend by customers who were able to attend both the pre-COVID-19 edition of an event and the FY21 edition of the same event. MosBuild, the Group's first top 10 event since the COVID-19 outbreak, achieved a like-for-like revenue increase of 15% from customers who were able to attend in both FY19 and FY21. We are also seeing an increase in visitor density, meaning the number of visitors per exhibitor is higher post-pandemic and therefore delivering increased value to exhibitors.

## Benefiting from event cancellation insurance policies

Although our event schedule has been disrupted by the pandemic, we have benefited from event cancellation insurance where insured events are cancelled or prohibited as a result of government restrictions. Insurance proceeds, alongside the cost management initiatives, have been a vital element in our successful efforts to mitigate the financial impact on our business.

During FY21, we received proceeds under our insurance policies of £65.0m (2020: £22.0m). This helped mitigate the impact of the event cancellations and led to the Group delivering a headline profit before tax of £20.8m (2020: headline loss before tax of £18.1m). Headline profit before tax is defined in the Glossary.

Since the year end confirmation of an additional £10.6m has been received, bringing total successful claims to £97.6m since the start of the pandemic. Now that total proceeds have exceeded £85.0m, 50% of any further proceeds are passed on to the Group's lenders as a repayment of the term loan facility.

## Managing the portfolio

In April, we completed the sale of ITECA LLP, the operating company for 25 of the Group's non-core, regionally focused events in Kazakhstan. This completes our key strategic aim to exit the business in Central Asia and supports our ambition to focus on larger, international events with higher growth potential. Central Asia is treated as a discontinued operation in both the current and comparative periods throughout these results.

Since the year end, we also disposed of ABEC, our 60% owned Indian business, which removes eight Indian events and supports further streamlining of the Group's portfolio.

# £130.1m

of liquidity gives us financial security going into FY22

## Strong balance sheet and liquidity

The Group continues to maintain its strong liquidity position and has significant cash headroom. Adjusted net debt at the period end was £79.9m (2020: £67.7m) with cash and undrawn debt facilities available to the Group of £130.1m. Please refer to note 30 to the consolidated accounts.

As reported last year, in response to the pandemic, we obtained waivers for the leverage ratio and interest cover covenants up to and including March 2022, replacing them with a minimum liquidity test, whereby the Group must ensure that the aggregate of cash and undrawn debt facilities is not less than £40m at the end of each month, except between April and October 2021 being not less than £30m. Subsequent to the year ended 30 September 2021, the Group has secured an extension of the covenant waivers up to and including March 2023.

## Outlook

FY21 has been a very positive step on the road to recovery and we enter FY22 with confidence, supported by forward bookings of £108m. There remains the risk of further COVID-19 associated disruptions, particularly in relation to new variants and our exhibitors' ability to attend our events due to international travel restrictions, but the positive forward bookings position gives us good visibility as we look ahead to FY22.

**John Gulliver**  
Chief Finance and Operations Officer

## Chief Finance and Operations Officer's statement

### Overview

#### Revenue

Revenue for the year from continuing operations was £55.2m (2020: £99.4m). The pandemic impacted the number and scale of the Group's events, with 41 (2020: 43) in-person events taking place in the year. The vast majority of the Group's revenues were recognised in the second half, following the resumption of events in the majority of its markets, including the UK and the US in the final month of the year, following the relaxing of COVID-19 restrictions.

Four of the Group's top 10 events took place in the second half of the year: MosBuild, WorldFood Moscow, Autumn Fair and Groceryshop. The events were at a smaller scale than their pre-pandemic equivalents as a direct result of international travel restrictions that were in place. The remaining top 10 events were cancelled for the year: Shoptalk, Spring Fair, Beft, CWIEME Berlin, YugAgro and Mining Indaba will next take place in FY22.

Following the acquisition of Retail Meetup in December 2020, the Group also ran its first two virtual Meetup events which performed ahead of management's expectations.

#### Loss before tax

The Group reported a loss before tax from continuing operations of £20.6m (2020: £3.5m), after including adjusting items of £4.4m (2020: £296.9m). Although impairment charges of £19.0m (2020: £263.4m) have been recognised in the year due to the continuing impact of the pandemic on our UK retail events, this is significantly lower than the impairment charges recognised in the previous year when the impact of the COVID-19 outbreak was first reflected in our forecast operating profits.

Headline profit before tax is an alternative performance measure used by the Group to measure underlying trading performance.

After excluding adjusting items, headline profit before tax from continuing operations was £20.8m (2020: loss of £18.1m). Insurance proceeds of £65.0m (2020: £22.0m) have been received during the year in relation to claims regarding the cancellation or postponement of a number of events that were scheduled to take place in FY20 and FY21, offsetting the losses incurred due to the disruption to the Group's event schedule.

#### Earnings per share

Basic and diluted earnings per share (EPS) from continuing operations were (5.6)p (2020: (72.3)p). Headline diluted EPS from continuing operations was 7.6p (2020: (12.7)p) reflecting the return to headline profitability. Please refer to note 11 to the consolidated accounts.

#### Financing and liquidity

Adjusted net debt at the year end has increased to £79.9m (30 September 2020: £67.7m). While net operating cash inflows of £27.2m (2020: £5.0m), including insurance proceeds of £65.0m (2020: £22.0m) offset the acquisition of Retail Meetup for total consideration of £23.2m, the Group's interest and lease payments contributed to the increase in adjusted net debt during the year. Net debt, including the Group's lease liabilities, was £96.6m (2020: £86.5m).

At 30 September 2021, £124.4m (2020: £121.7m) of a total available £212.8m (2020: £250.0m) was drawn on the Group's banking facility. Bank loans presented in the Statement of Financial Position are £121.6m (£118.0m), net of £2.8m (2020: £3.7m) of capitalised borrowing costs.

The Group's banking facilities comprise a £150.0m (2020: £150.0m) revolving credit facility and a term loan of £62.8m (2020: £100.0m).

During the year the Group repaid £37.2m on its term loan and in December 2020 agreed with its lenders various amendments to the existing agreement, including a new repayment schedule.

As at 30 September 2021, there were further scheduled repayments of the term loan of £0.8m due in March 2022, £5.0m in June 2022, £6.0m in September 2022 and November 2022, £22.5m in November 2023 and a final repayment of £22.5m on the termination date.

As reported in the previous year, we had obtained waivers for the leverage ratio and interest cover covenants up to and including March 2022. Up until this date, a liquidity test is in place, whereby the Group must ensure that the aggregate of any cash or undrawn facility is not less than £40m at the end of each month, except between April and October 2021 being not less than £30m. Subsequent to the year end, the Group has extended the covenant waivers by 12 months up to and including March 2023, with a minimum liquidity level of £40m required at the end of each month.

At 30 September 2021, the Group had cash and undrawn facilities of £130.1m and therefore had headroom of £100.1m in respect of the liquidity test.

#### Headline reconciliation

In addition to the statutory results, headline results are presented, which are the statutory results after excluding a number of adjusting items, as the Board considers this to be the most appropriate way to measure the Group's performance. In addition to providing a more comparable set of results year-on-year, this is also in line with similar adjusted measures used by our peer companies and therefore facilitates comparison across the industry.

The adjusting items presented are consistent with those disclosed in the previous year.

The adjusting items have been presented separately in order to report what the Board considers to be the most appropriate measure of underlying performance of the Group and to provide additional information to users of the annual report.

## Reconciliation of headline profit/(loss) before tax from continuing operations to statutory loss before tax from continuing operations

£m	2021	2020 (restated)	
<b>Headline profit/(loss) before tax from continuing operations</b>	<b>20.8</b>	<b>(18.1)</b>	
<b>Operating items</b>			
<b>Amortisation of acquired intangible assets</b>	<b>(27.8)</b>	<b>(29.2)</b>	<p><b>Definition</b> Amortisation charge in respect of intangible assets acquired through business combinations</p> <p><b>Explanation</b> The charge has decreased in the period as a result of impairment charges of £63.4m recognised in respect of acquired intangible assets in the prior year which reduced the net book value of intangible assets being amortised</p> <p><b>Why adjusted?</b> To present the profitability of the business such that performance can be appraised consistently whether from organic growth or through acquisition, and irrespective of whether or not acquired intangible assets have subsequently become fully amortised</p>
<b>Impairment of assets</b>	<b>(19.0)</b>	<b>(263.4)</b>	<p><b>Definition</b> Writedown of assets to fair value, where indicators of impairment have existed or following the completion of the annual impairment review</p> <p><b>Explanation</b> Impairment charges of £19.0m have been recognised in respect of acquired intangible assets within the UK cash-generating unit as a result of the continuing impact of COVID-19 on our UK retail events, as well as the allocation of additional central costs following revisions to the cost allocation methodology</p> <p>In the prior year, impairment charges totaling £263.5m were recognised in respect of goodwill (£195.5m), acquired intangible assets (£63.4m) and investments in our associates and joint ventures (£4.5m) as a result of the COVID-19 outbreak and its impact on discount rates and forecast operating profits</p> <p><b>Why adjusted?</b> To exclude write-offs specific to circumstances that arose either in the current year or based on future performance expectations. These are often inconsistent in origin and amount year-on-year and therefore the business performance is more comparable year-on-year without these charges.</p>
<b>Profit on disposal</b>	<b>0.2</b>	<b>-</b>	<p><b>Definition</b> The profit or loss recognised following the disposal of part of the business, represented by the difference between the fair value of proceeds received net of related selling expenses and the disposal of net assets</p> <p><b>Explanation</b> A gain on disposal of £0.2m was recognised in respect of the disposal of ILE Ebseek Exhibitions, the operating company of the Fastener event in Shanghai</p> <p><b>Why adjusted?</b> To exclude the non-recurring profit/loss from a disposal completed during the year from which no future profit or loss will be recognised. This increases the comparability of the results year-on-year</p>

\* For all the 2020 and 2021 periods, COVID-19 has been restated from a non-recurring event, loss or profit, in the financial statements, into the non-recurring item 'Other intangible assets' and 'Goodwill impairment charges' respectively. The financial statements will still be comparable to the 2020 financial statements, as the impact of COVID-19 is consistent across all periods.

## Chief Finance and Operations Officer's statement

£m	2021	2020	
Transaction costs on completed, pending or aborted acquisitions and disposals	(0.7)	(3.3)	<p><b>Definition</b></p> <p>Costs incurred that are directly attributable to acquisitions or disposals, whether completed, still being actively pursued or no longer being considered.</p> <p><b>Explanation</b></p> <p>Transaction costs on completed and pending acquisitions and disposals relate principally to costs incurred on the acquisition of Retail Meetup completed in December 2020. The most significant of these costs are professional and consultancy fees incurred in relation to the due diligence and legal procedures necessary for the completion of the deal.</p> <p>In the previous year, the costs recognised primarily related to the acquisition of the Shootalk and Groceryshop events completed in December 2019.</p> <p><b>Why adjusted?</b></p> <p>While transaction costs are typically incurred each year due to the acquisitive nature of the industry and the Group's focus on actively managing the existing portfolio of events while making selective product-led acquisitions, the costs incurred are not consistent year-to-year, fluctuating significantly based on the number and size of deals. Costs incurred in relation to an acquisition, while often commensurate to the size of the business being acquired, are more closely connected to the consideration payments than the performance of the business in the period. Excluding the costs increases comparability of performance each year.</p>
Integration costs	–	(0.5)	<p><b>Definition</b></p> <p>Costs incurred following the completion of an acquisition to integrate the acquired business within the Hyve Group, including costs incurred that are necessary to enable the Group to realise synergy savings post-acquisition.</p> <p><b>Explanation</b></p> <p>In the prior year, integration costs of £0.5m were incurred in relation to the Shootalk and Groceryshop events, primarily in respect of third-party consultancy and internal staff costs to oversee the internal and external communications relating to the acquired products, particularly regarding establishing a Hyve presence in the US, and to align the acquired products with the strategy of the Group.</p> <p><b>Why adjusted?</b></p> <p>To exclude costs that are often, for a limited period, either duplicated, higher than ordinarily would be incurred or introduced to ensure consistency of operations, systems, practices, culture and reward to the extent that these costs are not expected to be a reflection of the ongoing costs of the Group and therefore their inclusion could distort comparability with future years' results.</p>
Restructuring costs			<p><b>Definition</b></p>
• TAG	–	(0.8)	<p>Costs incurred related to transforming and restructuring the business, primarily through the Group's TAG programme.</p> <p><b>Explanation</b></p> <p>In the prior year restructuring costs of £0.8m were incurred in relation to the finalisation of the TAG programme including the development of the global ERP software planned to be rolled out across the finance function, prior to being suspended as a result of the COVID-19 outbreak, and the subsequent cost-saving measures implemented across the Group.</p> <p><b>Why adjusted?</b></p> <p>The one-off costs incurred in respect of the TAG programme over the three years from announcement in May 2017, are presented as adjusting items. The costs are attributable to professionalising and restructuring the business and designing and implementing the Group's strategy. All ongoing costs introduced as a result of the TAG programme are not presented within adjusting items.</p>

£m	2021	2020	
Tax on income from associates and joint ventures	(0.5)	(1.5)	<p><b>Definition</b></p> <p>The tax charge in respect of the share of profits recognised from associates and joint ventures</p> <p><b>Explanation</b></p> <p>The tax charge in the period is directly linked to the share of profits recognised, primarily from joint ventures in the year. The decrease to £0.5m (2020: £1.5m) reflects the smaller size of Sinostar's ChinaCoat event in FY21.</p> <p><b>Why adjusted?</b></p> <p>Statutory reported profits from associates and joint ventures are presented post-tax. In order to present a measure of profit before tax for the Group that is purely pre-tax, the tax on associate and joint venture profits is added back. Instead, it is included in the headline post-tax measure of profit and therefore is applied consistently with the statutory measure of post-tax profit.</p>
<b>Financing items</b>			
Revaluation of liabilities on completed acquisitions and disposals	6.4	3.2	<p><b>Definition</b></p> <p>The revaluation of future earn-out payments in respect of completed acquisitions recognised through profit or loss</p> <p><b>Explanation</b></p> <p>A number of the Group's acquisitions completed in recent years have future earn-out commitments, either through deferred or contingent consideration payments or through equity option liabilities to increase our current shareholdings. Similarly, a number of the Group's recent disposals have elements of deferred consideration receivable. These are held on balance sheet at fair value and therefore change based on the latest foreign exchange rates, the proximity of the settlement date and the latest expectation of the settlement value.</p> <p>Revaluation of assets and liabilities on completed acquisitions and disposals include the gains from the revaluation of our equity options over non-controlling interests in our subsidiaries (credit of £8.8m), in relation to the remaining 40% interest in ABEC, the imputed interest credit on the unwinding of the discount on the Group's deferred consideration receivable in relation to the disposals of ITE Expo LLC and its Azerbaijan, Uzbekistan and Kazakhstan event portfolios (credit of £1.6m), a loss on the revaluation of the ITE Expo LLC deferred consideration receivable (charge of £3.1m), a gain on the revaluation of the Azerbaijan, Uzbekistan and Kazakhstan deferred consideration receivable (credit of £0.5m), and a loss on the revaluation of the deferred consideration payable for Retail Meetup (charge of £1.4m).</p> <p>The equity option liability held in respect of ABEC was valued at £nil at 30 September 2021 following advice from the Group's lawyers that both the option exercises in November and December 2020 and any future exercise would have been invalid and unenforceable.</p> <p><b>Why adjusted?</b></p> <p>As with transaction costs, in order to present results excluding deal-related costs that fluctuate year-to-year. While the costs vary based on the latest expectations of future consideration payments, often linked to performance, the outflows themselves are reflective of the cost of the acquisition rather than performance of the business in the year. Excluding the costs therefore aids comparability of the Group's performance year-on-year.</p>
Write-off of previously capitalised debt issue costs on refinancing	-	(1.4)	<p><b>Definition</b></p> <p>The accelerated non-cash amortisation of previously capitalised financing costs upon refinancing</p> <p><b>Explanation</b></p> <p>On 17 December 2019, the Group completed the refinancing of its external debt to part-fund the acquisition of the Shootalk and Groceryshop events, amending and restating the previous £170m facility to a new £250m facility with different terms.</p> <p>Costs that an entity incurs in connection with the borrowing of funds are capitalised on the balance sheet net of the drawn-down loan and released over the term of the facility. The remaining deferred costs relating to the previous facility were required to be charged to the income statement immediately upon refinancing.</p> <p><b>Why adjusted?</b></p> <p>The charge of the remaining deferred costs relating to the previous facility to the income statements creates a duplication of costs as they overlap with the costs for the new debt facility.</p>
Loss before tax from continuing operations	(20.6)	(312.8)	

## Chief Finance and Operations Officer's statement

### Consolidated income statement

#### Trading summary

A detailed analysis of volumes, revenues and profits is presented below

		Square metres sold '000	Revenue £m	Average yield £ per SQM	Headline profit/ (loss) before tax (restated) £m
2020	<b>Reported</b>	<b>364</b>	<b>105.1</b>	<b>289</b>	<b>(18.9)</b>
	Discontinued operations	(20)	(5.7)	–	0.8
2020	<b>Continuing operations</b>	<b>344</b>	<b>99.4</b>	<b>289</b>	<b>(18.1)</b>
	Biennial timing	(29)	(5.8)	–	(2.4)
	COVID-19 postponements and cancellations	–	–	–	0.3
	COVID-19 costs on current period cancellations	(212)	(69.0)	–	(12.1)
	Non-recurring	–	–	–	10.8
	Non-recurring	–	(0.5)	–	1.3
2020	Annually recurring	<b>103</b>	<b>24.1</b>	<b>238</b>	<b>(20.5)</b>
	Acquisitions	–	2.0	–	0.9
	Launches	–	–	–	–
	Foreign exchange	–	(1.1)	–	(0.7)
	Like-for-like growth	<b>(30)</b>	<b>(8.0)</b>	<b>–</b>	<b>(13.2)</b>
2021	Annually recurring	<b>73</b>	<b>17.0</b>	<b>239</b>	<b>(33.5)</b>
	Insurance proceeds	–	–	–	43.0
	COVID-19 postponements and cancellations	138	38.2	–	11.3
2021	<b>Total</b>	<b>211</b>	<b>55.2</b>	<b>262</b>	<b>20.8</b>

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

2. Represents the best estimate incurred in the prior period in respect of the events that were cancelled in the current period as a result of COVID-19.

3. Represents the current period performance of events that were postponed or cancelled in the prior period as a result of COVID-19.

### Segmental results

£m	Revenue		Headline profit/(loss) before tax	
	2021	2020	2021	2020
Global Communities	17.7	56.5	(21.0)	(15.0)
Asia	4.1	17.1	(7.5)	6.4
Eastern & Southern Europe	6.1	4.0	(1.9)	(3.1)
Russia	27.3	21.8	5.8	(6.6)
Other income	–	–	66.1	22.6
Central costs	–	–	(12.3)	(16.9)
Foreign exchange gain/(cost)	–	–	(0.3)	2.6
Net finance costs	–	–	(8.1)	(8.1)
<b>Total</b>	<b>55.2</b>	<b>99.4</b>	<b>20.8</b>	<b>(18.1)</b>



Refer to the Divisional trading summary on pages 50 to 53 for commentary on the performance of each operating segment

Other income includes insurance proceeds of £65.0m (2020: £22.0m), which were received in relation to claims regarding the cancellation or postponement of a number of events that were scheduled to take place during the current and prior year

Central costs include all costs that are not allocated to the Group's operating segments when headline profit before tax is reported to the Executive Team for the purposes of allocating resource and making strategic decisions. These include the Group's corporate overheads, which are the costs of running the head office in London and primarily comprise staff costs, which include the Group's Executive and Non-Executive Directors, depreciation of the Group's centrally held assets and professional fees. Central costs have decreased in the year as a result of the cost-saving measures introduced across the Group in response to the pandemic

Net finance costs include the interest cost on the Group's borrowings of £5.2m (2020: £6.4m), which has decreased in the year, following repayments of £37.2m on the Group's term loan and a lower drawn position on its revolving credit facility. Net finance costs also include bank charges of £2.4m (2020: £1.6m) and the interest cost on the Group's lease liabilities of £0.7m (2020: £0.7m)

In order to minimise our exposure to changes in interest rates, particularly on the Group's external bank debt, the Group holds interest rate swap contracts to provide certainty over the future interest cash flows. The objective is to protect the Company from the cash flow impact caused by the variable interest rate that applies to the Company's external bank debt. The lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item is recognised through other comprehensive income in a separate component of equity

## Foreign exchange

As a result of the territories in which we operate, we are exposed to changes in foreign exchange rates and significant movements, particularly in the Russian ruble, can have a significant impact on our results

Further detail is provided on the impact of translational FX, which is included within the results of each division and only adjusted for when considering like-for-like measures of revenue or profit, transactional FX, which is presented separately in the income statement and is a loss of £0.3m in the year (2020: gain of £2.6m) and the impact on reserves recognised in the foreign currency translation reserve below

### Translational FX

Each month our subsidiary company results are translated into sterling, from the functional currencies of the subsidiary companies, on consolidation, using the prevailing foreign exchange rates for the month. Changes in foreign exchange rates result in fluctuations of the level of profits reported for the Group. The impact of the changes in foreign exchange rates is included within both the statutory and adjusted reported results, within the relevant lines in the consolidated income statement. To aid comparability of trading results, when presenting like-for-like performance we adjust for the impact of changes in foreign exchange rates on translation

The Russian ruble and Turkish lira were weaker compared with the same period in the previous year, meaning the reported results were lower than in the comparative period by £1.1m for revenue. Due to the reduced number and scale of the events that ran in the year, the impact of these currency movements did not fall through to headline profit before tax. The weakening of the Hong Kong dollar and the US dollar, in which currencies significant costs were incurred meant that headline profit before tax was £2.2m higher than in the comparative period as a result of currency movements

### Transactional FX

As well as translational foreign exchange movements arising on consolidation, the Group results are impacted by changes in foreign exchange rates within our subsidiary company results. Where monetary transactions are entered into in different currencies to the

functional currency of the entity, this gives rise to revaluation gains and losses following changes in exchange rates between the transaction date, month end and the settlement date. Each revaluation of the monetary assets and liabilities held on the balance sheet results in gains and losses, which are reported within the consolidated income statement within the 'Foreign exchange gain on operating activities' line

The strengthening of the Russian ruble relative to the euro has contributed to a loss of £0.3m (2020: gain of £2.8m) recognised in the year, which has arisen on the revaluation of foreign currency monetary assets and liabilities held in our subsidiary companies in Russia

### Foreign currency translation reserve

Finally, our results are impacted by the translation of the subsidiary company balance sheets each month on consolidation into sterling. A change in foreign exchange rates gives rise to a movement which is recognised within reserves in the foreign currency translation reserve. This is on translation of the company balance sheets of our subsidiary companies, which are reported in their functional currencies before being translated into sterling on consolidation, at the prevailing period end rates

The foreign currency translation reserve increased by £1.3m, largely due to the weakening of the US dollar against sterling between the beginning and the end of the financial year. Due to the considerable goodwill and intangible assets held in the US the value of the net assets within the consolidated statement of financial position has increased

## Venue arrangements

The Group has long-term arrangements with its principal venues in its main markets setting out Hyve's rights over future venue use and pricing

The arrangements can take the form of a prepayment of future venue fees (advance payment), or a loan which can be repaid in cash or offset against future venue fees (venue loan). Generally, the arrangements bring rights over future venue use and advantageous pricing arrangements through long-term agreements. Venue advances and prepayments are included in the consolidated statement of financial position under non-current and current assets

## Chief Finance and Operations Officer's statement

### Acquisitions and disposals

On 21 December 2020, the Group acquired 100% of the share capital of Retail Meetup for initial consideration of £18.5m and deferred contingent consideration with a fair value at acquisition of £3.4m.

The deferred contingent consideration related to an earn-out payment based on the EBITDA of the two Retail Meetup events which took place in FY21. The deferred contingent consideration was calculated based on management's expectations of EBITDA at acquisition. The deferred contingent consideration was subsequently settled in August 2021 for £4.7m based on the finalised EBITDA of the two events, resulting in an additional £1.3m of consideration being payable compared with management's expectations at the time of acquisition. The revaluation of £1.3m was recognised through profit or loss.

As a key part of its strategy, Hyve is focused on running market-leading events and continues to actively manage its portfolio to align with this strategy. In April 2021, the Group disposed of its Kazakhstan event portfolio, completing the Group's planned exit of its business in Central Asia. The Group expects to receive consideration of £4.8m. When discounted, the fair value of the consideration receivable was £3.1m at disposal. A loss on disposal of £3.6m was recognised in respect of the disposal and is included in the loss from discontinued operations.

During the year, the Group also disposed of its 70% holding in THE Easseek Exhibitions, the operating company of its Fasteners event in Shanghai, for upfront consideration of £0.5m. A gain on disposal of £0.2m was recognised in respect of the disposal.

At 30 September 2021, an equity option was held over additional shares in ABEC, a 60% owned subsidiary. The liability was valued at £nil following the Group's lawyers' advice that both the option exercises in November and December 2020 and any future exercise are invalid and unenforceable. On 12 November 2021, subsequent to the year end, the Group completed the disposal of its 60% shareholding in ABEC. The Group has received upfront consideration of £1.0m in respect of the disposal.

Since the year end, on 18 November 2021, the Group completed the acquisition of 100% of the share capital of 121 Group (HK) Limited and 121 Partners Limited (121 Group) for initial consideration of approximately £21m and deferred contingent consideration expected to be between £21m and £29m, based on the financial performance of 121 Group over a three-year period.

### Consolidated statement of financial position

The Group's consolidated statement of financial position at 30 September 2021 is summarised in the table below.

	30 September 2021 £m	30 September 2020 £m
Goodwill and other intangible assets	274.4	304.3
Interests in associates and joint ventures	37.1	37.4
Other non-current assets	30.3	30.0
<b>Total non-current assets</b>	<b>341.8</b>	<b>371.7</b>
Trade debtors	20.3	14.3
Cash	41.7	50.3
Other current assets	17.1	20.8
<b>Total current assets</b>	<b>79.1</b>	<b>85.4</b>
Deferred income	(72.3)	(61.3)
Bank loan	(121.6)	(118.0)
Other liabilities	(70.4)	(100.8)
<b>Total liabilities</b>	<b>(264.3)</b>	<b>(280.1)</b>
Share capital and share premium	186.8	166.8
Translation reserve	(52.2)	(50.9)
Other reserves	2.5	19.2
Non-controlling interest (NCI)	19.5	21.9
<b>Total equity</b>	<b>156.6</b>	<b>177.0</b>

#### Total non-current assets

Impairment charges of £19.0m (2020: £258.9m) have been recognised in respect of goodwill and intangible assets. The charge in the current year relates to intangible assets within the UK cash-generating unit (CGU) and has been recognised as a result of the continuing impact of COVID-19 on our UK retail events, largely offsetting the goodwill and intangible assets of £22.0m recognised in respect of the acquisition of Retail Meetup in December 2020. The annual amortisation charge on intangible assets was £29.0m (2020: £31.6m).

#### Total current assets

The increase in trade debtors in the period reflects the increase in contractually agreed forward bookings. This contrasts with September 2020 when the rollover process on cancelled events had not been finalised and any unconfirmed bookings were removed from trade debtors.

Cash balances decreased to £41.7m (2020: £50.3m). While net operating cash inflows of £27.2m (2020: £5.0m), including insurance proceeds of £65.0m (2020: £22.0m), offset the acquisition of Retail Meetup for total consideration of £23.2m, the Group's interest and lease payments caused the cash balance to fall during the year.

Other current assets have declined following the settlement of VAT receivable which had accumulated in the previous year following the cancellation of a number of the Group's events.

#### Total liabilities

The increase in deferred income in the period reflects the increase in contractually agreed forward bookings. This contrasts with 30 September 2020 when the rollover process on cancelled events had not been finalised and any unconfirmed bookings were removed from deferred income.

The bank loan balance of £121.6m (2020: £118.0m) has increased with drawdowns of the facility actioned to optimise liquidity in the early stages of the financial year, exceeding repayments made on the facility since.

At 30 September 2020, a liability of £23.6m (included in 'other liabilities') had been recognised in respect of cash advances received on cancelled events from customers who had not yet agreed to roll over their contracts to the following edition. The roll over process for these events was completed in the year and therefore the bookings have either been confirmed or refunds processed. The refund liability at 30 September 2021 is £7.4m.

#### Total equity

The foreign currency translation reserve increased by £1.3m, largely due to the weakening of the US dollar against sterling between the beginning and the end of the financial year. Due to the considerable goodwill and intangible assets held in the US, the value of the net assets within the consolidated statement of financial position has increased.

The movement in other reserves is attributable to the loss for the period.

The non-controlling interest (NCI) balance decreased in the year due to dividends paid to the Group's non-controlling interests of £0.7m, losses attributable to the Group's non-controlling interests of £0.8m and the disposal of the £0.9m non-controlling interest relating to Fasteners following the disposal of the business during the year.



## Divisional trading summary

# Our global network

## Global Communities

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

Revenues were lower than the comparative period as a result of the cancellation of a number of events due to COVID-19, including Bett, Spring Fair, Mining Indaba and Africa Oil Week. The impact on headline profits was mitigated by the cost management initiatives introduced in response to the COVID-19 pandemic and as a result of the restructuring of the division to merge the two previously separate UK and Global Brands divisions.

In the final quarter of the year, events were able to resume in the UK and US. This was possible for the first time since February 2020 thanks to the relaxing of COVID-19 restrictions. In the UK this included Autumn Fair and Glee, and in the US the Group ran its first Groceryshop event since acquiring the Shoptalk and Groceryshop business in December 2019. As expected, the events were at a smaller scale than their pre-pandemic levels as a direct result of the international travel restrictions that remain in place. Encouragingly, all events received extremely positive feedback from their customer communities, which benefited from the pent-up demand to trade, network and learn.

While the larger European editions of the Breakbulk and CWIEME portfolios were canceled for the year and will next take place in FY22, the portfolios ran one smaller regional event each, in the US and China respectively, and benefited from strong attendance from domestic exhibitors.

In the year, the Group ran its first virtual Meetup events, Groceryshop Spring Meetup and Shoptalk Meetup for Women, following the acquisition of Retail Meetup in December 2020. Both events outperformed expectations.

In FY22, a number of the divisions' largest events are expected to take place for the first time since the pandemic began to affect our ability to run events in March 2020, including Shoptalk, which will run for the first time under Hyve's ownership, Bett, Spring Fair, Mining Indaba, Africa Oil Week, CWIEME Berlin and Breakbulk Europe.

## Revenue 2021

**£17.7m**

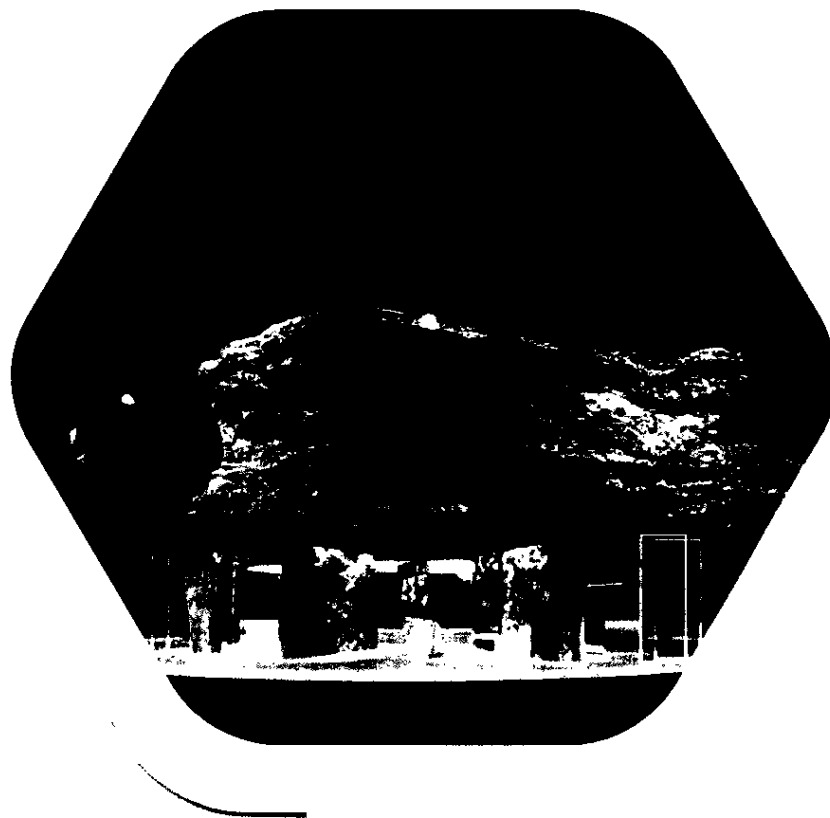
2020: £56.5m  
change: -69%

## Headline profit before tax 2021

**£(21.0)m**

2020: £(15.0)m  
change: -39%





## Russia

Revenues on Russian events were 25% higher than the comparative period. The division was able to run close to its full schedule of events, with the exception of YugAgro, the international agriculture exhibition, which was scheduled to take place in the first quarter of FY21 but was cancelled as a result of regional restrictions in Krasnodar. YugAgro took place post year end in November 2021.

MosBuild, the division's largest event, took place in April and delivered a strong performance with impressive exhibitor and visitor attendance in the context of the event taking place only eight weeks after restrictions were lifted in Russia. The event welcomed 720 exhibitors and more than 66,500 visitors over 4 days, compared with 1,200 exhibitors and 77,300 visitors in 2019. The absence of international exhibitors and visitors meant that the event still performed significantly below pre-pandemic levels, but it achieved a like-for-like revenue increase of 15% from customers who were able to attend in both FY19 and FY21.

This trend was replicated at the other 12 Russian events that took place in the year, including WorldFood Moscow and MILIT, with robust non-estic performance somewhat offsetting the adverse impact of continuing international travel restrictions.

Revenue  
2021  
**£27.3m**  
2020: £21.8m  
change: 25%

Headline (loss)/profit  
before tax 2021  
**£5.8m**  
2020: £(6.6)m  
change: 168%

## Divisional trading summary

## Asia

The Asia division comprises our businesses in India and China as well as joint venture partnerships in both China and Indonesia. Revenues for the Asia division were down 76% on the comparative period and profits were down 217% due to the impact of COVID-19.

As China felt the impact of COVID-19 much earlier than the rest of the world and government measures were relaxed at an earlier stage, the Group's domestic events in the region have been able to recover from the pandemic more strongly than other regions and largely performed in line with pre-pandemic levels during FY21. Regrettably, the recent reintroduction of restrictions in Shanghai resulted in two of the region's largest events that were scheduled to run in August having to be cancelled.

A significant contributor to the division's profits is the ChinaCoat event operated by our 50% owned joint venture partner, Sinostar. The event took place in December but was significantly below its pre-pandemic scale and contributed £1.9m (2020: £6.3m) to headline profit before tax.

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

## Revenue 2021

**£4.1m**

2020: £17.1m  
change: -76%

## Headline profit before tax 2021

**£(7.5)m**

2020: £6.4m  
change: -217%



## Eastern and Southern Europe

The Eastern and Southern Europe division comprises of our event portfolios in Turkey and Ukraine. Revenues for the division were up 51% on the comparative period due to the division being able to run close to its full schedule of events in the year.

## Revenue 2021

**£6.1m**

2020: £4.0m  
change: +51%

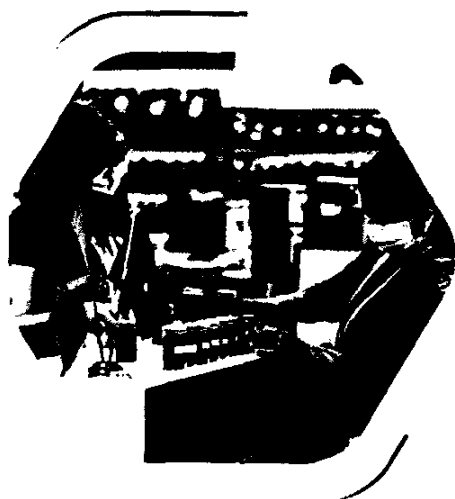
## Headline (loss)/profit before tax 2021

**£(1.9)m**

2020: £(3.1)m  
change: +39%

WorldFood Istanbul took place in November and was the Group's first event in Turkey since the pandemic. A further three events took place in Turkey in the financial year, although all events were smaller than the pre-pandemic editions due to international exhibitors and visitors being unable to attend. This included a second edition of WorldFood Istanbul in September which performed significantly above its first edition of the year, demonstrating that our events recovery is quickening the longer that markets have been open.

10 domestic Ukraine events took place in the year but further disruption from the country re-entering lockdown during the year had an adverse impact on performance.



## Discontinued operations – Central Asia

The Central Asia division previously comprised our events in Kazakhstan, Azerbaijan and Uzbekistan.

Revenue  
2021

**£0.0m**

2020: £5.7m  
change: -100%

Headline loss  
before tax 2021

**£(0.7)m**

2020: £(0.8)m  
change: 13%

The sale of the Kazakhstan business was completed in April 2021, following the disposal of our Azerbaijan and Uzbekistan event portfolios in August 2020, completing Hyve's exit from the region. In the comparative period the division delivered revenues of £5.7m and a headline loss before tax of £0.8m.

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

### Reconciliation of headline loss before tax from discontinued operations to statutory (loss)/profit before tax from discontinued operations

£m	2021	2020
Headline loss before tax from discontinued operations	(0.7)	(0.8)
<b>Operating items</b>		
(Loss)/profit on disposal of discontinued operation	(3.6)	(2.3)
		<b>Definition</b> The profit or loss recognised following the disposal of a discontinued operation, represented by the difference between the fair value of proceeds received net of related selling expenses and the disposed of net assets.  <b>Explanation</b> The loss on disposal in the year relates to the disposal of Kazakhstan. When discounted, the fair value of the consideration receivable was £3.1m at disposal, and a loss on disposal of £3.6m was recognised.  In the previous year the Group disposed of its event portfolios in Azerbaijan and Uzbekistan and a profit on disposal of £2.3m was recognised.  <b>Why adjusted?</b> To exclude the non-recurring profit/loss from a disposal of a discontinued operation, from which no future profit or loss will be recognised. This increases the comparability of the results year-on-year.
Loss before tax from discontinued operations	(4.3)	1.5

## Key performance indicators

# Measuring our performance

The Directors and management team use a number of key performance indicators (KPIs) to measure and track the performance of the Group and make informed business decisions.

The KPIs identified are linked to the Group's strategic priorities and are consistent with those presented in last year's annual report. Data is not available to report performance against all KPIs across all comparative years, as some of these metrics have only been monitored since the rollout of new systems during the comparative periods.

As in the previous year, COVID-19 has had a significant impact on the business and our reported KPIs. The day-to-day management focus since COVID-19 has prioritised cost control, rescheduling postponed and cancelled events and rolling customer bookings to the next event editions; however, the KPIs reported below remain a useful measure of assessing the impact COVID-19 has had on the business during the year.

## Drive sustainable revenue growth

## Revenue (£m)

2021	55.2
2020	99.4
2019	200.9
2018	151.2
2017	130.9

Revenue decline in the current year reflects the continuing impact of COVID-19 on the business. The Group was able to run 43 events in the year including two Relat Meetups virtual events, compared with 41 in FY20. Those events that were able to take place were still at a significantly reduced size compared with pre-pandemic levels.

## Forward bookings (£m)

2021	108
2020	66
2019	152
2018	147
2017	98

Forward bookings have increased year-on-year with the Group expecting to run a full schedule of events in FY22. The reported level of bookings is also supported by the success of the Group's rollovers of customer bookings from the events which were cancelled in FY21.

## Retention rate (%)

2021	47
2020	65
2019	77
2018	81
2017	Unavailable

Retention rate is defined as the percentage of regular attendees from the prior period from customers who attended the event in both the current period and preceding period.

The decrease reflects the period in which fewer events took place after the COVID-19 outbreak which were significantly smaller than the events corresponding to the last year partly due to the loss of international revenue due to restrictions on travel being unable to attend due to travel restrictions. Data is only presented for events that took place in the current year, as such a comparison is not available.

## Link to principal risks and uncertainties

- 1. Pandemic - current and future impact - page 36
- 2. Regulatory changes - page 36
- 3. Liquidity risk - page 37
- 4. Breach of contract - page 37
- 5. Reputation risk - page 38

1. Headline diluted earnings per share for 2016 and 2017 has been restated for the discontinuance of the rights issue in FY17. Headline diluted earnings per share for 2016, 2017, 2018 and 2019 has also been restated for the share repurchase and rights issue which took place in FY16.
2. Headline return on capital employed (ROCE) is presented under head in the table. This is the difference between the measure described in the following paragraph and the return to PSP awards which are noted in the paragraph. Movement of goodwill impairment amounts to a net charge of £1.1m in the current period and £1.1m in the deferred tax liability over the measurement period.
3. Customer retention is measured based on our exit survey responses in FY21. NPS was calculated on a survey of customer attendance in FY21. The NPS score can be between -100 and +100.



## Focus on profitability to increase shareholder value

### Headline profit/(loss) before tax (£m)

2021	20.8
2020	(18.1)
2019	45.4
2018	28.3
2017	25.1

The headline profit before tax in the year reflects the insurance proceeds received of £65.0m, offset by the impact of further event cancellations as a result of COVID-19.

### Headline diluted earnings per share (EPS)<sup>1</sup> (p)

2021	7.6
2020	(12.7)
2019	24.2
2018	20.2
2017	20.6

Headline diluted earnings per share has increased in the year after a return to headline profitability, supported by the insurance proceeds received of £65.0m.

### Headline return on capital employed<sup>2</sup> (ROCE %)

2021	11.5
2020	(3.7)
2019	11.3
2018	7.4
2017	18.1

Headline ROCE has increased in the year after a return to headline profitability, supported by the insurance proceeds received of £65.0m.

#### Link to principal risks and uncertainties

- 1 Pandemic, natural disaster or terrorist incident, page 36
- 2 Political and economic instability, page 36
- 3 Breach of data protection regulations, page 38
- 4 Breach of sanctions, page 38
- 5 Acquisition integration, page 39
- 6 Cyber/pushing attack resulting in data loss, page 39

## Create a leading portfolio of must-attend events

### Visitor density (Visitors per m<sup>2</sup>)

2021	1.5
2020	1.1
2019	1.5
2018	1.3
2017	Unavailable

Visitor density has increased during the year, reflecting the pent-up demand from visitors for face-to-face events.

### Customer satisfaction<sup>3</sup> (Exhibitor NPS)

2021	+27
2020	-3
2019	-8
2018	+1
2017	Unavailable

Customer satisfaction has improved in the events that were run during the year. Data is currently available only for our Global Communities, Russia, Turkey and Ukraine events.

#### Link to principal risks and uncertainties

- 4 Venue unavailability, page 37
- 5 Breach of health and safety regulations, page 38
- 6 Breach of data protection regulations, page 38
- 7 Cyber/pushing attack resulting in data loss, page 39
- 8 Acquisition integration, page 39
- 9 Effective control over non-wholly owned entities, page 39

## Manage cash flows to ensure the long-term viability of the Group

### Adjusted net debt Headline EBITDA

2021	2.2x
2020	-20.1x
2019	1.9x
2018	2.0x
2017	1.3x

The positive adjusted net debt to headline EBITDA ratio reflects the Group's return to profitability. Adjusted net debt<sup>4</sup> has increased in the year from £16.7m to £79.9m and headline EBITDA is still below pre-pandemic levels while the business recovers from the pandemic.

### Cash conversion (%)

2021	86
2020	-228
2019	94
2018	113
2017	134

The positive cash conversion in the year reflects the Group's return to profitability. Cash conversion is still below pre-pandemic levels as the performance of the events which were able to take place in the year was significantly supported by the rollover of customer cash receipts received in the previous year in respect of cancelled events.

#### Link to principal risks and uncertainties

- 5 Separation of profit from operations, page 37
- 9 Effective control over non-wholly owned entities, page 39

## Section 172(1) statement

# Connecting the Board to important stakeholders

## Employees



## Suppliers



In accordance with Provision 5 of the 2018 UK Corporate Governance Code, we set out below how the Group engages with its key stakeholders and how the Board considers the matters set out in section 172(1) of the Companies Act 2006 in its discussions and in its decision-making process.

Hyve is a people business and the contribution of our employees is vital to the success of the Group. We constantly aim to reiterate this in our internal communication.

During the financial year, a number of initiatives were launched to support and encourage the reinvestment in our people and to further develop our culture. These initiatives included a new employee engagement survey tool, Peakon, which ensures that we are constantly reviewing how our employees feel. The feedback and data is reviewed at Group, divisional and team level and is a tool that we use to reflect as well as guide the discussion on future people initiatives.

Other initiatives included new communication channels such as HyveTV as well as investment in wellbeing tools. We launched So'LL in the UK, which is a technology platform that enables easy and quick access to mental health support for any circumstance. We have been proactive in highlighting the importance of all the different areas of wellbeing during a Summer of Wellbeing initiative, which launched in the UK & US, placing a spotlight on mental health, physical wellbeing and the launch of a new Volunteering Policy.

Our Learning & Development agenda was also a top priority on the People agenda. We launched a global management development programme, which allowed all employees who managed one or more individuals the opportunity to hone and develop their skills as a manager. This programme ran in all of our regions and we had 119 participants. At a global level, we also ran a series of workshops on public speaking as well as a global Leadership Conference. There were then further initiatives and regional scale including sales training, conferences and reinforcing our values.

More details on these initiatives can be found in the Our people and values section on pages 34 and 35. During the financial year, Graham Puckett, the Non-Executive Senior Independent Director, was the employee voice representative on the Board.

The Group has had longstanding relationships with the majority of its suppliers who, for the most part, are venue owners and event services providers. In line with our Code of Conduct, we endeavour to treat our suppliers fairly at all times.

We share event information with our suppliers via pre-event meetings and briefings to enable them to plan accordingly. Both parties benefit from our suppliers' familiarity with our events; it is paramount that our suppliers comply with anti-bribery and corruption legislation and modern slavery legislation across the territories that we operate in. Our supplier contracts include clauses covering these areas and are checked as part of our internal audit process.

As restrictions have eased or, in some cases, temporarily hardened in our operating territories, we have continued to engage with venue owners and other suppliers on a regular basis. During the financial year, we have renegotiated the terms of contracts with some of our key suppliers to the mutual benefit of both parties. The Board was kept up to date with these negotiations and had final approval over the changes. The Board is kept informed of the status of relationships with key suppliers. Through our involvement with national and international event industry bodies, such as the Association of Event Organisers in the UK, the Society of Independent Show Organisers in the US, and UFI, the Global Association of the Exhibition Industry, we have continued to take a leading role in setting standards for the safe return to in-person events.

## Customers



- We engage with our exhibitors, visitors, vendors, buyers, sponsors and delegates through our sales, operations, customer success, marketing and content teams via all channels including website, email, social media, exhibitor portals, FAQ bots, calls and in-person meetings.

Following an event, customer surveys are undertaken with exhibitors and visitors. Survey results, including NPS scores, are shared internally and reviewed. We also contact visitors who were due to attend events but did not attend. Some of our events have steering groups or advisory panels which enable our major customers to share feedback with the Group.

As the effects of the pandemic have continued to be felt during the financial year, we have continued to keep in close contact with our customers to reassure them of the work we are doing to support the safe return of in-person events to help them reignite their businesses. During the year, an in-depth assessment of the health and safety status of the business was conducted, the results of which were presented to the Risk Committee along with details of the steps being taken to ensure the safe and secure delivery of events for our customers. We believe that our commitment to our customer communities has helped us to grow our customer market share, and customer support has been demonstrated by their continued rolling over of deposits to future events. We know from our communication with customers that there is huge pent-up demand for our market-leading in-person events. Our omni-channel strategy which supports in-person events with online activity continues to evolve as we explore new ways to support our customer communities. More details on our omni-channel strategy can be found on pages 6 to 11.

## Shareholders



- The Group is committed to ongoing engagement with shareholders and has an established cycle of communication based on the Group's financial reporting calendar. The Executive Directors have dialogue with institutional shareholders and general presentations are given to analysts and investors covering the annual and interim results.

The Board receives institutional and analysts' feedback following both the interim and annual results roadshows. Large shareholders are also contacted regarding remuneration matters (by the Chair of the Remuneration Committee) and major transactions. Queries from retail shareholders are usually answered by the Company Secretary or the Company's Registrar and, if necessary, escalated to the Executive Directors.

In June 2021, a number of shareholders were invited to complete a survey giving their views on the areas that they perceived to be the most important for Hyve and its events when creating a long-term ESG strategy. Over September and October 2021, an extensive shareholder consultation was conducted with regard to the introduction of a Value Creation Plan and a new Remuneration Policy, both of which were approved by shareholders at the General Meeting held on 25 October 2021. As the pandemic has continued, the Group has continued to issue trading updates on a regular basis to ensure that its shareholders (and other key stakeholders) are kept abreast of matters such as the impact of COVID-19 on its events schedule (including postponements and cancellations), its cost reduction programme and cash flow position, the progress of insurance claims and its strategy going forward.

## Community and environment



- The Group is committed to using events as opportunities to lead the drive for sustainable development in their industries, and make a positive impact on the world around us. The creation of a new ESG strategy will drive our ambition to educate, empower and drive positive change on a global scale.

A formal ESG Committee has, in conjunction with Simply Sustainable, a sustainability and ESG consultancy, been developing the Group's ESG strategic framework, with the aim of using our influence to put sustainable development on the agenda of some of the world's major industries. As the leading events in their sectors, we recognise that our events have a responsibility to effect change. We endeavour to empower communities, advance social mobility, guarantee representation, and inspire industries, all while better understanding and addressing our own carbon footprint. More details on our ESG strategy can be found on pages 30 to 32.

**The case studies overleaf** are a selection of how the Board and Executive Directors have taken forward the Group's strategy on matters that are likely to have a significant and/or primary or long-term impact on the business.

## Section 172(i) statement

## Acquisition of Retail Meetup

As reported elsewhere in this annual report, the Group completed the acquisition of Retail Meetup LLC in December 2020.

The strategic rationale for this significant acquisition was presented to the Board and during the decision process the Non-Executive Directors raised detailed and challenging questions to ensure that the acquisition was an appropriate fit for the Group and that it was in the best interests of the Group and its key stakeholders in the long term. Taking each part of section 172(i) in turn, the matters considered by the Board in addition to the benefits of the acquisition for the shareholders of the Company, were as follows:

**What are the likely consequences of the decision to acquire Retail Meetup in the long term?**

- The acquisition is seen as the optimal way for Hyve to start to execute the virtual element of its omnichannel strategy with other potential options being significantly less attractive or not viable
- The technology has scope to roll out multiple virtual events in the ecommerce space (including in different geographies)
- The acquisition represents good value for Hyve with limited downside risk
- The acquisition contributes towards the long term development, diversification and sustainability of the Group

**How are the interests of the Company's employees affected by the acquisition of Retail Meetup?**

- The acquisition offers employees career development by widening the Group's offering and creating new and exciting opportunities in the digitalisation of events

**How does the acquisition help to foster the Company's business relationships with suppliers, customers and others?**

- The acquisition enables the Group to serve customer needs digitally
- The technology complements Smapla, Groceryshop and Shoptak Europe in-person events, with potential to enhance their proposition for customers
- Post-acquisition the technology knowledge and systems ownership and data have been transferred to the Group's outsourced technology partner for which Hyve is a key account
- There is a long-term advantage to using the same technology partner to manage and deliver both the technology for facilitated meetings and the Retail Meetup technology
- The Company's debt facilities agreement requires lender consent for the acquisition and therefore a consultation process with the banks was undertaken



## Disposal of Kazakhstan events portfolio

As announced in the April 2021 trading update, during the financial year the Group disposed of ITECA LLP, the operating company for 25 of the Group's non-core, regionally focused events in Kazakhstan. Taking each part of section 172(1) in turn, the matters considered by the Board, in addition to the benefits of the disposal for the shareholders of the Company, were as follows:

### What are the likely consequences of the decision to dispose of ITECA LLP in the long term?

- The disposal completes the Group's strategy to exit Central Asia, following the disposal of the Azerbaijan and Uzbekistan event portfolios in FY20
- The disposal supports the Group's ambition to focus on larger, international events with higher growth potential
- The timetable for the payment of the consideration stretches over a five- to seven-year period. The amount of the consideration and timing of payments varies by reference to the performance of the Kazakhstan business
- Non-core assets require a disproportionate time investment from the leadership team to manage in line with Hyve standards, comparatively with the returns received

- The exit from Central Asia reduces Hyve's risk exposure while further generating funds for reinvestment
- The disposal reduces regional overheads, infrastructure and stranded costs

### How are the interests of the Company's employees affected by the disposal?

- The disposal enables the leadership team to focus more on growth and business development, enables employees to focus more on market-leading events and growth, and reduces demand on HQ support resources
- The disposal resulted in the transfer of approximately 90 employees to the new owner of the business

### How does the disposal help to foster the Company's business relationships with suppliers, customers and others?

- The business was sold to ICA (JV) Ltd, a company owned and operated by a former consultant to Hyve in the region, who is well known to local suppliers and customers
- As a result of the disposal some suppliers will have been impacted by the cancellation of contracts
- The business had not been identified as suitable for the Company's omnichannel offering to customers

### What is the impact of the disposal on the community and the environment?

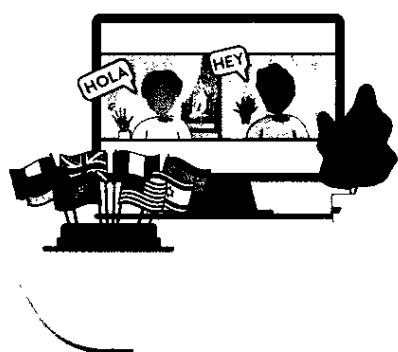
- The sale of the business was not expected to affect ITECA LLP's local community or the environment. An alternative option of closing down the business could have had an adverse effect on the local community

### How does the disposal impact the desirability of the Company maintaining a reputation for high standards of business conduct?

- The sale reduces the risk profile of the business, reduces the impact on Company resources and supports the Company's aim to concentrate only on market-leading events

### How does the disposal meet the Board's need to act fairly as between members of the Company?

- The disposal of the business forms part of the Company's portfolio management strategy which is considered to be in the best long-term interests of the business and its stakeholders



### What is the impact of the acquisition on the community and the environment?

- As a technological product for use at virtual events, the acquisition of Retail Meetup from a community and an environment perspective was not a significant issue for consideration

### How does the acquisition impact the desirability of the Company maintaining a reputation for high standards of business conduct?

- Retail Meetup, as part of an integrated omnichannel structure, enables high-quality digitisation and virtualisation of events

### How does the acquisition meet the Board's need to act fairly as between members of the Company?

- The acquisition strengthens the Group's portfolio, and thereby its long-term profitability and sustainability which benefits all of its key stakeholders
- The structure of the acquisition has a manageable cash impact and limited risk

## Going concern and viability statement

### Going concern

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 12 months.

At 30 September 2021, the Group had available liquidity of £130.7m (2020: £178.6m) and adjusted net debt of £79.9m (2020: £67.7m). The Group's available liquidity has decreased during the year as a result of £37.2m of term loan repayments and the £23.2m acquisition of Retail Meetup in December 2020. Insurance proceeds of £65.0m (2020: £22.0m) for event cancellations were received during the year, more than offsetting the operating cash outflows as a result of the continued event disruption in the first half of the financial year.

In December 2020, simultaneously with the Retail Meetup acquisition, the Group amended its banking facilities, updating the term loan repayment schedule. Of the £82.8m term loan drawn on 30 September 2021, £0.8m is now due for repayment in March 2022, £5.0m in June 2022, £6.0m in each of September 2022 and November 2022 and £22.5m in each of November 2023 and December 2023. In respect of any further insurance proceeds received from cancellation insurance claims for FY20 and FY21 events, 50% of the proceeds received will be used as an early repayment of the upcoming term loan repayments.

After year end, on 15 November 2021, the Group agreed a 12-month extension to the waiver of the financial covenants with its lenders. The Group's quarterly leverage ratio covenant of not more than 3x, and interest cover ratio of not less than 4x, have been waived up to and including March 2023, and replaced by a £40m minimum liquidity covenant. From June 2023 the leverage and interest cover ratios will be restated. This extends the covenant waivers to more than six months beyond the 12-month period of assessment.

As markets have reopened in recent months, the Group has been able to resume running events across almost all of its markets. These have yielded a number of positive trends that are showing signs of improving further going into FY22, including strong domestic participation, higher customer spend, increased visitor density, improved NPS scores and strong forward bookings for next year's events.

The acquisition of Retail Meetup in December 2020 and 121 Group in November 2021 have accelerated the Group's omnichannel strategy, providing additional online capability to deliver events and serve key industry sectors virtually. This has given the Group a proven revenue stream that adds resilience in the event of any further disruption to the Group's in-person event schedule.

The Group has modelled a number of scenarios, based on different assumptions, regarding the duration and extent to which COVID-19 might impact the business. For each of our markets we have sensitised the revenue, profit and cash flow impact of reduced trading activity. We have considered the extent to which COVID-19 continues to impact each of our markets in our assessment of the outlook. For the purposes of considering the Group's going concern assessment, we have focused on two scenarios:

- A Base Case, and
- A Downside Case

The Base Case, which represents the Directors' current best estimate, assumes a return to a full events calendar in FY22. This takes into account that the majority of our markets have run events post-pandemic and there are no events scheduled to run in the first half of the financial year in the few markets yet to return. We acknowledge that there is the possibility of disruption due to new variants, but at this stage feel they will have a limited impact on our event schedule. The effect of both domestic and, more substantially, international attendance have been assumed to remain below pre-pandemic levels in FY22, before recovering to previous levels by FY24. Under the Base Case scenario available liquidity is expected to remain in excess of £110m throughout the 12-month period from the date of the Annual Report.

The Downside Case has been modelled for the purposes of ensuring the liquidity covenant is not breached during the period of assessment, even if the speed of the recovery slows. The Downside Case assumes a significant slowdown in the recovery of international travel to just a third of pre-pandemic levels. It also factors in considerable disruption to the event schedule until after March 2022, assuming reimposed restrictions impact our events in the UK, US and mainland Europe. This scenario also assumes further disruption to the event schedule in both China and South Africa, as a result of the recent reintroduction of restrictions and the slower pace of recovery respectively. In response to this scenario playing out, further cost savings have been assumed, including a delay to planned investments, reduced discretionary bonus payments and variable event savings as a result of the lower international revenues and event cancellations. Liquidity is expected to remain in excess of £70m throughout the 12-month period from the date of the Annual Report.

Both scenarios therefore have material headroom over and above the £40m minimum liquidity covenant in place for the duration of the going concern assessment. While beyond the period of assessment the reintroduction of covenants from June 2023 was also considered. The Group is expected to meet both covenants when they resume under the Base Case scenario, but could breach the leverage ratio under the Downside Case in the quarter ending June 2023 without additional mitigating actions being taken.

Finally, a reverse stress test case has been developed to determine a scenario under which the Group's minimum liquidity covenant might be breached. A scenario where there is a return to a situation beyond the height of the pandemic would be required to breach the covenant during the period of assessment. This scenario assumes significant disruption to the event schedule over a period of the next ten months, with no events able to take place for the rest of the financial year with the exception of events in Russia and Ukraine, which are assumed to resume in the final quarter. This assumption is based on there being no having proved able to run events successfully while additional international travel and other restrictions have been in place and where global

Even under this extreme scenario the Group still has available liquidity of at least £30m within the period of assessment but will breach the minimum liquidity covenant between October and December 2022.

Further, the Group can implement a number of mitigating actions if required, including but not limited to:

- **The pursuit of further insurance proceeds** – The Group has a number of outstanding claims that it continues to pursue, as well as additional cover taken out in respect of the UK Government's Live Events Reinsurance Scheme.
- **Deferral of term loan repayments** – The Group has repayments due in calendar year 2022 totalling £17.8m, but has a supportive lender group, which has agreed to the deferral of scheduled repayments of the term loan in the recent past in response to the outbreak of COVID-19.
- **Disposal of events or portfolios of events** – In the last 24 months the Group has successfully disposed of the Group's ABEC, Kazakhstan, Azerbaijan, Uzbekistan and Fasteners businesses. The Group has a number of desirable assets that are currently not being considered for disposal for strategic reasons but could be sold to provide additional liquidity if absolutely necessary.
- **Cost savings** – The Group has implemented a material cost savings programme in response to the COVID-19 outbreak previously and can activate further measures if necessary. Further investments in FY22 can be deferred or removed to help ease liquidity. Last year the Group proved that it could act quickly to implement cost savings, even those related to staff reductions, as evidenced by the two waves of redundancies.
- **Equity raise** – The Group's investors have previously supported injecting additional capital into the business. This was most apparent in a downside scenario in respect of the May 2020 rights issue which raised £126.6m.

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 financial statements.

### Viability statement

In accordance with the UK Corporate Governance Code, the Directors have considered the long-term viability of the Group to determine whether it can continue to operate and meet its liabilities, taking into account its current position and principal risks. In assessing viability, the Board considered a number of factors, including the Group's business model (see pages 18 to 23), strategy (see pages 24 to 29), risk appetite (see pages 36 to 39) and principal risks and uncertainties (see pages 36 to 39). In light of recent events, particular attention has been paid to the risks, and associated impact, of a global pandemic, as well as the knock-on impact of risks related to economic stability, liquidity and venue availability.

The Board is required to assess the Group's viability over a period greater than 12 months. A five-year period has been chosen on the basis that it reflects an appropriate balance between certainty over assumptions and a longer-term view for investors and other stakeholders. This has been increased by one year from the period used in the previous year's assessment, to become consistent with the newly issued long-term management incentive plans as well as the forecast period upon which the Board assesses the Group's financial outlook.

The Group's long-term projections have been reviewed against its banking covenants, which include a monthly £40m minimum liquidity covenant up to and including March 2023 before reverting to quarterly leverage and interest cover ratios from June 2023.

The quarterly tests that resume from June 2023 are:

- **Leverage ratio** – Adjusted net debt must be less than three times adjusted EBITDA across the last 12 months.
- **Interest cover ratio** – Adjusted EBITDA across the last 12 months must be greater than four times the consolidated net finance charges over the same period.

Given the impact resulting from the COVID-19 pandemic, we have considered the Group's long-term viability on the assumption that there is a gradual return of international travel with revenues only returning to pre-pandemic levels in FY24. The Directors considered the financial position presented in the Budget and Five-Year Plan, which was recently approved by the Board when assessing viability. This includes the rollout of the Group's omnichannel strategy, which provides additional resilience through revenue streams that would not be adversely impacted by any in-person event disruption. The Directors also considered the strength of the in-person event portfolio, in particular the Group's market-leading events, which have proven in the past that they are more resistant to downturns than second and third tier events. Finally, consideration was also given to the geographical diversity of the portfolio, which provides protection against location-specific issues.

The principal risk that poses the greatest threat to the Group's long-term viability is in respect of a new global pandemic, or a resurgence of COVID-19. Consequently, the Directors have considered a number of possible pandemic scenarios, ranging from limited disruption (i.e. international travel restrictions are in place but events are able to run), to greater disruption that is isolated to certain geographical locations (i.e. localised lockdowns impact the ability to run events in certain countries) and finally to a reverse stress test scenario where events cannot take place across the Group's busiest event months for a period of 10 months (i.e. the period of greatest impact and a longer period without any events taking place than the impact COVID-19 initially had on the business), except for Russia and Ukraine where events are assumed to resume in the final quarter of the financial year.

### Going concern and viability statement

Based on the various scenarios considered, the Group is expected to have material available liquidity throughout the five-year period. Only under the reverse stress test scenario, outlined in further detail in the going concern section, would the minimum liquidity covenant test be breached. Under a downside scenario the leverage ratio covenant could be breached in the first quarter after it returns in June 2023. The Group has more than 18 months in which to take mitigating action to avoid a breach. Under the reverse stress test scenario both covenants would be breached when they resume in June 2023. Given that the reverse stress test scenario is beyond the impact that COVID-19 has on the Group's event schedule, alongside the recent amendments to its bank debt covenant packages secured as a result of disruption during the pandemic, the Directors are confident that the Group remains viable during the period of assessment.

The maturity date for the Group's current debt facilities is December 2023 and therefore falls within the five-year period of viability assessment. The likelihood of the Group's ability to refinance its debt facilities has therefore been considered as part of the Directors' viability assessment. Based on recent discussions the Group has held with members of its lending syndicate and debt advisers, the Group has confidence in its ability to refinance its debt facilities, even during periods where there is pressure on leverage levels under a downside scenario. This confidence is strengthened by there being more than two years until the current facilities expire and the optimism around the continued recovery of the business during that period.

Since the outbreak of COVID-19, management has taken significant action to strengthen the Group's liquidity position and protect its long-term financial prospects. These measures include raising £126.6m through a rights issue in May 2020, delivering significant cost savings and renegotiating our banking covenants over the period until June 2023. These measures have protected the business against the prolonged impact of COVID-19 and bolstered confidence in the Group's ability to withstand continued disruption over the next five years. As markets have reopened, the Group has seen a number

of positive trends during FY21 that are only increasing going into FY22, including strong domestic participation, higher customer spend, increased visitor density, improved NPS scores and strong forward bookings for next year's events.

The Group's available liquidity means that, even under downside scenarios, the business would continue to have significant liquidity headroom on its existing facilities. In all assessments, there is an option to extend the potential mitigations available, such as further reduction in expenditure, deferring term loan repayments, raising additional capital via the equity markets, or the disposal of assets, if required. The Audit Committee reviews the output of the viability assessment in advance of final evaluation by the Board. Having reviewed the current performance, forecasts, debt servicing requirements, total facilities and risks, the Board has a reasonable expectation that the Group has adequate resources to continue in operation, to meet its liabilities as they fall due, and to retain sufficient available cash across all five years of the assessment period. The Board therefore has a reasonable expectation that the Group will remain commercially viable over the five-year period of assessment.

Authorised for issue by the Board of Directors

**Jared Cranney**  
Company Secretary



- 99 Directors' remuneration report
- 100 Directors' responsibilities statement

## Governance at a glance

The Board considers that the Group has been in compliance with all the principles and relevant provisions of the Code throughout the year ended 30 September 2021 and to the date of this report. Details of how the principles have been applied are as follows:

### Board leadership and company purpose

#### Principles

**A.** A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.

- Directors' biographies on pages 66 and 67
- Our strategy on pages 24 to 29
- Business model on pages 18 to 23

**B.** The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.

- Our strategy on pages 24 to 29
- Our people and values on pages 34 and 35

**C.** The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls which enable risk to be assessed and managed.

- Key performance indicators on pages 54 and 55
- Principal risks and uncertainties on pages 36 to 39
- Audit Committee report on pages 76 to 78
- Risk Committee report on page 79

**D.** In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with and encourage participation from these parties.

- Section 172 statement on pages 56 to 59

**E.** The board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.

- Section 172 statement case studies on pages 56 to 59
- Corporate Governance – Our commitment to compliance on page 70 and Whistleblowing arrangements on page 70

### Division of responsibilities

#### Principles

**F.** The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.

- Corporate governance report on pages 68 to 71

**G.** The board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the board's decision-making. There should be a clear division of responsibilities between the leadership of the board and the executive leadership of the company's business.

- Corporate governance report on pages 68 to 71

**H.** Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, and specialist advice and hold management to account.

- Corporate governance report on pages 68 to 71

- Nomination Committee report on pages 80 and 81

**I.** The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.

- Corporate governance report on pages 68 to 71

### Composition, succession and evaluation

#### Principles

**J.** Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for board and senior management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

- Nomination Committee report on pages 80 and 81

**K.** The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.

- Directors' biographies on pages 66 and 67
- Corporate governance report on pages 68 to 71
- Nomination Committee report on pages 80 and 81

**L.** Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.

- Corporate governance report on pages 68 to 71

## Audit, risk and internal control

### Principles

**M.** The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements

- Audit Committee report on pages 75 to 78

**N.** The board should present a fair, balanced and understandable assessment of the company's position and prospects.

- Strategic report on pages 1 to 62
- Audit Committee report on pages 75 to 78
- Directors' responsibility statement on page 106
- Financial statements on pages 107 to 123

**O.** The board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives

- Audit Committee report on pages 75 to 78
- Risk Committee report on page 79
- Principal risks and uncertainties on pages 36 to 39

## Remuneration

### Principles

**P.** Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values and be clearly linked to the successful delivery of the company's long-term strategy

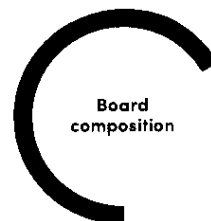
- Our strategy on pages 24 to 29
- Directors' remuneration report on pages 86 to 105

**Q.** A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome.

- Directors' remuneration report on pages 86 to 105

**R.** Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances

- Directors' remuneration report on pages 86 to 105



■ Chairman  
■ Executive Director  
■ Non-Executive Director

1  
2  
3



■ 0-3 years  
■ 3-6 years  
■ 6-9 years  
■ 9+ years

1  
1  
2  
0



■ Male  
■ Female

5 (83.3%)  
1 (16.7%)



■ Male  
■ Female

297 (38.5%)  
475 (61.5%)

All data as at 30 September 2021



■ Male  
■ Female

27 (58.7%)  
19 (41.3%)

## Board of Directors

# An experienced team to take us forward



**Richard Last**  
Non-Executive Chairman

Richard joined Hyve Group plc as Chairman and Non-Executive Director in February 2018. He is a member of the Company's newly formed ESG Committee. Richard is also the Chairman of Gamma Communications plc, which has a market capitalisation of over £1.7bn, revenues of over £400m and provides cloud, voice and data communications solutions to UK and European businesses, and the Chairman of Tribal Group plc, an international technology solutions provider for the higher and further education sectors, primarily in the UK and Asia Pacific regions, which is listed on AIM and has a market capitalisation of over £220m. Richard is also a Non-Executive Director of Corera Network Security plc, a small AIM listed company specialising in cyber security solutions. In September 2021, Richard joined the board of Greenstone+ Ltd, a private company providing software and solutions which support sustainability strategies.

Richard, who is a Fellow of the Institute of Chartered Accountants in England and Wales, is an experienced chairman, with over 30 years of public company board experience.

Richard is keen to promote the use of technology to improve business performance, efficiency and profitability. He is also very passionate about the promotion and development of young talent and promoting wider diversity in organisations.



**Mark Shashoua**  
Chief Executive Officer

Mark was appointed as Chief Executive Officer in September 2016. Mark was previously the CEO of i2 Events Group, the event arm of Ascential plc, where he spent five years leading the internationalisation and diversification of the business.

Mark was one of the founding members of Hyve Group plc, then called ITE Group, in 1991, where he was a senior Director and Board member for eight years. He is also a prominent figure in the international events industry and is a member of the Board of UFI, the Global Association of the Events Industry.

Mark's focus is on evolving the business and working towards achieving its ambition. He spends considerable time alongside regional leaders and event teams, discussing the strategy of each market-leading show and planning for sustainable growth.

Mark is passionate about representing the evolution of customers' behaviours in the events industry and pioneering constant change while delivering value to shareholders.



**John Gulliver**  
Chief Finance and Operations Officer

John was appointed as the Company's COO in October 2017. With effect from 1 October 2022, John took up the newly formed combined role of CFO and COO. He oversaw the roll out of best practice as part of the Transformation and Growth (TAG) programme. John also has responsibility for implementing and maintaining our best practice operating model across our global network of exhibitions.

Prior to joining, John held senior financial positions in the media sector, including Interim CFO of Emap, 'Top Right' Group and also Divisional CFO at Ascential, and CFO of i2i Events Group from June 2012 to June 2017, where he worked alongside Mark Shashoua, CEO. Prior to that, John was Finance Director at Precise Media from 2008 to 2010.

John's background in finance and operational transformation, as well as his experience in the events sector, underpins his passion for bringing about positive change and a disrupt on within the industry. John enjoys working in a change-led environment and, over the past 10 years, energy and sense of achievement that occurs as the company, and the people working within it, realise their potential.



### Stephen Puckett Non-Executive Senior Independent Director

Stephen was appointed a Non-Executive Director of the Group in July 2013 and is a member of the Audit Committee, having been the Chair until January 2020. He was appointed Chair of the Group's Risk Committee in January 2020. He has been the Group's Non-Executive Senior Independent Director since January 2019.

From March 2015 to October 2020, Stephen was Chairman of Hydrogen Group plc, having joined the board in 2012. He is a Chartered Accountant who brings a wealth of financial and accounting experience amassed through his work with listed companies. In 2012, Stephen retired from the board of Page Group plc (formerly Michael Page International plc) after more than 11 years as Group Finance Director, during which time he oversaw a period of significant overseas expansion and growth.

Stephen is a strong advocate for ensuring that the views of a wide range of stakeholders, particularly employees, are considered by the Board and that it is important to have a culture where everyone enjoys coming into work.

After nearly nine years of service, Stephen will be stepping down from the Board at the 2022 Annual General Meeting and will not be standing for re-election.



### Sharon Baylay Non-Executive Director

Sharon was appointed a Non-Executive Director of the Group in April 2014. Sharon has been Chair of the Remuneration Committee since October 2017 and is Chair of the Company's newly formed Environmental, Social and Governance Committee. She was recently appointed Chair of Restore plc, having previously been the Senior Independent Director, and she also chairs the boards of the privately-owned companies Unique X, Driveworks Ltd and Foundation SP Ltd. Sharon recently joined the board of WAG payment solutions plc, where she is also Chair of the Remuneration Committee.

Sharon joined Ted Baker plc as a Non-Executive Director in June 2018 and was acting Chair from December 2019 until she stepped down from the Board in July 2020. From 2009 to 2017, Sharon was Marketing Director and a Main Board Director of the BBC, responsible for all aspects of marketing, communications and audiences. She was also on the Board of BBC Worldwide, Freesat and Digital UK. Prior to the BBC, Sharon held a number of senior roles at Microsoft Corporation over a period of 15 years, including General Manager of the UK Online and Advertising business.

Sharon is an Advanced Coach & Mentor, accredited by the Chartered Institute of Personnel and Development, and a Member of Women in Advertising and Communications, London. Sharon brings extensive digital experience to the Board, in addition to recent corporate governance experience.



### Nicholas Backhouse Non-Executive Director

Nicholas was appointed a Non-Executive Director of the Group on 1 May 2019 and Chair of the Audit Committee in January 2020. He is also a member of the Remuneration Committee and the Risk Committee.

Nicholas has extensive experience at board level and is currently the Senior Independent Director of both Hollywood Bowl Group plc and Loungers plc and the Chairman of the Giggling Squid restaurant group. He is a Trustee of Chichester Harbour Trust. He has also held positions as Senior Independent Director of Guardian Media Group plc and Non-Executive Director of Marston's PLC, All3media Limited, Eaton Gate Gaming Limited and Chichester Festival Theatre.

Nicholas was previously the Deputy Chief Executive Officer of the David Lloyd Leisure Group, Group Finance Director of National Car Parks and Chief Financial Officer of both the Laurel Pub Company and Freeserve PLC. He is a fellow of the Institute of Chartered Accountants in England and Wales and has an MA in economics from Cambridge University.

Nicholas has significant experience with companies undergoing operating model and cultural change.

## Corporate governance report

### UK Corporate Governance Code compliance

The Group is committed to high standards of corporate governance and supports the principles laid down in the UK Corporate Governance Code issued by the Financial Reporting Council (FRC) in July 2018 (the Code). This statement, together with the Committee reports, the Strategic Report, the Directors' report and the section 172(1) Statement, describes how the principles of the Code are applied and reports on the Company's compliance with the Code's provisions.

### The Board

Throughout the financial year, the Board of Directors (the Board) had six members, comprising the Non-Executive Chairman, the Chief Executive Officer, the Chief Finance and Operations Officer and three independent Non-Executive Directors. John Gulliver was appointed as the Chief Finance and Operations Officer on 1 October 2020.

All of the Directors bring strong judgement to the Board's deliberations. During the year, the Board has been of sufficient size and diversity that the balance of skills and experience was considered to be appropriate for the requirements of the business.

The Non-Executive Directors, including the Chairman, are all independent of management and free from any business or other relationship, including those relationships and circumstances referred to in provision 10 of the Code that could materially impair the exercise of independent and objective judgement. The Group considered that Richard Last was independent on his appointment as Chairman.

### Board Committees

There are a number of standing Committees of the Board to which various matters are delegated. They all have formal Terms of Reference approved by the Board, which are available on the Group's website (hyve.group). The Committee reports are set out on pages 75 to 86.

### Role and responsibilities of the Board

The Board has overall responsibility to shareholders for the proper management of the Group. It met eight times during the financial year. Regular Board update calls were also held during the year.

Attendance by Directors at the formal Board meetings held during the financial year is set out below.

Board members	Meeting attendance
Richard Last (Chairman)	8/8
Nicholas Backhouse	8/8
Sharon Bayley	8/8
John Gulliver	8/8
Stephen Puckett	8/8
Mark Shashoua	8/8

Data on attendance at Committee meetings can be found in the relevant Committee reports.

The Board has a formal schedule of matters reserved to it for decision-making, including responsibility for the overall management and performance of the Group. This includes development and approval of its strategy, long-term objectives and commercial initiatives; approval of annual and interim results, annual budgets, material acquisitions and disposals, material agreements and major capital commitments, approval of treasury policies and assessment of its going concern position. Board discussions are held in an open and collaborative atmosphere with sufficient time allowed for debate and challenge.

Board meeting agendas are agreed in advance by the Chairman, the CEO and the Company Secretary. Board members receive appropriate documentation in advance of each Board meeting, which normally includes a formal agenda, a detailed report on current trading and full papers on matters where the Board will be required to make a decision or give approval. An update from the Chair of each Board Committee is provided at Board meetings as appropriate. Board papers are delivered through an electronic platform, improving the efficiency of its communications and reducing paper usage.

There is an established procedure for the preparation and review, at least annually, by the Board of medium-term plans and the annual budget. Management accounts are circulated to the Board on a monthly basis and business performance and any significant variances to budget or reforecast are formally reviewed at scheduled Board meetings.

During the year, the Chairman met with the Non-Executive Directors without the Executive Directors present. The Non-Executive Directors also met without the Chairman or Executive Directors present at a meeting chaired by the Senior Independent Director.

### Board activities during the financial year

In addition to the regular reports from the CEO, the Chief Finance and Operations Officer, the Chief Talent Officer and the General Counsel, plus the Committee updates and updates or presentations from other senior members of the leadership team on relevant matters, the main issues discussed and/or approved during the financial year included:

- Annual budget and forecast
- Acquisition of Retail Meetic LLC (including financing)
- Financial results for the year ended 30 September 2020 and the half year ended 31 March 2021
- Continued impact of COVID-19 and response
- Banking facilities and financing of the business
- Strategy review
- M&A updates
- Disposals update
- Insurance policies renewal
- Insurance claims under event cancellation insurance
- Changes to key supplier contracts

- Environmental, social and governance strategy;
- External Board evaluation;
- Board composition;
- Directors' duties under section 172 of the Companies Act 2006;
- Policy reviews and approvals;
- Matters reserved for the Board;
- Modern Slavery Statement; and
- Risk appetite

### The Directors

The biographical details of the Board members are set out on pages 66 and 67.

All of the Directors have occupied, or occupy, senior positions in UK and/or international listed companies and have substantial experience in business. At all times at least half the Board, excluding the Chairman, has comprised independent Non-Executive Directors.

The Non-Executive Directors were all appointed for an initial three-year term. As set out in provision 18 of the Code, the Non-Executive Directors (in common with the Executive Directors) will be subject to re-election each year by shareholders at the Company's Annual General Meeting, providing the Board continues to be satisfied that they remain independent. After nearly nine years of service, Stephen Puckett will be stepping down from the Board at the 2022 Annual General Meeting and will not be standing for re-election. The remaining five Directors will offer themselves for re-election. The Board believes that the five Directors continue to be effective in their roles and believes that the Group and its shareholders should support their re-election at the Annual General Meeting scheduled for 3 February 2022.

The Non-Executive Directors do not participate in any of the Group's pension schemes or in any of the Group's bonus, share option or other incentive schemes.

### The Chairman and Chief Executive Officer

The different roles of the Chairman and Chief Executive Officer are acknowledged. A responsibility statement for each of those roles has been agreed and accepted by the Board.

For the Chairman, that statement includes, among other matters, ensuring that the members of the Board receive accurate, timely and clear information; ensuring that sufficient time is allowed for discussion of complex issues and encouraging active engagement by all members of the Board.

For the Chief Executive Officer, that statement includes, among other matters, the development of the strategic operating plans that reflect the corporate objectives and priorities established by the Board; managing the day-to-day activities of the Group and providing leadership to management and other employees.

### Senior Independent Non-Executive Director

Throughout the financial year, Stephen Puckett fulfilled the role of Senior Independent Non-Executive Director. The Senior Independent Non-Executive Director's responsibilities include acting as an intermediary for the other Directors and for shareholders, and being a sounding board for the Chairman. The Senior Independent Director also held the role of employee voice on the Board during the financial year.

### Board effectiveness review

An external independent evaluation of the Board and its Committees was conducted over the period April 2021 to June 2021 by Kieran Moynihan, managing partner of Board Excellence, a company with no connection to Hyve or any of its Directors. The participant group for the evaluation was extended beyond the Board to include senior management and external advisers. The comprehensive evaluation consisted of the completion of a questionnaire followed by a confidential interview with the Board Chair, each Non-Executive Board Director, the CEO, the Company Secretary, each Executive Team member and key external advisers. Mr Moynihan undertook a detailed review of the Board and Committee materials for the 12 months prior to the evaluation plus other key documents such as Committee Terms of Reference and the Company's Risk Register. He observed a Board meeting and a number of Committee meetings. Mr Moynihan then provided a draft evaluation report setting out his findings and his recommendations which was discussed and accepted by the Board. In November 2021, the Board undertook a detailed review of the Board evaluation findings and developed an action plan to implement its recommendations as part of its strong commitment to drive sustained improvement in its Board effectiveness and performance.

These recommendations included:

- The recruitment of additional non-executive directors with a focus on greater board diversity;
- A more formalised induction process for new board directors;
- A review of the process for reviewing Group wide policies and other critical policies; and
- The expansion of the Group's ESG policies, business adoption and reporting.

Work on all of these areas is already underway and we will report on progress in next year's Annual Report. Further information on the implementation of our ESG strategy can be found on pages 30 to 32.

In Mr Moynihan's evaluation, he commended the calibre, effectiveness and performance of the Hyve Board team, the strong foundation built by the Board Chair, the strong support from the Company Secretary and the commitment of all Board members to continuously improve as part of the next stage of evolution of the Hyve Board team. He noted the strong levels of oversight, challenge and debate balanced with strong support for the CEO and the Executive Team. Given the difficult circumstances presented by the pandemic, he felt that the Board and the Executive Team had demonstrated a strong resilience and a deep willingness and capacity to go the extra mile to excel for shareholders, employees and other stakeholders.

## Corporate governance report

### Support and advice

The Board has access to the advice and services of the Company Secretary, who is responsible for ensuring that all Board procedures have been completed with. The Board has approved a procedure for all Directors to take independent legal and financial professional advice at the Company's expense, if required to support the performance of their duties as Directors of the Group. No such advice was sought by any Director during the year.

### Training and development

An induction programme is arranged for newly appointed Directors, which includes presentations on the business, current strategy and shareholder expectations. Guidance is also given on the duties, responsibilities and liabilities of a director of a listed company and key Board policies and procedures. Business familiarisation involves Directors visiting exhibitions in markets in which the Group operates to gain a greater understanding of the Group's activities and to meet senior managers throughout the business.

Every Director is encouraged to continue his or her own professional development through attendance at seminars and briefings.

### Conflicts of interest

The Company's articles of association, in line with the Companies Act 2006, allow the Board to authorise potential conflicts of interest that may arise and impose limits or conditions, as appropriate. The Group has established a procedure whereby any decision of the Board to authorise a conflict of interest is only effective if it is agreed without the conflicted Director(s) voting or without their votes being counted. In making such a decision, as always the Directors must act in a way they consider in good faith will be most likely to promote the success of the Group.

The Company has a Conflicts of Interest Policy which sets out for all employees across the Group the actions that are expected from them in the event that a potential conflict of interest arises.

### Shareholder relations

Details of shareholder engagement can be found in the section 172(f) statement on pages 56 to 59. A trading update will be released on the day of the Annual General Meeting which is scheduled to take place on 3 February 2022. Previous trading updates and other announcements and press releases can be found on the Group's website at [hyve-group.com](http://hyve-group.com).

### Strategic report and principal risks and uncertainties

The Strategic report set out on pages 1 to 62 details the financial performance of the Group. The key risks and uncertainties the Group identifies and monitors are laid out on pages 36 to 39.

### Our commitment to compliance

Hyve is committed to building and maintaining a culture of compliance and effective governance. The Group's Code of Conduct clearly sets out what is expected from every person working for, and with, our businesses, anywhere in the world. The Code of Conduct, like most of our policies, is provided in several languages on the Company's intranet.

Underpinning the Code of Conduct is a strong global policy framework covering areas such as anti-bribery and corruption, gifts and entertainment, whistleblowing and modern slavery. The framework was prepared in line with international best practice and the recommendations of regulators, international and government bodies such as the UK Ministry of Justice.

### Whistleblowing arrangements

The Group adopted a new Whistleblowing Policy in FY20. The Policy was reviewed during the financial year to ensure that it remains fit for purpose. Since 2019, the Group has provided a fully independent whistleblowing service. The appointment of an independent partner to manage a fully confidential whistleblowing service allows for anyone who works with Hyve to raise their concerns, anonymously if necessary, in their local language – recognising the global reach of our business and its operations. The Policy sets out the channels available to any person who works with Hyve to raise concerns about non-compliance with our policies and 'illegal' or unethical behaviour in our business or supply chains.

### Anti-corruption policies

Hyve takes a zero-tolerance position in relation to corruption, wherever and in whatever form that may be encountered. The Policy applies to all individual employees, agents, sponsors, intermediaries, consultants and any other people or bodies associated with Hyve or any of our subsidiaries and employees and it sets out their responsibilities in terms of charity donations and sponsorships, facilitating payments, gifts and hospitality. The prevention, detection and reporting of bribery and corruption is the responsibility of all of our employees. Awareness of the Policy is assessed as part of the internal audit process.

Our Gifts and Entertainment Policy requires business units to maintain a gift and hospitality register which records information such as the name of the receiver of the gift or hospitality and the estimated value of the gift or hospitality. The register is reviewed as part of the internal audit process. The rollout of a new online reporting tool for gifts and entertainment began in September 2021.





## Human rights

We are committed to treating all our employees world-wide with dignity and respect. We recognise that we operate in many different markets with diverse cultures and we respect those differences while being committed to supporting and upholding the provision of basic human rights and eliminating discriminatory practices. We respect the dignity of all individuals and seek to enable all of our employees to perform and deliver their best work by accepting and valuing different talents, experiences and backgrounds.

Hyve's Human Rights Policy emphasises our commitment to basic human rights in the way we do business. We support our employees in creating and maintaining a work culture which prohibits forced labour and ensures the human rights of all employees. This Policy also provides for maintaining an environment that fosters open and direct communication between managers and employees as the most effective way to work together for the resolution of differences, and respects employees' rights to participate in collective bargaining via unions should they so choose.

Employees are expected to report any behaviour that violates this Policy.

## Modern slavery

Hyve recognises that human rights violations, including forced labour and trafficking, can occur in all sectors and countries. As a responsible business, we are committed to playing our part to help eliminate such violations.

Our Modern Slavery Statement details the steps we take to help prevent any incidence of modern slavery, both in our own business and in our supply chains. It is available at the following address: [hyve-group.com/Responsibility/Modern-Slavery-Statement](https://hyve-group.com/Responsibility/Modern-Slavery-Statement).

The Group has an Anti-Slavery and Human Trafficking Policy in place. The Policy gives workers, contractors and other business partners guidance on Modern Slavery and clearly states the measures in place to tackle Modern Slavery in its business and supply chains. Hyve also undertook an assessment of its current risks in this area based upon the findings of the Global Slavery Index report.

## Directors' report

The Directors have pleasure in submitting their report and the audited financial statements for the year ended 30 September 2021.

### Principal activities and review of the business

The principal activities of the Group comprise the organisation of physical and online trade exhibitions and conferences.

The main subsidiary and associate undertakings which affect the profits or net assets of the Group in the year are listed in note 5 to the financial statements of the Company and note 18 to the financial statements of the Group.

Details of the Group's performance during the year and expected future developments are contained in the Chief Executive Officer's statement on pages 14 to 17, the Chief Finance and Operations Officer's statement on pages 40 to 49 and the Divisional trading summaries on pages 50 to 53. Details of the Group's Risk Committee report are on page 79 and the principal risks and uncertainties are on pages 36 to 39.

### Financial risk management

Details of the Group's financial risk management is given in note 23 to the consolidated accounts.

### Results and dividends

The audited accounts for the year ended 30 September 2021 are set out on pages 116 to 173. The Group loss for the year, after taxation, was £20.0m (2020: loss of £302.7m).

As stated in the interim results announcement, which was issued on 18 May 2021, the suspension of dividends (announced in May 2020) remains in place and will be kept under review.

### Capital structure

Details of the Company's issued share capital and movements during the year are shown in note 25 to the financial statements of the Company. The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

There are no specific restrictions on the size of a holding or on the transfer of shares, which are both governed by the general provisions of the articles of association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. No person has any special rights of control over the Company's share capital and all shares are fully paid.

Details of employee share schemes are set out in note 28 to the financial statements of the Group. The Trustee of the Hyve Group Employees Share Trust is not permitted to vote on any unvested shares held in the Trust unless expressly directed to do so by the Company. A dividend waiver is in place in respect of the Trustee's holding, apart from the shares which are held in the Trust as part of the Directors' Deferred Bonus Plan.

There are a number of agreements that take effect after their term upon a change of control of the Company, such as commercial contracts, bank facility agreements, property lease arrangements and employee

share plans. None of these are considered to be significant in terms of their likely impact on the business of the Group as a whole. Furthermore, the Directors are not aware of any agreements between the Company and its Directors or employees that provide compensation for loss of office or employment that occurs because of a takeover bid.

### Articles of association

The Company's articles of association may be amended by a special resolution at a general meeting of the shareholders.

### The Directors

The Directors who served throughout the year were as follows:

#### Executive Directors

- Mark Shashoua
- John Gulliver

#### Non-Executive Directors

- Richard Last – Chairman
- Stephen Puckett
- Nicholas Backhouse
- Sharon Baylay

The biographical details of the Board of Directors (as at the date of signing this report) are set out on pages 66 and 67.

In accordance with its articles of association and in compliance with the Companies Act, the Company has granted a qualifying third-party indemnity to each Director. Directors' and officers' insurance cover is also provided by the Company, in line with normal market practice, for the benefit of Directors in respect of claims arising in the performance of their duties.

### Company Directors' shareholdings

The Directors who held office at 30 September 2021 had the following interests (including family interests) in the ordinary shares of the Company:

Name of Director	Number of shares as at 30 September 2021	Number of shares as at 30 September 2020
<b>Executive Directors</b>		
Mark Shashoua	637,594	609,277
John Gulliver	59,735	N/A
Andrew Beach	–	52,000
<b>Non-Executive Directors</b>		
Richard Last	195,000	195,000
Nicholas Backhouse	16,250	16,250
Sharon Baylay	9,205	9,205
Stephen Puckett	8,937	8,937

The Directors, as employees and potential beneficiaries, have an interest in up to 1,643,128 shares held by the Hyve Group Employees Share Trust at 30 September 2021. The Hyve Group Employees Share Trust held a 771,375 ordinary shares at 30 September 2021.



In line with the Company's Remuneration Policy, a third of the value received under the Group's Bonus Plan by the Executive Directors is deferred into shares, held in the Hyve Group Employees Share Trust. No bonus was paid during the financial year.

### Company's shareholders

At 29 November 2021, the Company had been notified under Rule 5 of the Financial Conduct Authority's Disclosure and Transparency Rules of the following interests in its ordinary shares:

Name of holder	Number of shares	Percentage held
Strategic Value Partners	47,380,421	16.25%
RWC Partners	31,367,270	10.76%
Jupiter Asset Management	20,500,235	7.03%
Heikon Investments	13,266,642	5.00%
Aberforth Partners	14,316,807	4.91%
Amiral Gestion	13,705,662	4.70%
Wellington Management	12,650,660	4.34%
BlackRock	10,920,861	3.74%
Bestinver Asset Management	10,256,870	3.52%

1. This holding relates to a CFD holding only.

### Authority to purchase the Company's shares

At the Annual General Meeting on 21 January 2021, shareholders authorised the Company to make one or more market purchases of up to 26,512,811 of the Company's ordinary shares to be held in treasury at a price between 10.0p (exclusive of expenses) and 105% of the average closing middle market price of a share for the five business days immediately preceding the date on which the share is purchased.

No purchases were made during the year and the Directors propose to renew this authority at the 2022 Annual General Meeting.

### Charitable and political donations

The Group made £21,309 of charitable donations (2020: £10,400) during the year. No political donations were made (2020: nil).

### Employees

The Group's people strategy is to attract, develop and retain professional, motivated and talented employees and enable them to achieve brilliant results. The Group cascades the key priorities and business objectives throughout the organisation, ensuring that employees understand how their personal contribution supports the Group's success. The Group links incentives to delivering on objectives, and the Remuneration Policy is designed to reinforce this approach. The Group places great importance on the development of its people to support the business in meeting its objectives. This is reflected through the Performance Management Framework and the resulting learning and development initiatives.

It is the Group's policy to consider fully applications for employment from anyone qualified to apply, regardless of their status, disability, age, gender, gender identification, sexual orientation or beliefs. To reflect this policy, opportunities for career progression and development are offered on merit and regardless of the factors noted above. In the event of a member

of staff becoming disabled, every effort would be made to ensure their continued employment and progression in the Group and it is Group policy that training, career development and promotion of disabled employees match that of other employees as far as possible.

More information on our employees can be found in the 'Our people and values' section on pages 34 and 35 and in the section '72(1)' statement on pages 56 to 59.

### Supplier payment policy

The Company's policy, which is also applied to the Group, is to agree payment terms with suppliers when entering into each transaction to ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. Hyve Group plc has no trade creditors. Trade creditors of the Group (consolidated) at 30 September 2021 were equivalent to 10 days (2020: 18 days) purchases, based on the average daily amount invoiced by suppliers during the year.

### Greenhouse gas emissions

The Group recognises that our global operations have an environmental impact and we are committed to monitoring and reducing our greenhouse gas (GHG) emissions year-on-year. We are also aware of our reporting obligations under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. As such, this year we have continued to publish our energy and carbon reporting to meet these new requirements and increase the transparency with which we communicate about our environmental impact to our stakeholders.

In the period covered by the report, the Group has undertaken the following emissions and energy reduction initiatives:

- Implementation of end-of-day procedure – although certain offices are managed by the landlord, and hence employees do not have control over the electricity consumption, employees are informed to ensure that equipment is turned off at the end of the working day.
- Move to online operations – while employees are working from home, work activities have moved online to reduce the need for travel.

This year we have calculated our environmental impact across the required scope 1, 2 and 3 emission sources. Our emissions are presented on both a location and market basis. On a location basis, our emissions are 1,059 tCO<sub>2</sub>e, which is an average impact of 1.19 tCO<sub>2</sub>e per full-time equivalent (FTE) and an increase of 34% from 2019 to 2020. Our market basis emissions are 1,104 tCO<sub>2</sub>e, which is an increase of 0.4% from 2019 to 2020. We have calculated emission intensity metrics on a per FTE basis, which we will monitor to track performance in our subsequent environmental disclosures.

The methodology used to calculate the GHG emissions is in accordance with the requirements of the following standards:

- World Resources Institute Greenhouse Gas Protocol (revised version)
- Defra's Environmental Reporting Guidelines, Including Streamlined Energy and Carbon Reporting requirements (March 2019), and
- UK office emissions have been calculated using the DEFRA 2019 UK Emissions 2020 & IEA 2019 issue of the conversion factor repository.

## Directors' report

Following an operational control approach to defining our organisational boundary, our calculated GHG emissions from business activities fall within the reporting period of May 2020 to April 2021 and use the reporting period of May 2019 to April 2020 for comparison.

CO<sub>2</sub> emissions per FTE, both globally and in the UK, have increased in the year as a result of a reduction in the Group's average headcount which has not resulted in a corresponding reduction in the Group's CO<sub>2</sub> emissions.

### Energy and carbon disclosures for reporting year<sup>1</sup>

	Emissions source	Global emissions (tCO <sub>2</sub> e)			UK emissions (tCO <sub>2</sub> e)		
		2019-2020	2020-2021	Variance	2019-2020	2020-2021	Variance
<b>Scope 1</b>	Natural gas	42	7	+69%	0	0	0%
	Company and leased cars	195	90	-54%	0	0	0%
	Refrigerant	27	33	+22%	4	31	+675%
<b>Total scope 1</b>		<b>264</b>	<b>194</b>	<b>-27%</b>	<b>4</b>	<b>31</b>	<b>+675%</b>
<b>Scope 2</b>	Electricity	707	778	+10%	146	127	-13%
<b>Total scope 2</b>		<b>707</b>	<b>778</b>	<b>+10%</b>	<b>146</b>	<b>127</b>	<b>-13%</b>
<b>Scope 3</b>	Electricity transmission and distribution	77	86	+12%	12	11	-8%
<b>Total scope 3</b>		<b>77</b>	<b>86</b>	<b>+12%</b>	<b>12</b>	<b>11</b>	<b>-8%</b>
<b>Total (market based)</b>		<b>1,100</b>	<b>1,104</b>	<b>0.4%</b>	<b>216</b>	<b>215</b>	<b>-0.5%</b>
<b>Total (location based)</b>		<b>1,048</b>	<b>1,059</b>	<b>+1%</b>	<b>162</b>	<b>170</b>	<b>+5%</b>
<b>Total energy usage (kWh)<sup>2</sup></b>		<b>2,650,610</b>	<b>2,537,455</b>	<b>-4%</b>	<b>572,560</b>	<b>546,585</b>	<b>-5%</b>
Normaliser	tCO <sub>2</sub> e per FTE	0.90	1.19	+34%	0.43	0.67	+57%

1. This work is partially based on the country-specific CO<sub>2</sub> emission factors developed by the International Energy Agency (IEA) 2019 but the resulting work has been prepared by Hyve Group plc and does not necessarily reflect the views of the International Energy Agency.

2. Energy reporting includes kWh from scope 1, scope 2 and scope 3 employee (or only, for required by the SCCR regulation).

3. 2019-2020 emissions restated to include the impact of the Group's New York office following the acquisition of Sharelink in December 2019.

## Annual General Meeting

The notice convening the Annual General Meeting to be held at 09:00am on 3 February 2022 is contained in a circular sent to shareholders at the same time as this report.

## Auditor

BDO LLP was appointed as the Group's new auditor at the Company's Annual General Meeting held on 23 January 2020. The Committee believes that BDO LLP has a strong team with the skills and experience to provide rigour and challenge in the audit. A resolution to reappoint BDO LLP as the Company's auditor and to authorise the Directors to determine the auditor's remuneration will be proposed at the Company's Annual General Meeting in February 2022.

## Post-balance sheet events

Subsequent to the year end the Group has secured a 12-month extension to its leverage and interest cover covenant waivers, up to and including March 2023. A minimum liquidity test whereby the Group must ensure that the aggregate of cash and undrawn debt facilities is not less than £40m at the end of each month will be in place through to the end of the waiver period.

On 12 November 2021, the Group completed the disposal of its 60% shareholding in ABEC Exhibitions & Conferences Pvt Ltd, the operating company for a portfolio of exhibitions in India including the A/C's 'EARTH' construction events. The Group has received upfront consideration of £1.0m in respect of the disposal.

On 18 November 2021 the Group completed the acquisition of 100% of the share capital of '12' Group (UK) Limited and '12' Partners Limited ('12' Group), for initial consideration of approximately £2.7m. The estimated total consideration after earn-out is expected to be between approximately £4.2m and £4.6m, based on the financial performance of '12' Group over a three-year period.

In order to fund the initial consideration for the acquisition, on 18 November 2021 the Group completed a placement with institutional investors of 13,818,698 new ordinary shares to raise gross proceeds of £14.8m, in addition to a direct subscription of 12,694,102 new ordinary shares by investment funds managed by Strategic Value Partners, LLC (SVP Global), to raise gross proceeds of £14.3m.

## Fair, balanced and understandable statement

Each of the Directors considers that the annual report taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

## Directors' statement as to disclosure of information to auditors

Each Director of the Company at the date when this report was approved confirms:

- So far as he/she is aware, there is no relevant audit information (as defined by the Companies Act 2006) of which the Company's auditors are unaware; and
- He/she has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given in accordance with section 418 of the Companies Act 2006.

## John Gulliver

Chief Finance and Operations Officer

16 December 2021

## Audit Committee report



Committee members	Meeting attendance
Nicholas Backhouse, Chair	6/6
Sharon Baylry	6/6
Stephen Puckett	6/6

The Audit Committee (the Committee) was in place throughout the financial year and is chaired by Nicholas Backhouse. The Board considers that Nicholas has the appropriate financial expertise, as required by Provision 24 of the UK Corporate Governance Code (the Code), as he is a Chartered Accountant, has held executive roles in financial positions in other companies and has chaired other listed companies' Audit Committees. All members of the Committee are independent Non-Executive Directors and they are considered to provide a wide range of international, financial and commercial expertise necessary to fulfil the Committee's duties. Members of the Committee are appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chairman of the Audit Committee, for an initial period of three years, which can then be followed by an additional two further three-year periods. All Committee members played an active role in all Committee meetings held throughout the year.

All members of the Board have an open invitation to attend Committee meetings. Representatives of BDO, the external auditor, attend each meeting along with the Chief Finance and Operations Officer, the Group Finance Director and the Company Secretary. Unless there is a conflict of interest, other relevant people from the business are also invited to attend certain meetings or parts of meetings to provide a deeper level of insight into certain key issues and developments. The Chairman of the Committee reports to the Board, as part of a separate agenda item, on the activity of the Committee and matters of particular relevance to the Board in the conduct of their work.

The Chairman of the Committee has also held meetings with the Chairman of the Board, the Chief Executive Officer, the Chief Finance and Operations Officer and other members of management and the finance team during the year to identify matters which require meaningful discussion at Committee meetings. He also meets the external audit partner privately to discuss any matters they wish to raise or concerns they have.

### Terms of Reference

The Audit Committee's Terms of Reference are available on the Group's website ([hyve-group.com](https://www.hyve-group.com)) or can be obtained from the Company Secretary. The Terms of Reference are reviewed annually and presented to the Board for approval.

### Effectiveness of the Committee

An external evaluation of the Committee was undertaken during the financial year by Kieran Moynihan of Board Excellence. Mr Moynihan felt that the Committee was working very well and was effectively discharging its key responsibilities. He noted that the Chair was highly effective and praised his commitment to a strong consistent level of rigorous challenge, debate and oversight. He observed that there was a strong working relationship between the Committee and both the Hyve finance team and the external auditor. The Non-Executive Directors on the Committee exhibited a comprehensive level of independent oversight and independence of mind. His overall assessment of how the Committee had dealt with the COVID-19 challenges in terms of assessment of alternative performance measures, disclosures, regulatory requirements, going concern and viability statement was that the handling of these complex areas was exemplary. More details about the evaluation of the Board and the Committees can be found on page 69.

### The role and responsibilities of the Committee

The Board Committee meets at least three times a year and as and when required. The Committee is responsible for monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance, and for providing effective corporate governance over the appropriateness of the Group's financial reporting. The Committee works with the Risk Committee and this ensures effective and sufficient coverage of financial reporting risks within the Group's risk management processes.

Due to travel restrictions, the individual members of the Committee have been unable to visit the Group's offices and even to the extent that they would in normal circumstances, but have continued to hold meetings with Group management and senior members of the finance team to follow up on any matters pertaining to the Group's overseas offices identified by either external or internal audits.

## Audit Committee report

### Activities during the financial year

Six meetings were held during the year, with the following areas of focus:

Meeting	Key areas of focus
8 October 2020	Key judgements and an early view of key audit matters in advance of the year-end audit commencing
18 November 2020	Progress of the year-end audit and the findings up to the date of the meeting
25 November 2020	The review of the Group's full year results for the year ended 30 September 2020, prior to the Board's approval and an update on the progress of the year-end audit and findings to date
30 November 2020	The external auditor's final year-end report
13 May 2021	The review of the Group's interim results for the period ended 31 March 2021 and the external auditor's interim review report
3 June 2021	The external auditor's scope and plan for the audit of the year ended 30 September 2021

Four Committee meetings were held subsequent to the period end and focused on:

Meeting	Key areas of focus
19 October 2021	The final external audit plan for the year ended 30 September 2021 and an early view of key judgements and audit matters in advance of the year-end audit commencing
8 November 2021	The review of the FRC's Audit Quality Review on the external audit of the Group for the year ended 30 September 2020 and how the external audit planned to address the findings in the audit approach for the year ended 30 September 2021
24 November 2021	Progress of the year-end audit and the findings up to the date of the meeting
1 December 2021	The review of the Group's full year results for the year ended 30 September 2021 or or to the Board's approval and an update on the progress of the year-end audit and findings to date and the external auditor's final year-end report

During the year and subsequent to the period end prior to the approval of the full year results for the year ended 30 September 2021, in addition to the areas highlighted above, the Committee focused on the following:

- Alternative performance measures, ensuring an appropriate balance between the prominence given to statutory and adjusted results
- The presentation of adjusting items
- Acquisition accounting in respect of the Retail Meetup acquisition
- Accounting treatment for disposals completed during the year
- The impairment review of goodwill and acquired intangible assets
- Tax provisions, the recoverability of deferred tax assets and transfer pricing

- The effectiveness of the Group's internal controls and risk management
- Internal audit, including a review of the scope, timetable and reports issued during the year
- The progress made by management in addressing findings from the internal and external auditors as a result of their respective audit work
- The letter received from the Financial Reporting Council in respect of the Group's Annual Report and Accounts for the year ended 30 September 2020, including management's responses to this letter; and
- An assessment of the appropriateness of the going concern and long-term viability statements

In assessing the appropriateness of the financial statements, the Committee concentrated on the key matters summarised below. These were discussed with the external auditor, BDO, throughout the year and at the Committee meetings as well as during the year-end audit.

### Impairment of goodwill, intangible assets and investments

This involves measuring the carrying value of goodwill, intangible assets and investments against the value in use of each of the cash-generating units (CGUs) and investments. There are a number of judgements and estimates to consider in the value in use calculations, principally regarding the forecast cash flows, the discount rates used and the long-term growth rates applied. Forecast cash flows are based on the Board-approved budget and three-year plan. Discount rates are selected to reflect the risk

### Audit Committee responsibilities include:

- Reviewing the integrity of the Group's financial statements and reporting to and advising the Board on whether the Committee believes the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy
- Monitoring compliance with relevant statutory and listing requirements
- Reporting to the Board on the appropriateness of the accounting policies and practices
- Overseeing the relationship with the external auditor, advising the Board on the appointment of the external auditor, agreeing the audit scope and audit fees and assessing the independence and effectiveness of the external audit process
- Reviewing the effectiveness of the Group's internal controls and assessing the effectiveness of the Group's internal audit provision and process, and
- Monitoring the Group's whistleblowing, bribery prevention and fraud detection policies and processes



adjusted cost of capital for the respective territories. Growth rates reflect management's view of the long-term forecast rates of growth using third-party sources such as the International Monetary Fund's World Economic Outlook reports. Impairment charges of £19m were recognised during the year in respect of acquired intangible assets within the UK CGU, chiefly as a result of changes to forecast trading due to the continuing impact of COVID-19 on our UK retail events, as well as the allocation of additional central costs following revisions to the cost allocation methodology. The Committee agreed on the impairments recognised

### Acquisition accounting

Following the acquisition of Retail Meetup in the year, there is a level of judgement involved in identifying and valuing the assets acquired in the business combination. The Committee assesses the processes used in the identification and valuation of acquired assets and liabilities including the reasonableness of any assumptions used. The Committee also assesses the purchase price allocation of consideration and the allocation between goodwill and identified intangible assets. The Committee reviewed management's papers, the acquisition accounting calculations and underlying estimates and assumptions for the Retail Meetup acquisition. The Committee agreed that the assets and liabilities were recognised at their fair value at acquisition.

### Alternative performance measures

Consideration has been given to whether there is an appropriate balance between the prominence given to statutory results and alternative performance measures in the annual report. Separately disclosed items of income and expenditure have been presented as adjusting items to allow a set of headline results to be presented in addition to statutory results. The Financial Reporting Council (FRC) thematic reviews and the European Securities and Markets Authority (ESMA) Guidelines on Alternative Performance Measures have been used when considering the appropriateness of the adjusting items, the alternative performance measures presented and the disclosures in the annual report. The Committee is satisfied that the disclosures included in the annual report are fair and balanced.

### Going concern and viability

The Committee has reviewed the Group's assessment of going concern over a period greater than 12 months. In assessing the Group's going concern status as well as its viability over a five-year period, the Committee has considered the Group's financial position presented in the Group's Five Year Plan (the Budget for the year ending 30 September 2022 plus forecasts for the subsequent four financial years) recently approved by the Board. In the context of the current challenging environment as a result of COVID-19, a number of alternative scenarios have also been considered, including the modelling of additional downside sensitivities. These were based on the potential financial impact of further event cancellations over the coming months and the specific risks associated with the COVID-19 pandemic on the trading environment, including the impact of international travel restrictions. The Committee has concluded that the assumptions considered are appropriate when assessing the Group's going concern status and longer-term viability. The Committee has also reviewed the Group's reverse stress test in a further downside

scenario. In addition, the Committee has reviewed this with management and is satisfied that this is appropriate in supporting the Group as a going concern. The Committee received regular updates on the steps taken by management prior to the going concern assessment being made, including the extension of financial covenant waivers from the Group's lending banks up to and including March 2023.

### Internal control and risk management

The Internal Audit function is outsourced to PricewaterhouseCoopers (PwC), who provide independent assurance through planned audit activities on a rotational basis, assessing whether the controls in place are adequately designed and implemented and making recommendations for improvement.

The Committee annually approves the schedule and scope of upcoming internal audit reviews over a two-year period, ensuring that the planned work covers the Group's key risk areas, primary markets and certain key financial controls. During the year, PwC performed internal audit reviews at the Group's offices in London, Shanghai, New York and Moscow.

The reports, findings and recommendations are presented for the Committee's review at the meetings held throughout the year. The Committee reviews the reports and considers progress against the recommendations. The Group operates across a number of territories and the role of internal audit and the follow-up process on the findings in internal reports are important parts of the Group's overall control environment.

The effectiveness of the internal control process is assessed throughout the year through discussions with head office, local management teams and others involved in the process.

The Group maintains an internal controls matrix, identifying all financial, operational and compliance controls in place across the Group. The matrix was updated in the year to ensure that all key controls identified that were either in the scope of PwC's internal audit reviews or were sufficiently reviewed by Group management.

The findings of internal audit and Group management reviews were presented to the Committee who found the current internal controls process to be operating effectively.

The Group's risk management process is covered in detail in the report of the Risk Committee on page 79.

### Letter from the Financial Reporting Council

During the year, the Group received a letter from the FRC regarding a review carried out in respect of the Group's Annual Report and Accounts for the year ended 30 September 2020. The letter raised a number of questions to help the FRC understand how the Group had satisfied the relevant reporting requirements. The principal areas where the FRC requested further information were in respect of:

- Assets and liabilities recognised as a result of the acquisition of Shoptak in December 2020, and
- The recoverability of intercompany receivables and investments in subsidiaries.

## Audit Committee report

Management's responses to the FRC were reviewed and approved by the Committee. Subsequent to a discussion with the FRC and the Group's external auditor, the right of use asset recognised on acquisition of Shoptalk has been restated, resulting in a restatement of the prior period comparative results as disclosed in note 1 to the financial statements. The Committee is satisfied that this has been correctly addressed and resolved. All other matters raised by the FRC were resolved without further action being required of management.

### External audit

The effectiveness of the 2020 external audit process, in BDO's first year as external auditor, was formally assessed by the Committee at the beginning of 2021. Feedback was sought from various participants in the process (Audit Committee members, Executive Directors, members of the finance team and management of subsidiary units). The effectiveness of the audit partner, the audit team, their approach to audits, including planning and execution, communication, support and value were assessed and discussed. Overall, the effectiveness of the external audit process was assessed to be performing as expected.

During the year, the Audit Committee also considered the findings of the FRC's Audit Quality Review on BDO's audit of the Group for the year ended 30 September 2020, which was published on 24 September 2021. In particular, the Audit Committee reviewed BDO's proposed approach to addressing the points raised and how this has been incorporated into the audit approach for the year ended 30 September 2021.

The effectiveness of the external audit process is dependent on appropriate audit risk identification at the start of the audit cycle. A detailed audit plan is received from the auditor, which sets out the key risks identified. For the financial year ended 30 September 2021, the key audit matters identified by BDO were as set out on page 109.

BDO provided the Committee with its views on these issues at the Committee meeting held to consider the financial statements. In addition, it provided the Committee with details of any identified misstatements greater than £24,000 and any other adjustments that were qualitatively significant which management had not corrected on the basis that the misstatements were not, individually or in aggregate, material.

Private meetings were held with BDO throughout the year to provide additional opportunity for open dialogue and feedback from the Committee and the auditor without management being present. Matters discussed were the preparedness and efficiency of management with respect to the audit, the capabilities of the financial management team, confirmation that no restriction on scope had been placed on them by management and how they had exercised professional judgement.

During the year, BDO and a member firm of BDO charged the Group £628,000 (2020: £661,000) for audit and audit-related services.

### Non-audit services

To safeguard the objectivity and independence of the external auditor from becoming compromised, the Committee has a formal policy governing the engagement of the external auditor to provide non-audit services. No material changes have been made to this policy during the year. Non-audit fees on any project regardless of size, with the exception of assurance services in respect of the half-year review, are submitted for approval by the Committee Chairman, who must report to the Committee on the use of this delegated authority at the next Committee meeting.

Our policy ensures that the Committee challenges the decision to use the external audit firm where suitable, practical and reasonably priced alternatives exist. In addition, the Committee considers the overall level of non-audit fees and would not expect these fees to be in aggregate greater than the audit fee. During the year, the external auditor performed non-audit services totalling £81,000 (2020: £439,000), which represents 13% (2020: 66%) of the audit fee. The services provided in the year included £69,000 in respect of the interim review and £12,000 in respect of advice regarding the letter the Group received from the FRC regarding its Annual Report and Accounts for the year ended 30 September 2020. The Audit Committee approved the appointment of BDO on the basis that they were best placed to provide the services and there was no conflict of interest with their role as external auditor. Refer to note 4 to the financial statements of the Group for further information.

On behalf of the Audit Committee

### Nicholas Backhouse

Chairman of the Audit Committee

16 December 2021



## Risk Committee report



Committee members	Meeting attendance
Stephen Puckett, Chair	4/4
Nick Backhouse*	3/3
Sharon Baylay	4/4

\* Nick Backhouse was appointed as a member of the Committee on 30 March 2021

### Membership

The Risk Committee (the Committee) was in place throughout the financial year and is chaired by the Senior Independent Director, Stephen Puckett. All of the members of the Committee who served during the year were Independent Non-Executive Directors. All Non-Executive Directors are invited to attend Committee meetings.

Attendance at the Committee meetings during the financial year is set out above.

The Chief Executive Officer, the Chief Finance and Operations Officer, the General Counsel and the Company Secretary attended all of the Committee meetings held during the financial year. The Chairman of the Board attended three of the Committee meetings held during the financial year.

### Terms of Reference

The Committee's Terms of Reference are available on the Group's website (hyve-group) or can be obtained from the Company Secretary. The Terms of Reference are reviewed annually and presented to the Board for approval.

### The role and responsibilities of the Committee

The Committee meets a minimum of twice a year and, as required, during the financial year the Committee met on four occasions. The Board is ultimately responsible for the Group's risk management framework. The Committee oversees, reports and makes recommendations to the Board in respect of financial and non-financial risks faced by the Group.

The purpose of the Committee is to identify, assess, monitor and manage risks faced by the Group over time with the intention of exposing threats to be mitigated and opportunities to be exploited. The Committee works closely with the Audit Committee, which remains responsible for risks arising in financial reporting. All three members of the Committee are also members of the Audit Committee.

The Committee's work is primarily driven by the assessment of its principal risks and uncertainties and its emerging risks. These risks and uncertainties are the output of a series of risk registers, which are developed across the Group, and then accumulated and reviewed by the Committee. The Committee reviews these assessments and makes adjustments to the overall risk plan as appropriate.

As stated in last year's annual report, the Chairman of the Committee and the Chief Finance and Operations Officer undertook a review of the workings of the Committee with the aim of focusing the Committee's time on strategic and Board-level risks rather than on operational risks already adequately covered elsewhere in the business. Given the ongoing pandemic, it was agreed that the Committee should in particular focus on those risks that were more significant as a result of COVID-19. The results of the review were discussed at the first Committee meeting of the financial year and changes to the scope of the Committee were agreed. The Risk Register was substantially reworked to cover key risk areas, with each area having a number of specific identified risks, risk ratings and mitigating actions. The Committee agreed to focus on three to four of the key risk areas at each meeting, thereby enabling the Committee to undertake in-depth reviews of these risk areas. Standard operational risks were to be reviewed by the Committee on an annual basis.

### Assessment of the Group's risk profile

Details of the principal risks and uncertainties are set out in the Strategic report. Wherever possible, action plans are in place to provide future mitigation against these key risks. As these are implemented, they will be reported on in future reports.

### Effectiveness of the Committee

An external evaluation of the Committee was undertaken during the financial year by Kieran Moynihan of Board Excellence. The external evaluator was of the view that the changes made to the workings of the Committee had significantly strengthened its focus and effectiveness. He commended the strong leadership of the Committee and the significant degree of importance that the Committee and the Board places on risk management.

On behalf of the Risk Committee

**Stephen Puckett**

Chair of the Risk Committee

16 December 2021

### Risk Committee activities during the financial year

The main issues discussed and/or approved during the financial year under review included:

- A substantial review of the content and format of the Risk Register;
- The key risk areas to be covered at Committee meetings during the financial year;
- Changes to the ratings of the risks listed in the Risk Register;
- A review of three to four key risk areas at each Committee meeting;
- The procurement of a cyber insurance policy;
- The risk reporting process at regional board level;
- A review of the standard operational risks;
- Identifying and reporting key risks to the Board and responding to feedback from the Board;
- Compliance with the Group's governance framework; and
- The Committee's Terms of Reference.

## Nomination Committee report



Committee member	Meeting attendance
Richard Last, Chair	6/6
Nicholas Backhouse	6/6
Sharon Baylay	6/6
Stephen Puckett	6/6

### Membership

The Nomination Committee (the Committee) was in place throughout the financial year and is chaired by the Chairman of the Group. All of the members of the Committee who served during the year were independent Non-Executive Directors.

Attendance at the Committee meetings during the financial year is set out on the left.

The Chief Executive Officer and other individuals (internal and external) may also be invited to attend meetings, unless they have a conflict of interest. During the year, the Chief Executive Officer and the Chief Talent Officer attended some of the Committee meetings, either partially or fully. The Company Secretary attended each Committee meeting in order to take the minutes.

### Terms of Reference

The Committee's Terms of Reference are available on the Group's website (hyve.group) or can be obtained from the Company Secretary. The Terms of Reference are reviewed annually and presented to the Board for approval.

### The role and responsibilities of the Committee

The Committee meets a minimum of twice a year and, as required, during the financial year the Committee met on six occasions. The Committee has delegated responsibility from the Board for appointments to the Board and for succession planning for Directors and other senior executives. As part of its duties, the Committee:

- Regularly reviews the structure, size and composition (including the skills, knowledge, experience and diversity) required of the Board and makes recommendations to the Board with regard to any changes.
- Takes into account, when considering succession planning, the challenges and opportunities facing the Group and what skills and expertise are therefore required on the Board in the future.
- Identifies and nominates, for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- Keeps under review the leadership needs of the Group, and
- Agrees the evaluation process for the Board and its committees.

Appointments to the Board follow a formal, rigorous and transparent process, which involves the Committee interviewing candidates proposed by either existing Board members or by external search consultants. Careful consideration is given to ensure appointees have the attributes available to devote to the role and that the balance of skills, knowledge, experience and diversity on the Board is either maintained or improved. All internal and external appointments are not undertaken by Board members without prior approval of the Board.

## Nomination Committee activities during the financial year

The main issues discussed and/or approved during the financial year under review included:

- The balance of skills and experience on the Board,
- Appointments to roles which report directly to the CEO,
- The identification of skills required for the appointment of the next Non-Executive Director(s),
- The appointment of the Blackwood Group to support Non-Executive Director recruitment (the Blackwood Group does not have any other connections with the Company or with any of the individual Directors),
- The requirements of the Hampton-Alexander review and the Parker review,
- The Company's succession plans for the Company's Board, its Executive Team and other senior roles across the Group, plus immediate stand-ins,
- Employee talent management and succession planning,
- The appointment of Board Excellence to undertake an evaluation of the Board and the Committees (Board Excellence does not have any other connections with the Company or with any of the individual Directors),
- The establishment of an ESG Committee,
- The Committee's Terms of Reference,
- The Committee's Schedule of Matters for the next financial year, and
- The Designated Non-Executive Director engagement plan

The Committee recognises the benefits of having a diverse Board and sees increasing diversity at Board level as an important element in maintaining a competitive advantage. A truly diverse Board in its broadest sense will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other qualities of Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments are made on merit, in the context of the skills and experience that the Board, as a whole, requires to be effective.

Hyve is a multinational company with many different cultures working together to achieve its goals. Our Code of Conduct incorporates our approach to diversity and inclusion and prohibits discrimination against others based on their gender and gender identity, sexual orientation, age, disability, religion, nationality, marital status, colour or creed or any other characteristic that is protected by law. Our discipline and grievance procedure is intended to enforce appropriate standards of behaviour. The Code of Conduct is available to employees on the Company's intranet.

Information on gender balance of those in senior management and their direct reports can be found on page 65.

## Effectiveness of the Committee

An external evaluation of the Committee was undertaken during the financial year by Kieran Moynihan of Board Excellence. Mr Moynihan felt that the Committee was well led by the Board Chair and was an effective committee. However, he also felt that its overall functioning had been significantly impacted by the COVID-19 pandemic which had curtailed the Committee's ability to progress fully areas such as board composition/diversity planning. More details about the evaluation of the Board and the Committees can be found on page 69.

On behalf of the Nomination Committee

### Richard Last

Chair of the Nomination Committee

16 December 2021

## Environmental, Social and Governance (ESG) Committee report



Committee members	Meeting attendance
Sharon Baylay, Chair	2/2
Nikki Griffiths	2/2
John Gulliver	2/2
Richard Last	2/2
Jo Rabbett	2/2
Mark Shashoua	2/2

### Formation

On the recommendation of the Nomination Committee, the Board established an ESG Committee in January 2021. Sharon Baylay was appointed as Chair of the Committee.

Attendance at the Committee meetings during the financial year is set out on the left.

### Membership

Membership of the Committee comprises the Chairman of the Board, the Chair of the Remuneration Committee, the CEO, the Chief Financial and Operations Officer, the Chief Talent Officer and the Group Communications and ESG Director. Under the Committee's Terms of Reference, membership must comprise at least two independent Directors. This requirement was met during the financial year.

Other individuals (internal and external) may also be invited to attend meetings, unless they have a conflict of interest. During the year, representatives from Simply Sustainable, a sustainability and ESG consultancy, attended one of the Committee meetings. The Company Secretary attended each Committee meeting in order to take the minutes.

### ESG Committee activities during the financial year

The main issues discussed and/or approved during the financial year under review included:

- Membership of the Committee;
- The Committee's Terms of Reference;
- The roll out of a survey to employees and third parties to garner views on the priorities for the Group's long-term ESG strategy;
- The appointment of Simply Sustainable to support the development and implementation of the ESG strategy (Simply Sustainable does not have any other connections with the Company or with any of the individual Directors);
- The initial strategy proposals prepared by Simply Sustainable and the development of those proposals; and
- The establishment of working groups comprising volunteers from across the business to workshop the strategy proposals and produce the strategy framework and to develop ESG targets and KPIs.



### Terms of Reference

The Committee's Terms of Reference are available on the Group's website (hyve.group) or can be obtained from the Company Secretary. The Terms of Reference are reviewed annually and presented to the Board for approval.

### The role and responsibilities of the Committee

The Committee meets a minimum of twice a year and as required, during the financial year the Committee met on two occasions. Additional preparatory meetings were held with Simply Sustainable with some members of the Committee in attendance. The Committee has delegated responsibility from the Board to define the Company's strategy relating to ESG matters. As part of its duties the Committee

- Oversees the development of and makes recommendations to the Board regarding the Group's ESG strategy;
- Oversees the establishment of ESG policies and codes of practice and their effective implementation and monitors and reviews their ongoing relevance, effectiveness, and further development;
- Sets appropriate strategic goals, as well as shorter term KPIs and associated targets related to ESG matters and oversees the ongoing measurement and reporting of performance against those KPIs and targets; and
- Makes recommendations to the Board in relation to the required resourcing and funding of ESG-related activity and, on behalf of the Board, oversees the deployment and control of any resources and funds

As an organiser of market-leading events, we recognise that we have a responsibility to take a more proactive approach to sustainability and to lead by example. We believe it is our obligation to bring together powerful changemakers as well as to raise awareness, lead the debate and facilitate solutions. Hyve aims to deliver a strong, forward-looking ESG approach in the events sector with a strategy that encompasses all regions, to connect the different activities happening across the business. Details of the Company's ESG strategy can be found on pages 30 to 32. Details of our greenhouse gas emissions can be found on page 73.

The Committee is aware of the Company's obligation to include climate-related disclosures consistent with the ICFD recommendations in its next Annual Report which will cover the financial year ending 30 September 2022. Simply Sustainable will continue to provide support to the Company to ensure that it meets this obligation.

### Effectiveness of the Committee

The Committee was not included in the external Board and Committee evaluation as it was not deemed appropriate given the Committee was established during the financial year.

On behalf of the ESG Committee

**Sharon Baylay**  
Chair of the ESG Committee

16 December 2021

## Remuneration Committee report



Committee members	Meeting attendance
Sharon Baylay, Chair	11/11
Nicholas Backhouse	11/11

### Dear Shareholder

I am pleased to present the Remuneration Committee's report for the year to 30 September 2021.

### What is in this report?

The report includes details of the payments made to our Executive and Non-Executive Directors for the year ended 30 September 2021. It also includes a copy of the new Directors' Remuneration Policy (the Policy), recently approved by shareholders, and information on how this Policy will be implemented during the financial year ending 30 September 2022.

This Annual Statement and the Annual Report on Remuneration (set out on pages 86 to 105) will be subject to an advisory vote at this year's AGM to be held on 3 February 2022. The Directors' Remuneration Policy was recently approved at our 2021 General Meeting (GM) and is therefore not subject to a shareholder vote this year; a copy of the Policy is included on pages 96 to 105.

### Business context

This year has continued to be an extraordinary and challenging year for all as the impact of the COVID-19 pandemic has continued to significantly impact not only Hyve, but companies around the world and a this is reflected in our financial results for the year ended 30 September 2021.

That said, the Group has moved with pace and purpose on all matters from the outset of the pandemic, including the rescheduling of our physical events, controls, cost management, cash controls, ensuring flexibility and colleague support. Despite current circumstances, in-person events have resumed in the majority of our markets and emerging trends are illustrating the continued demand for community connection. We are delighted to have been able to run 41 successful in-person events across the globe in the year.

Over the course of the year, the Group continued with its consolidation plans, completing the exit of Central Asia with the disposal of its Kazakhstan portfolio. The conclusion of Retail Meetup in December 2020 has resulted in the Group being well-positioned to emerge from the pandemic as a stronger business with a clear omnichannel strategy.

Having stabilised the balance sheet and accelerated the omnichannel evolution, the focus is now on returning the business to growth and driving back value in the Group's equity.

Revenue for the full year was £55.2m, with adjusted net debt being £79.9m for the year ended 30 September 2020, which is a significantly improved position compared with expectations set at the start of the year.

### Remuneration performance and reward outcomes for 2021

The CEO did not receive a base salary increase in the year ended 30 September 2021 and as disclosed in last year's report, the base salary of the Chief Finance and Operations Officer (CFOO) was set at £295,000 on his appointment to the Board on 1 October 2020.

Last year we set annual bonus targets and weightings aligned to our key areas of financial focus and with a greater emphasis on our strategic priorities in repositioning the business for the future and taking the right actions during the pandemic. The financial targets we set were exceeded and management also performed exceptionally well against the strategic objectives set, particularly in the key areas of the disposal of non-core assets and the successful roll-out of facilitated meetings. The overall outcome was 97% of maximum for Executive Directors. The Committee considered this appropriate in a year when management had exceeded expectations in their delivery of financial and strategic actions.

Long-term incentive awards granted in March 2019 were based on a three-year performance period ending 30 September 2021, with three equally weighted performance measures based on adjusted (headline) earnings per share (EPS) growth, return on capital employed (ROCE) and relative total shareholder return (TSR) performance. Despite the excellent progress on delivering against our ambitious strategy prior to the pandemic, as anticipated, the advent of the pandemic meant that none of the EPS, ROCE and TSR performance thresholds were achieved, resulting in no awards vesting.

### Development of the new Policy and shareholder consultation

Much of the latter part of the year has been spent undertaking an extensive consultation with our shareholders in respect of the newly approved Directors' Remuneration Policy and new Value Creation Plan (VCP).

The Policy was due for renewal at our 2022 AGM. The Committee was keen to take a fresh approach to long-term remuneration and design a framework that was fitting in the context of Hyve's new omnichannel strategy, which focuses on building capability, enhancing our market-leading offerings, strengthening our brands and increasing virtual events. We wanted to adopt a simple structure aligned with the creation of long-term shareholder value and able to retain and motivate our well-regarded leadership team at a time of considerable change for Hyve.

We reviewed the range of frameworks in place in the UK market and after much consultation determined that a Value Creation Plan would be the most effective. Essentially, it was for several reasons:

- A VCP aligned with Hyve's ambitions for growth and value creation for our shareholders.
- It supports the retention of our well-regarded management team over the next three to five years – the critical period for our recovery and growth.
- A VCP is simple in concept, as management share in a portion of the value created above a hurdle growth rate.

- It allows a focus on making the right decisions for long-term value creation, without the constraints of linking reward to medium-term cash flow and EBITDA targets

Given the strong alignment of the VCP to the delivery of Hyve's strategy for the next three to five years, the Committee was keen to accelerate this timetable in order to be able to grant awards at the start of the new financial year. We therefore determined to hold a General Meeting in October 2021, to enable us to grant awards (subject to shareholder approval of the Policy and Plan) prior to Hyve entering any closed periods following year end.

The Committee was aware that value creation plans are much less common in the market than performance shares and as such determined to undertake a much more detailed shareholder consultation prior to the GM. We sought the views of our largest shareholders (covering 60% of our shareholder base) during two rounds of consultation. The first round of consultation was to outline the principles of the VCP as an overall structure, which we were pleased was supported by the shareholders we spoke with, who understood the rationale for the plan design in the context of Hyve's ambitious growth strategy. In those conversations, we tested our early thinking on the key design parameters for the VCP such as the hurdle rate and size of the VCP pool. We listened to shareholders' views and modified the design to reflect their feedback. Shareholders we consulted with were also supportive of the accelerated timetable and recognised that this approach would support the motivation of management from the beginning of the financial year.

We then wrote to shareholders again advising them of the proposed design, including the modifications to the parameters to reflect feedback from initial conversations. Shareholders we consulted with welcomed the changes we introduced after our first round of consultation, with many confirming their intention to support the proposals at the GM.

We were pleased that a significant majority of our shareholders (c. 75%) were supportive of our overall approach and voted in favour of the proposals at the GM held on 25 October 2021. However, we also recognise that given our diverse shareholder base, together with the nature of the proposals, a significant number of shareholders did not feel able to support our approach to remuneration. We will be engaging with shareholders who did not support our approach in the coming months, to further understand their concerns and their perspective on our overall approach to remuneration.

The Board and the Committee believe it is important to align the interests of executive Directors and the senior leadership team with those of shareholders, and to retain and motivate our highly regarded Executive Team through the next phase of the Company's recovery and growth. The Committee considers that the VCP and new Policy are aligned with these objectives and I would like to sincerely thank all shareholders who engaged in the shareholder consultation process.

## Implementation of our newly approved Policy for 2022

### Salary

Both the CEO and the CFO will receive a base salary increase of 3%, which will be effective from 1 October 2021. This is in line with increases for the wider UK workforce.

### Annual bonus

The annual bonus for 2022 will continue to operate based on a combination of challenging financial targets and tailored strategic objectives. This year we have increased the weighting on financial performance targets from 60% to 80% in a path to more normal pre-COVID weighting on financial performance. Financial targets will be based on headline profit before tax

and operating cash flow. There will also be a financial focus within the strategic measures. The measures are set out on page 86.

### Value Creation Plan

Following the approval of the Policy and VCP at the GM, awards were granted to the Executive Directors and other eligible participants on 26 October 2021.

Awards are subject to a 'base hurdle' of 10% per annum growth (CAGR) in market capitalisation and an 'upper hurdle' of 15% per annum growth (CAGR) in market capitalisation, resulting in a VCP pool of 10% and 20% respectively. Performance is measured over a five-year period with early performance testing carried out at years three and four with the potential for some vesting (50% of the award) at these points. More detail is on page 99.

The Committee considered it essential to motivate management and aid retention that some of the award could be earned from the plan at years three and four. However, in practice, given the ongoing uncertainty of the recovery trajectory, the path to growth and value creation is centred around a five-year time horizon. In our specific business circumstances where the recovery could happen later, given ongoing uncertainty and market factors, it felt reasonable to allow a pre-test feature in the design. During shareholder consultation, the significant majority of shareholders understood and were supportive of this feature.

The Company shares issued on vesting will be subject to a two-year post-vesting holding period and other best practice features apply, as set out on page 86.

## Effectiveness of the Committee

An external evaluation of the Committee was undertaken during the financial year by Kieran Moynihan of Board Excellence. Mr Moynihan told that the Committee was working very well and was effectively discharging its key responsibilities. He praised the Chair for her strong leadership and commitment to finding an appropriate balance between rewarding/incentivising employees appropriately and meeting shareholders' expectations in terms of targets and rewards. He observed a strong working relationship developing between the Committee Chair and the newly appointed Chief Talent Officer and noted a comprehensive level of independent oversight and independence of mind being exhibited by the NEDs on the Committee, supported by the external remuneration consultant. More details about the evaluation of the Board and the Committees can be found on page 69.

## AGM

As noted above, we consulted with a significant number of our shareholders on our new Policy and I would like to thank all shareholders who engaged in the consultation process. We will be engaging further during the coming months with those shareholders who did not feel able to support us. We are committed to maintaining an ongoing dialogue with shareholders on the issue of executive remuneration and we welcome any feedback you may have.

I hope to receive your support in approving this report at the AGM on 3 February 2022.

**Sharon Baylay**  
Chair of Remuneration Committee

16 December 2021

## Directors' Remuneration report

### Implementation of Remuneration Policy for the year ending 30 September 2022

The table below sets out how the Remuneration Policy will be applied for the year ending 30 September 2022

Element	Application for the year ending 30 September 2022																															
Salary	Both the CEO and the CFOO will receive an increase to the base pay of 3% from 1 October 2021, in line with other employees of the Group Mark Shashoua – £506,760 John Gulliver – £303,850																															
Benefits	Benefits for FY22 will be in line with the Remuneration Policy																															
Pension	Pension contributions of 10% of salary for both Executive Directors, in line with the wider workforce																															
Annual bonus	<p>For FY22, the annual bonus opportunities will be 150% and 120% of salary for Mark Shashoua and John Gulliver, respectively</p> <p>The weighting on financial performance targets has increased this year from 55% to 80% in a path to more normal pre-COVID weightings on financial performance. Financial targets will be based on headline profit before tax and operating cash flow. There will also be a financial focus within the strategic measures.</p> <p>The financial measures will be as follows:</p> <table><tr><th>Measure</th><th>Weighting</th></tr><tr><td>Headline profit before tax</td><td>35%</td></tr><tr><td>Operating cash flow</td><td>25%</td></tr><tr><td>Refinancing strategy</td><td>20%</td></tr></table> <p>The strategic measures will be as follows:</p> <table><tr><th>Measure</th><th>Weighting CEO</th><th>Weighting CFOO</th></tr><tr><td>Refinancing the business and managing our debt position</td><td>–</td><td>10%</td></tr><tr><td>Portfolio management and disposals</td><td>10%</td><td>–</td></tr><tr><td>ESG strategy rollout</td><td>5%</td><td>–</td></tr><tr><td>Strategic people objectives</td><td>5%</td><td>–</td></tr><tr><td>Risk management</td><td>–</td><td>5%</td></tr><tr><td>Strategic operational objectives</td><td>–</td><td>5%</td></tr></table> <p>The targets are considered commercially sensitive and will therefore be disclosed retrospectively</p>			Measure	Weighting	Headline profit before tax	35%	Operating cash flow	25%	Refinancing strategy	20%	Measure	Weighting CEO	Weighting CFOO	Refinancing the business and managing our debt position	–	10%	Portfolio management and disposals	10%	–	ESG strategy rollout	5%	–	Strategic people objectives	5%	–	Risk management	–	5%	Strategic operational objectives	–	5%
Measure	Weighting																															
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Strategic people objectives	5%	–																														
Risk management	–	5%																														
Strategic operational objectives	–	5%																														
VCP	<p>In line with the newly approved Remuneration Policy, the Company made awards under the Value Creation Plan (VCP) on 26 October 2021, by way of an acquisition of shares in Hyve Holdings Limited. The CEO and CFOO made an upfront investment in a new class of 'growth shares' issued by Hyve Holdings Limited (which is a 100% subsidiary of the Company) which, on vesting, will deliver the VCP value in Hyve Group plc shares.</p> <p>Awards are subject to:</p> <ul style="list-style-type: none"><li>• A 'base hurdle' of 10% per annum growth (CAGR) in market capitalisation, with a VCP pool of 10% above this level, and</li><li>• An 'upper hurdle' of 15% per annum growth (CAGR) in market capitalisation, with a VCP pool of 20% above this level.</li></ul> <p>The CEO and CFOO have been allocated 35% and 19% of the pool respectively.</p> <p>The VCP has a five-year performance period, with early performance testing carried out at years three and four, with the potential for some vesting at these points:</p> <ul style="list-style-type: none"><li>• 50% of the award will be tested and may vest after three years,</li><li>• 50% of the award will be tested allowing for further vesting after four years, and</li><li>• 100% of the award will be tested after five years and will vest (any portion that vests early, in year three and/or year four, will be deducted from the total vesting in year five).</li></ul> <p>Several 'best practice' features are included:</p> <ul style="list-style-type: none"><li>• All tranches that vest to the Executive Directors will be subject to a two-year holding period for awards which are released in years five, six or seven) to ensure that the Plans support the long-term strategy and growth of the business.</li><li>• Reflecting shareholder feedback the holding base price was set in line with a minimum price of 17.5% from the time of the award to ensure that the award value is not diluted.</li><li>• The number of shares released under the plan is capped at 7% of the share capital at grant, and a cap on the number of shares applies for partial awards.</li><li>• A discretionary adjustment allows vesting outcomes to be adjusted where appropriate in the context of financial or non-financial performance.</li><li>• Comparisons to similar awards and triggers apply in new best practice.</li></ul>																															



## Directors' Remuneration report

### Annual Report on Remuneration

In line with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended in 2013), the following parts of the Annual Report on Directors' Remuneration are audited: the single total figure of remuneration for each Director, including annual bonus and Performance Share Plan (PSP) outcomes for the financial year ended 30 September 2021; scheme interests awarded during the year; pension entitlements; payments to past Directors and payments for loss of office; and Directors' shareholdings and share interests. All other parts of the Directors' Remuneration Report are unaudited.

The Remuneration Committee was chaired by Sharon Baylay who, along with Nicholas Backhouse, served throughout the year. Members of the Committee are appointed by the Board, on the recommendation of the Nomination Committee, in consultation with the Chairman of the Remuneration Committee, for an initial period of three years, which can then be followed by an additional two further three-year periods. All of the members of the Committee who served during the year were independent Non-Executive Directors.

Where there is no conflict of interest, the Board Chairman, Chief Executive Officer, Chief Financial Officer, the Chief Talent Officer and the Company Secretary may be invited to attend the Committee's meetings to assist the Committee in making informed decisions. To maximise effectiveness, meetings of the Committee generally take place just prior to a Company Board meeting. The Chairman of the Committee reports to the Board, as part of a separate agenda item, on the activity of the Committee and matters of particular relevance to the Board in the conduct of its work. No individual is present when their own remuneration is being discussed. The Chairman of the Committee also meets separately with the Board Chairman, Chief Executive Officer, the Chief Financial Officer, the Chairman of the Audit Committee, the Chief Talent Officer and the Committee's external advisers.

### Advisers

Deloitte were appointed by the Committee in 2020 as Committee Remuneration Advisers following a competitive tender process. During the 2021 financial year, Deloitte fees for material assistance to the Committee were £176,125, with the fees charged on a time spent and materials provided basis. Deloitte did not provide any other services to Hyve during the financial year.

Deloitte are signatories to the Remuneration Consultants' Group Code of Conduct and any advice provided is governed by that Code. Advisers attend Committee meetings as appropriate, and provide advice on remuneration policy, best practice and market updates. The Committee evaluates the support provided by its advisers annually and is comfortable that the individual advisers detailed did not have any connections with the Group or individual Directors that may impair their independence.

### Terms of Reference

The Remuneration Committee's Terms of Reference are available on the Group's website (hyve.group) or can be obtained from the Company Secretary. The Terms of Reference are reviewed annually and presented to the Board for approval.

### The role and responsibilities of the Committee

The Remuneration Committee meets at least three times a year and on other occasions, as required. The Committee has delegated responsibility from the Board to set the Remuneration Policy for all Executive Directors and the Company Chairman. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company. The Company Chairman and the Executive Directors are responsible for setting the remuneration of the Non-Executive Directors.

Committee responsibilities include:

- Determining and agreeing with the Board the policy for the remuneration of the Executive Directors and members of the executive management (including pensions);
- Reviewing the ongoing appropriateness and relevance of the Remuneration Policy;
- Approving the design of, and determining targets for, any performance-related pay schemes operated by the Company and approving the total annual payments made under the schemes;
- Overseeing any major changes in employee benefits structures throughout the Group;
- Measuring subsequent performance as a precursor to determining the Executive Directors' and executive management total remuneration on behalf of the Board;
- Determining the structure and quantum of short-term remuneration, and
- Granting awards under long-term incentive plans and options under the various Hyve Group share schemes.

## Directors' Remuneration report

### Activities during the financial year

The main issues discussed and/or approved during the financial year under review included:

- Approval of the prior year Directors' Remuneration report, review of shareholder comments and AGM voting on the report;
- Annual review of the Company Chairman's and Executive Directors' salaries or fee arrangements and benefits;
- Review of the Executive Directors' and executive management performance against the targets set under the 2021 Annual Bonus Scheme and approval of the corresponding payments;
- Review of the personal objectives of the Chief Executive Officer proposed by the Company Chairman, and of the Chief Finance and Operations Officer as proposed by the Chief Executive Officer;
- Design, shareholder consultation and approval of the new Value Creation Plan (VCP), recently approved by shareholders;
- Review and approval of the Company's new Directors' Remuneration Policy, recently approved by shareholders;
- Approval of the vesting level for PSP awards vesting on performance to 30 September 2021;
- Consideration of shareholder views as part of substantial consultation on the remuneration approach for FY21/22;
- Engaging with the Human Resources function on succession planning and organisational restructuring; and
- Review of the performance targets to be applied for the awards to be made under the PSP to members of the senior leadership team.

### Single figure of remuneration for Directors for the year ended 30 September 2020 (audited information)

The table below sets out a single figure for the total remuneration received by each Director for the year ended 30 September 2021 and the prior year. The Remuneration Policy operated as intended in the year.

	1. Base salary/ fees <sup>1</sup>		2. Benefits <sup>2</sup>		3. Annual bonus <sup>3</sup>		4. Long-term incentives <sup>4</sup>		5. Pension		Total remuneration		Total fixed remuneration		Total variable remuneration	
	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000
<b>Executive Directors</b>																
Mark Shashoua	492	464	1	1	716	-	-	-	49	47	1,258	512	542	512	716	-
John Guiver	295	-	1	-	343	-	-	-	30	-	669	-	326	-	343	-
<b>Former Executive Directors</b>																
Andrew Beach	-	227	-	1	-	-	-	-	-	29	-	307	-	307	-	-
<b>Non-Executive Directors</b>																
Richard Last	179	168	-	-	-	-	-	-	-	-	179	168	179	168	-	-
Sharon Baylay	67	57	-	-	-	-	-	-	-	-	67	57	67	57	-	-
Nicholas Backhouse	61	55	-	-	-	-	-	-	-	-	61	55	61	55	-	-
Stephen Puckett	61	57	-	-	-	-	-	-	-	-	61	57	61	57	-	-

1. See page 91 for further details of Non-Executive Director fees.

2. Taxable benefits include private medical insurance contributions.

3. Annual bonus payable for performance over the relevant financial year. Details are set out on page 55 of the performance targets set and actual performance against them. Consistent with the terms of the Remuneration Policy, Executive Directors will not be required to defer a proportion of their annual bonus payment for FY21 in the usual manner but will instead be able to use this part of the bonus to fund their investment in the VCP shares. Annual bonus awards are subject to recovery and withholding provisions in line with the Company's Remuneration Policy.

4. There was no vesting of long-term incentive awards in relation to the current Executive Directors for performance periods comprising 30 September 2021.

5. John Guiver was appointed to the Board of Chief Finance and Operations Officer on 1 October 2020.

### Executive Directors' base salaries (audited information)

The CEO did not receive a base salary increase in the year ended 30 September 2021. As disclosed in last year's report, the base salary of the CFOO was set at £295,000 on his appointment to the Board on 1 October 2020.

The Executive Directors' salaries which will be paid from 1 October 2021 are set out on page 86.

### Pension and other benefits (audited information)

During the year the Group made pension contributions or payments in lieu of contributions equal to 10% of each Executive Directors' salary.

Pension contributions are aligned with those available to the wider workforce.

## Annual bonus (audited information)

### Framework and outcomes for the financial year ended 30 September 2021

For the 2021 financial year, the Executive Directors participated in the Executive Bonus Plan, designed to reinforce delivery of sustainable profit growth, net debt management, insurance recouls, cost savings and the achievement of strategic objectives. The weightings for the annual bonus were changed for the 2021 financial year to better reflect Hyve's priorities in the year, with 55% based on financial targets and 45% on strategic targets linked to our key objectives of both repositioning the business for the future and taking the right actions during the pandemic. The maximum annual bonus opportunity was 150% of salary for Mark Shashoua and 120% for John Gulliver.

The financial targets set at the start of the year are set out below:

Measure	Weighting	Threshold (£m)	Target (£m)	Maximum (£m)	Achieved (£m)	Outcome
Headline profit before tax	15%	15.0	5.0	7.0	20.8	15%
Adjusted net debt	15%	135.0	125.0	115.0	79.9	15%
Insurance proceeds	10%	30.0	40.0	50.0	65.0	10%
Cost reductions	15%	6.8	7.8	9.0	13.4	15%
<b>Total</b>	<b>55%</b>					<b>55%</b>

The strategic targets and outcomes for both the CEO and CFOO are set out below:

Measure	Weighting	Objective	Outcome	Achievement
Portfolio management	15%	Preparation of non-core assets for sale and portfolio management, in particular the disposal of Kazakhstan and other Board and shareholder approved transactions. Target: sale of Kazakhstan events portfolio, Stretch: sale of Kazakhstan events portfolio and one other identified non-core asset	Successfully completed disposal of Kazakhstan events portfolio in April 2021. Successfully completed disposal of Woodex subsequent to the year end	15%
Omnichannel rollout	15%	Successful rollout of facilitated meetings. Target: hold Autumn Fair facilitated meetings, Stretch: hold Autumn Fair and have developed plans for Bett 2022 and one other	Autumn Fair hosted meeting successfully executed, delivering 334 meetings between 44 buyers and 60 brands board attended. Plans successfully put in place (teams recruited and embedded and products launched) for facilitated meetings for Bett and Spring Fair during 2022	15%
Executive team	15%	Successful restructure of the Senior Leadership team (including SVP Digital Product and Group Head of Tech and Data appointments) and Finance Teams	Restructuring complete with all senior roles successfully in place by end of FY21	12%
<b>Total</b>	<b>45%</b>			<b>42%</b>

### Executive Director overall bonus outcomes

Based on the above, the formulaic outcome for both the CEO and CFOO was 97% as a percentage of maximum. The Committee carefully considered the bonus outcomes for this challenging year of recovery, led strongly by both Executive Directors. The following factors were taken into account:

- Financial performance exceeded the Board's expectations at the start of the year. This included key financial areas under management's control – maximising cost savings and insurance proceeds and a return to headline profitability in a challenging period.
- The Committee considered the workforce and wider stakeholder context. This year Hyve did not benefit from the Coronavirus Job Retention Scheme, with voluntary repayment of monies received and reintroduced bonuses across the wider workforce.
- Strategic achievements – The executive leadership team delivered exceptionally against the strategy set at the beginning of this pivotal year. In particular, management moved with pace to dispose of non-core assets (Kazakhstan and Woodex) and to mitigate losses and cash flow requirements in respect of these assets. Facilitated meetings was another area of 'stand-out' performance. The Autumn Fair was the first in-person event following the outbreak of COVID-19 and saw the successful rollout of facilitated meetings. Implementation plans are squarely on track for further rollout in 2022.

### Directors' Remuneration report

The Committee had consulted with key shareholders during 2020 about the structure of the annual bonus for the 2021 financial year and the importance of ensuring that it was motivational and aligned with the key levers where management could maximise value for shareholders. The Committee considered that management had outperformed against expectations, and were comfortable that the bonus outcome was appropriate.

Mark Shashoua and John Gulliver's final bonus payments for the year ended 30 September 2021 were £15,860 and £343,380 respectively. As set out in the approved Policy, Executive Directors will not be required to defer a proportion of their annual bonus payment for FY21 in the usual manner but will instead be able to use this part of the bonus to fund their investment in the VCP shares.

#### Long-term incentive (audited information)

Mark Shashoua and John Gulliver were recipients of the PSP awards in March 2019 which had a performance period ending on 30 September 2021. Awards were subject to headline earnings per share, TSR and ROCE performance targets.

Headline diluted EPS of 7.3p achieved for the financial year ended 30 September 2021 was below the threshold target of 7.8p required for any portion of the EPS element of the award to vest. With regards to the relative TSR and ROCE elements, Hyve Group's TSR over the performance period was below the median of the comparator group and ROCE was below the threshold target, meaning that no portion of the award vested. Awards to all participants will therefore lapse in full.

#### Scheme interests awarded during the year (audited information)

Under the PSP, Mark Shashoua and John Gulliver received awards of 100% of salary and 80% of salary respectively during the financial year ended 30 September 2021.

As set out in last year's report, the vesting of the awards will be assessed against absolute share price/TSR targets, given the significant challenges with setting three-year EPS growth, ROCE or relative TSR targets at the time. The targets and corresponding vesting levels are set out in the table below. In addition, an underpin test based on progress in development of the Group's digital strategy as well as financial resilience will apply. To mitigate against the potential for windfall gains, the value of vesting will be capped such that participants cannot receive any value from share price growth above a £2.50 share price.

Share price	Percentage of award vesting	Strategic and financial underpin condition
£1.90	100%	Vesting of awards will be subject to the Committee being satisfied that over the performance period
£1.40	80%	<ul style="list-style-type: none"> <li>There has been measurable progress in Hyve's digital and omnichannel strategy</li> </ul>
£1.25	50%	<ul style="list-style-type: none"> <li>Strategic actions have been taken to seek to maximise the preservation of value within the Group</li> </ul>
£1.10	20%	<ul style="list-style-type: none"> <li>Share price performance is underpinned by the Group's financial resilience including cash flow and adjusted net debt</li> </ul>

The Committee also retains discretion to adjust the formula-based vesting outcome having had regard to wider overall Company performance.

To the extent that the awards vest, they will be subject to a two-year holding period. Vested awards will be subject to clawback for the later of one year following the date of vesting or completion of the next audit of the Group's accounts in the event of a fraud or material misstatement of results being identified in relation to the years in which the PSP is earned.

Data of awards granted on 4 December 2020 are set out below.

Executive Director	Basis of award	Face value <sup>1</sup>	Shares over which awards granted <sup>2</sup>	Threshold vesting (% of award)	Performance period	Performance measure
Mark Shashoua	100% of base salary	£492,000	461,668	20%	1 October 2020 to 30 September 2023, inclusive	100% share price/TSR with performance underpin
John Gulliver	80% of base salary	£236,000	221,450	20%	1 October 2020 to 30 September 2023, inclusive	100% share price/TSR with performance underpin

<sup>1</sup> Fully loaded salary including pension and other benefits. Actual remuneration may vary depending on the date of grant and vesting.

<sup>2</sup> Awards are subject to a clawback provision which allows the company to recover the award if the award is not earned.

### Chairman and Non-Executive Director fees (not subject to audit)

Fees for the Chairman and other Non-Executive Directors are set taking into consideration the responsibilities of the roles and their participation in the various Committees of the Company. Non-Executive Directors are not eligible to participate in annual bonus, LTH and retirement benefit arrangements.

The appropriateness of fees is reviewed on an annual basis. Fees have not increased in the year.

The fees for Non-Executive Directors for the year ended 30 September 2021 are as follows.

Role	FY21 fee
Chairman	£178,500
Non-Executive Directors Base Fee	£50,725
Senior Independent Director additional fee	£7,500
Committee Chair additional fee	£10,000

### Payments for loss of office (audited information)

There have been no payments for loss of office in the year.

### Relative importance of spend on pay (not subject to audit)

The graph below shows the Group's total employee pay and distributions to shareholders for the financial years ended 30 September 2020 and 30 September 2021, and the percentage change.



### Chief Executive Officer pay ratio (not subject to audit)

The table below compares the Chief Executive Officer's single figure of total remuneration for the year to the equivalent remuneration of the upper quartile, median and lower quartile UK employees.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2021	Option C	34:1	25:1	17:1
2020	Option C	17:1	14:1	7:1

To aid year-on-year comparison, the Group has chosen to use Option C as this option enabled the use of readily available data that was current to Hyve's year end. The three representative individuals chosen were selected based on their gross pay in September 2021.

The salary and total remuneration received during 2021 by the employees used in the above analysis are set out below.

	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
Salary 2021	£32,000	£45,000	£64,095
Total remuneration 2021	£37,952	£50,847	£75,485
Salary 2020	£29,130	£29,941	£64,600
Total remuneration 2020	£30,441	£36,294	£70,748

Notes on the calculation:

1. The CEO's single figure of remuneration shown on page 85 was used in the calculation.
2. The figures for both the CEO and the employee at the 25th percentile include annual bonus payments in respect of the year ended 30 September 2021.
3. The total remuneration for the three individuals shown above was calculated on the same basis, save for the exclusion of benefits for practical purposes. This is not considered to materially impact the results.
4. As detailed earlier in the report, no long-term incentives vested. The individuals identified at the median and 75th percentile received sales commission in the year and this is included in the calculation.
5. To ensure that the individuals identified at the three quartiles are representative of the UK workforce, the total pay and benefits for a small number of employees centred around each quartile were also considered to confirm there were no anomalies. The individuals identified were deemed appropriately representative.

Our average workforce remuneration has increased this year reflecting, in comparison with 2020, that annual bonuses have been paid to our staff. The upwards trend in the CEO pay ratio reflects the very significant decrease in Executive Director pay in 2020 arising as a result of salary cuts and no incentive payouts for Executive Directors. This had a more significant impact on the pay of Executive Directors, reflecting Hyve's approach of increasing the portion of the package that is at risk for more senior individuals.

On this basis, the pay ratio demonstrates consistency with the pay, reward and progression policies for the Company's UK employees taken as a whole.

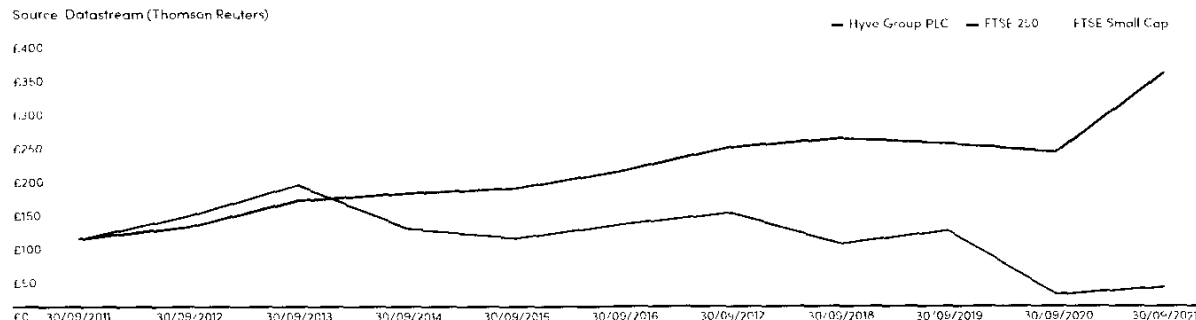
## Directors' Remuneration report

### Performance graph (not subject to audit)

The chart below compares the value of £100 invested in Hyve Group plc shares, including reinvested dividends, on 30 September 2011 compared with the equivalent investment in the FTSE 250 Index and FTSE Small Cap Index, over the last 10 financial years. The FTSE 250 and FTSE Small Cap Index have been chosen as the Company has been a constituent of both indices during the period since 2008. The table below shows the single figure for the CEO over the same period.

### Total shareholder return

Source: Datastream (Thomson Reuters)



Financial year ended 30 September	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Russell Taylor / Mark Shashoua #	-	-	-	-	-	#	#	#	#	#
CEO single figure of remuneration (£000)	1,558	1,951	1,050	567	618	1,035	1,191	823	512	1,258
Annual bonus awarded	% of maximum opportunity	80%	94%	68%	16%	27%	79.9%	97.8%	41.7%	0%
	£ amount (£000)	332	402	298	72	122	539	680	298	0
PSP vesting	% of maximum opportunity	100%	100%	70%	0%	0%	0%	0%	0%	0%
	£ amount (£000)	774	1,080	277	0	0	0	0	0	0

### Change in Directors' remuneration and for employees as a whole over FY2021 (not subject to audit)

The CEO and other Directors have service agreements with Hyve Group plc, the parent company. The parent company has no other employees.

The table below shows the change in the Directors' annual cash, defined as salary, taxable benefits and annual bonus, compared with the average employee for 2020 to 2021.

Year-on-year change in pay for Directors compared with the global average employee																					
Executive Directors									Non-Executive Directors												
Mark Sheshoua			John Gulliver			Richard Last			Stephen Puckett			Sharon Baylay			Nicholas Backhouse			Average employee			
2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	
Base salary																					
SG only																					
fees	6%	+3%	3%	100%	-	-	7%	+3%	62%	7%	+7%	13%	18%	0%	6%	11%	175%	100%	4%	+12%	28%
benefits	-	1%	-	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-13%	30%	+8%
Bonus	100%	100%	+56%	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%	+65%	52%

\* The change in salary, fees and bonus for Non-Executive Directors is the average of the change in salary, fees and bonus for all Non-Executive Directors. There were no Non-Executive Directors in 2019.

\* The change in salary and bonus for the global average employee is the average of the change in salary and bonus for all global employees. The global average salary and bonus for 2020 is £42,000 and for 2021 is £42,000.

## Payments to past directors

As detailed in last year's report, Andrew Beach ceased to be an Executive Director of the Company on 30 September 2020. No further payments for loss of office were made beyond those disclosed in the 2020 Annual Report.

In line with the rules of the relevant plans and the Company's Remuneration Policy, the Committee exercised its discretion to allow Andrew Beach's unvested PSP share awards over 98,063 and 9,725 shares granted in 2019 and 2020 respectively to vest at the end of their respective performance periods subject to applicable performance conditions being satisfied, and subject to time pro rata to reflect Andrew Beach's actual service during the applicable performance period. Andrew Beach also retains 31,696 and 8,225 outstanding shares awarded through the Deferred Bonus Share Plan in respect of the years ended 30 September 2018 and 30 September 2019. 12,963 shares awarded through the Deferred Bonus Share Plan in respect of the year ended 30 September 2017 vested during the year ended 30 September 2021.

## Dilution limits (not subject to audit)

The Group has at all times complied with the dilution limits set out in the rules of its share plans (principally a limit of 10% in 10 years), including the newly approved VCP. The Company is currently well within these dilution limits. Shares to satisfy awards granted under the PSP which are normally purchased in the market do not count towards the dilution limits.

## Directors' shareholding guidelines and share scheme interests (audited information)

During the year, the Executive Directors were required to retain shares of a value equal to 25% of the gain made after tax, on the vesting of awards under the Plans, until they have built up their minimum shareholding of at least 200% of annual base salary. Under the new Policy, on leaving employment, Executive Directors will be expected to maintain the lower of 100% of their minimum shareholding requirement or their actual shareholding at the time of departure for 12 months from their termination date.

The table below shows the Directors' interests in shares owned outright and/or vested, and the extent to which the Group's shareholding guidelines are met. Mark Shashoua, John Gulliver and Richard Last participated in the recent placing exercise on 18 November 2021, resulting in their shareholdings increasing to 670,825, 205,163 and 62,848 respectively.

	Number of unvested shares subject to Performance conditions	Number of shares held under the Deferred Bonus Share Plan	Number of shares held as at 30 September 2021 <sup>1</sup>	Number of shares held as at 30 September 2020	Shareholding guideline (as % of salary/fees)	Guideline met
Mark Shashoua	1,167,682	85,215	<b>637,594</b>	609,277	200%	Yes <sup>2</sup> 75%
John Gulliver	390,231	–	<b>59,735</b>	52,000	200%	No <sup>3</sup> 12%
Richard Last	–	–	<b>195,000</b>	195,000	n/a	n/a
Nicholas Backhouse	–	–	<b>16,250</b>	16,250	n/a	n/a
Sharon Bayley	–	–	<b>9,205</b>	9,205	n/a	n/a
Stephen Puckett	–	–	<b>8,937</b>	8,937	n/a	n/a

1. PSP awards are granted as nominal cost options.

2. Deferred Bonus share awards in respect of the years ended 30 September 2018 and 2019 for Mark Shashoua: 28,318 shares in respect of the award for the year ended 30 September 2017 vested during the year.

3. Current shareholding includes net shares owned outright and/or vested and shares held by family interests. On 26 May 2020, the Company undertook a share consolidation under which shareholders received consolidated ordinary shares in the ratio of one consolidated ordinary share in substitution for every 10 existing ordinary shares. Each Director took up in full his or her rights available under the rights issue which completed on 12 June 2020.

4. Mark Shashoua had invested a significant amount in the Company prior to the pre-dominant impact on the share price and the share consolidation and later took his issue and exercised the shareholding guideline at that time. Consequently, in the Committee's opinion he is considered to continue to meet the shareholding guidelines.

5. John Gulliver was newly appointed to the Board on 1 October 2020 and as a result is permitted to build up his shareholding requirement over time.

## Directors' Remuneration report

### Directors' interests in Performance Share Plans (audited information)

Details of outstanding PSP awards are as follows. The performance targets are summarised below the table.

Director/Scheme	1 Oct 2020	Granted during the year	Option price (£)	Exercised during the year	Lapsed	Market price at exercise date (£)	30 Sep 2021	Date of grant	Share price on date of grant (p)	Exercisable from	Exercisable to	Gain on exercise £000
<b>Mark Shashoua</b>												
2014 Employees' Performance Share Plan	73,049	-	0.01	-	(73,049)	-	-	04/12/2017	£6.34	04/12/2020	04/12/2027	-
2014 Employees' Performance Share Plan	624,912	-	0.01	-	-	-	<b>624,912</b>	14/03/2019	£3.82	14/03/2022	14/03/2029	-
2014 Employees' Performance Share Plan	81,102	-	0.01	-	-	-	<b>81,102</b>	23/01/2020	£6.07	23/01/2023	23/01/2030	-
2014 Employees' Performance Share Plan	-	461,668	0.10	-	-	-	<b>461,668</b>	04/12/2020	£1.24	04/12/2023	04/12/2030	-
<b>Total</b>	<b>779,063</b>	<b>461,668</b>	-	-	<b>(73,049)</b>	-	<b>1,167,682</b>					
<b>John Gulliver</b>												
2014 Employees' Performance Share Plan	134,824	-	0.01	-	-	-	<b>134,824</b>	14/03/2019	£3.82	14/03/2022	14/03/2029	-
2014 Employees' Performance Share Plan	33,957	-	0.01	-	-	-	<b>33,957</b>	23/01/2020	£6.07	23/01/2023	23/01/2030	-
2014 Employees' Performance Share Plan	-	221,450	0.10	-	-	-	<b>221,450</b>	04/12/2020	£1.24	04/12/2023	04/12/2030	-
<b>Total</b>	<b>168,781</b>	<b>221,450</b>	-	-	-	-	<b>390,231</b>					

1. The performance conditions applying to the award granted on 4 December 2020 are detailed on page 90.

2. The performance conditions applying to the awards granted in prior years are set out in the Directors' Remuneration Report for the respective year.

3. The performance conditions for the award granted on 4 December 2018 were tested after the year end. As set out on page 90 above, the threshold performance target<sup>1</sup> were not met and, as a result, this award lapsed in full.

For all the awards, both the number of shares included in the above tables and the share price at grant have been adjusted following the share consolidation and 2020 rights issue using the standard TERP adjustment to maintain the value of the award, on a theoretical basis, through the 2020 rights issue. The awards granted in 2017 had previously been adjusted in a similar manner for the 2018 rights issue. The TERP formula as approved by HMRC and applied to both executive and non-executive share awards.

### Service contracts (not subject to audit)

In line with Provision 18 of the 2018 UK Corporate Governance Code, all Directors are subject to re-election annually at the Company's AGM. The Chairman has a six-month notice period and the Non-Executive Directors have a one-month notice period. Each Non-executive Director is engaged on the basis of a letter of appointment which are available to view at the Group's registered office and at the AGM.

The effective dates of their letters of appointment are as follows:

Director	Date of letter of appointment	Notice period
Richard Last	12 February 2018	6 months
Stephen Puckett	16 May 2013	1 month
Sharon Bayliss	24 March 2014	1 month
Nicholas Backhouse	11 May 2019	1 month

Executive Director service contracts have a fixed term and have a notice period of up to 12 months from either the executive Director or the Group.

The Executive Director service contracts are available to view at the Group's registered office and at the AGM. The dates of the executive Director service contracts and their event notice period are as follows:

Director	Effective date of contract	Notice period
Mark Shashoua	1 September 2016	12 months
John Gulliver	1 October 2020	6 months



### Statement of shareholder voting at the AGM (not subject to audit)

The following table shows the voting outcome of the latest Directors' Remuneration Policy and Annual Report on Remuneration resolutions presented to shareholders.

Resolution	Votes for	Votes for (%)	Votes against	Votes against (%)	Votes withheld or (abstentions)
Annual Remuneration Report (2021 AGM)	154,382,709	93.5%	10,740,825	6.5%	1,919,050
Directors' Remuneration Policy (2021 GM)	156,407,562	75.2%	51,565,240	24.8%	37,382

The Remuneration Policy was presented to shareholders following a significant level of shareholder engagement, with c. 60% of our shareholder base. During shareholder consultation with our largest shareholders there was strong support for the overall rationale and approach. However, the Committee also recognised that, given our diverse shareholder base, together with the nature of the proposals, a significant number of shareholders did not feel able to support our approach to remuneration. The Committee will be engaging with shareholders who were unsupportive to further understand their concerns and perspective. As the General Meeting was held in October, this process of engagement is still in progress, and details of the outcome of this will be disclosed in next year's Directors' Remuneration report.

### UK Corporate Governance Code: Provision 40 (not subject to audit)

The Committee considers that the current Remuneration Policy and its implementation during the year appropriately addresses the following principles, as set out in the UK Corporate Governance Code.

Principle	How the Committee has addressed this
<b>Clarity</b>	In line with our commitment to transparency and engagement with shareholders on executive remuneration, the Remuneration Committee Chair has engaged extensively with our shareholders throughout the year, particularly with regard to the VCP. Details are provided on page 99.
<b>Simplicity</b>	In determining the remuneration framework, the Committee was mindful of avoiding complexity and ensuring that arrangements are easy to understand for stakeholders. Our remuneration arrangements are simple in nature and well understood by participants and shareholders.  The new VCP encourages a simple focus on long-term shareholder value creation.
<b>Risk</b>	The Committee believes that the structure of remuneration arrangements does not encourage inappropriate risk taking.  The remuneration framework has a number of features which align remuneration outcomes with risk, including the deferral of bonus into shares, the holding period on PSP and VCP awards, and personal shareholding requirements. These features ensure that Executive Directors are incentivised to deliver the Group's strategic ambitions within the Group's risk appetite.  Malus and clawback provisions apply to the annual bonus and VCP as well as any in-flight PSP awards.
<b>Predictability</b>	The Remuneration Policy contains illustrations of threshold, target and maximum opportunity under the annual bonus and VCP. Actual outcomes are dependent on performance achieved against predetermined targets.  For the 2021 PSP, the value of vesting will be capped such that participants cannot receive any share price growth above a £2.50 share price.  For the new VCP, the starting point at which the market cap hurdle begins to calculate value creation is set at £1.30 which is c. £0.22 above the actual share price on the date of award. In addition, there is a cap on the number of shares that can be delivered under the VCP.
<b>Proportionality</b>	The Remuneration Policy is designed such that Executive Directors are not rewarded for poor performance. Performance conditions attached to the annual bonus and VCP require a minimum level of performance to be achieved before any payouts are achieved.  The Committee has discretion to adjust both annual bonus and VCP outcomes when they are not considered to appropriately reflect the underlying performance of the individual or the Group.  The Committee is mindful of alignment with the workforce when making decisions about executive pay, and periodically receives reports on the employees' views on the Company's remuneration structure.
<b>Alignment with culture</b>	The performance measures that are used for the annual bonus are closely aligned with the Company's purpose, values and strategy. For 2022, the annual bonus framework has been aligned with the short-term strategic goals of the Company. The VCP focuses participants on Hyve's ambitious growth strategy and long-term value creation for shareholders.

## Directors' Remuneration report

### Remuneration Policy

The 2021 Directors' Remuneration Policy (the Policy) was approved at the 27 October 2021 General Meeting and took effect from that date. The Remuneration Policy applies to payments made after that date.

The letters from the Chairman and Chair of the Remuneration Committee in the October 2021 Notice of General meeting, set out the rationale and decision making process for the proposal of the new Policy fundamentally continues our existing policy principles, which are to ensure that the compensation offered is competitive, aligns Executive Directors' interests with those of the shareholders, and attracts, retains and motivates Executive Directors with the ability and experience to deliver the Group's strategy and grow the business. The link between pay and performance under the new Policy is intended to be simple and easy to understand.

The key changes under the Policy relate to the introduction of the Value Creation Plan (VCP).

The VCP is simple in concept, as it allows management to share in a portion of the value created for shareholders above a specified hurdle growth rate. Following the grant of VCP awards, it is intended that no further awards will be made to the current Executive Directors under the Performance Share Plan structure during the life of this Policy.

The other key change is that the Policy has been amended to introduce a post-employment shareholding policy to reflect the 2016 UK Corporate Governance Code.

### Process for developing the Policy

The Policy was developed over the course of 2021. In line with the commitment made in last year's Directors' Remuneration Report, the Committee gave extensive consideration to the appropriate long-term incentive framework to cover the next three-year period, placing a particular focus on alignment with the new strategy and Hyve's bold ambitions for growth and value creation for our shareholders. This included a detailed review of alternative designs seen in the market and consideration of how each of these would align with Hyve's business and strategic objectives. Input was received from the Chairman, management and the independent advisers to the Committee, while ensuring that conflicts of interest were suitably mitigated. As highlighted during the Policy review, the Chair of the Remuneration Committee engaged in extensive consultation with our largest shareholders, and changes were made to the proposals at multiple points during the design process as a direct response to shareholder feedback.

### Directors' Remuneration Policy table

The following table summarises the key features of each element of the Policy, their purpose and link to strategy.

Full details of the application of the Policy for FY22 are disclosed on page 86.

This table also applies to any other individual who is required to be treated as an Executive Director under the applicable regulations.

Element	Purpose and link to strategy	Operation	Opportunity	Performance metrics
Base salary	Set at competitive levels in the markets in which the Group operates, to attract and retain executives capable of delivering the Group strategy.	<p>Typically reviewed annually with changes normally effective from 1 October of each year.</p> <p>Salaries will be set by the Committee, considering:</p> <ul style="list-style-type: none"> <li>• Scope of the role and the markets in which the Group operates;</li> <li>• Performance and experience of the individual;</li> <li>• Pay levels at organisations of a similar size and complexity; and</li> <li>• Pay and conditions elsewhere in the Group.</li> </ul>	<p>There is no overall maximum opportunity or increase.</p> <p>Salaries may be increased each year (in percentage of salary terms) in line with increases granted to the wider workforce.</p> <p>Increases beyond those granted to the wider workforce (in percentage of salary terms) may be awarded in certain circumstances, including but not limited to where there is a change in responsibility, experience or a significant increase in the scope of the role and/or size, value or complexity of the Group.</p> <p>The Committee retains the flexibility to set the salary of a new hire at a discount to the market level initially, and to implement a series of planned increases in subsequent years to bring the salary to the desired positioning, subject to the individual's performance.</p>	Not applicable, though individual performance will be considered when reviewing base salary levels.

Element	Purpose and link to strategy	Operation	Opportunity	Performance metrics
<i>Benefits</i>	Designed to be competitive in the market in which the individual is employed and to support the well-being of employees	<p>Benefits include life insurance, private medical insurance and income protection insurance.</p> <p>Where appropriate, other benefits may be offered, including, but not limited to, allowances for car, accommodation, relocation, other expatriate benefits (including tax thereon) and participation in all-employee share schemes (in accordance with limits set by HMRC and/or the parameters of any other applicable legislation).</p> <p>Benefits vary by role and individual circumstance and eligibility is reviewed periodically.</p>	<p>There is no prescribed maximum. The value of benefits may vary from year to year depending on the cost to the Company from third-party providers.</p>	Not applicable
<i>Retirement benefits</i>	To provide cost-effective retirement benefits as part of a competitive package, to aid attraction and retention of high-calibre executives	Participation in defined contribution plan or cash in lieu	<p>The current level of Group contribution is 10% of base salary, which is in line with the UK workforce rate.</p> <p>The maximum percentage may not exceed the workforce rate. The Committee has discretion to consider the relevant workforce rate, including consideration of the relevant global jurisdiction.</p>	Not applicable

## Directors' Remuneration report

Element	Purpose and link to strategy	Operation	Opportunity	Performance metrics
<i>Annual performance bonus</i>	Designed to reinforce individual performance and incentivise year-on-year delivery of sustainable financial performance and strategic objectives.	<p>Awards are based on performance measured over the financial year.</p> <p>Executives are normally required to defer one-third of any bonus paid into shares for three years, with the balance paid in cash. Deferred shares typically vest subject to continued employment.</p> <p>Under the VCP structure management will make a significant upfront investment in the growth shares. For FY22 only, participants will be able to fund this investment from the element of the FY21 bonus which is normally deferred into Hyve plc shares.</p> <p>Dividend equivalent payments may be made on deferred shares at the time of vesting and may assume the reinvestment of dividends.</p> <p>Payments made under the annual bonus are subject to recovery and withholding provisions. Further detail is provided in the notes below.</p>	<p>Maximum potential opportunity of up to 150% base salary.</p> <p>For the current Executive Directors, maximum bonus opportunity levels are</p> <ul style="list-style-type: none"> <li>• 150% of salary (CEO); and</li> <li>• 120% of salary (CFO)</li> </ul>	<p>Bonus will be predominantly based on a range of financial targets (for example, revenue growth, cash conversion and profit). For a minority of the bonus, targets may relate to the Group's other operational and strategic priorities (which may include individual targets).</p> <p>The Committee sets the weightings of the respective metrics on an annual basis.</p> <p>Performance is measured over the financial year.</p> <p>For financial targets, and where practicable strategic targets, bonus starts to accrue once the threshold target is met, rising on a graduated scale to 100% for out-performance.</p> <p>The payment for threshold performance may be adjusted to reflect the nature of the target set.</p> <p>The Committee has discretion to adjust formulaic outcomes, "if it believes it better reflects overall Company or individual performance (either financial or non-financial), in the year. While this can be both upwards and downwards (including to zero), the bonus may not exceed the maximum levels detailed in the Policy table.</p>

Element	Purpose and link to strategy	Operation	Opportunity	Performance metrics
<i>Value Creation Plan</i>	To attract, retain and incentivise Executive Directors. This is a new plan designed to align the interests of Executive Directors and shareholders, by incentivising the delivery of substantial and sustained shareholder return over the long term.	<p>Grant of one-off awards to cover a five-year performance period</p> <p>The award gives Executive Directors the opportunity to share in the total value created for shareholders above a two-tier hurdle measured at years three, four and five</p> <p>The hurdle levels are:</p> <ul style="list-style-type: none"> <li>• 10% growth per annum: 10% VCP pool, and</li> <li>• 15% growth per annum: 20% VCP pool.</li> </ul> <p>Executive Directors may choose to receive their share awards by acquiring subsidiary growth shares at the time that they are invited to join the VCP</p> <p>50% of cumulative VCP value will vest in year three and year four (less anything paid in year three), with 100% of cumulative VCP value vesting following year five (less anything paid in years three and four).</p> <p>Any VCP value will be delivered in Company shares that will be subject to a two-year holding period</p> <p>If the minimum growth hurdle of 10% per annum has not been achieved in years three or four, no value will be paid at that time, but value may be delivered in year five provided the hurdle has been met</p> <p>No dividends or dividend equivalents will be paid prior to vesting, but adjustments may be made in the event of a special dividend or similar capital return</p>	<p>The maximum number of Company shares that may be delivered under the VCP is subject to a limit of 7% of the issued share capital on the date of the Plan's adoption</p> <p>For the Executive Directors, the following maximum VCP value limits apply:</p> <ul style="list-style-type: none"> <li>• CEO: 35% of the VCP pool; and</li> <li>• Other current Executive Directors: 19% of VCP pool</li> </ul> <p>For the Executive Directors, the maximum number of shares which may vest under the VCP is as follows:</p> <ul style="list-style-type: none"> <li>• CEO: 6,495,638 shares, and</li> <li>• Other current Executive Directors: 3,526,203 shares</li> </ul> <p>In the event of a new Executive Director hire, the level of VCP value that may be delivered will be considered at that time but will in no event exceed the maximum limit in respect of the CEO</p> <p>It is not intended that any further long-term incentive awards outside of the VCP will be made to existing Executive Directors under this Policy.</p>	<p>Minimum growth hurdle of 10% per annum. Upper growth hurdle of 15% per annum</p> <p>The starting share price for the beginning of the VCP performance period will be the higher of the three-month average up to 30 September 2021 and £1.30</p> <p>The share price used on each vesting date in years three, four and five will normally be based on a three-month average to the end of the relevant financial year</p> <p>The Remuneration Committee may reduce the level of value delivered under the VCP if it determines that the formulaic vesting level would not reflect the underlying financial or non-financial performance of the Company or the participant or such other factors as it may consider appropriate.</p>

## Directors' Remuneration report

Element	Purpose and link to strategy	Operation	Opportunity	Performance metrics
<i>Performance Share Plan</i>	To ensure that the Executive Directors' interests are aligned with those of shareholders through providing share-based awards linked to sustained improvements in long-term targeted performance metrics	Following shareholder approval of the VCP and awards subsequently made under this Plan to existing Executive Directors, no further PSP awards will be made to existing Executive Directors over the life of the Policy  PSP awards granted under a previous remuneration policy will continue to operate under the terms of that policy and relevant pension rules	As set out in our previous remuneration policy	As set out in our previous remuneration policy
<i>Non-Executive Directors' fees</i>	To reflect the time commitment in preparing for and attending meetings, the duties and responsibilities of the role, and the contribution expected from the Non-Executive Directors	Annual fee for Non-Executive Chairman  Annual base fee for Non-Executive Directors  Additional fees are paid to the Senior Independent Director and Chair of the Audit, Remuneration, Risk and ESG Committees to reflect additional responsibilities  Additional fees may be payable for other additional responsibilities  Fees are reviewed annually, taking into account: <ul style="list-style-type: none"> <li>• Time commitment,</li> <li>• Responsibilities and</li> <li>• Fees paid by comparable companies</li> </ul> All Non-Executive Directors are reimbursed for travel and expenses reasonably incurred in performing their duties such that they are no worse off on a post-tax basis	There is no prescribed maximum Non-Executive Director fee increases are applied in line with the outcome of periodic reviews and considering wider factors – for example inflation	Not applicable

## Notes to the Remuneration Policy table

### Performance measure selection and approach to target setting

Performance targets are set at such a level as to be stretching and achievable, with regard to the particular strategic priorities and economic environment.

The following sets out the performance measures for annual bonus and Value Creation Plan awards in FY22, as well as the business performance and the behaviours that they drive.

Component	Performance measure	Link to strategy
Annual bonus	A mixture of financial and strategic measures determined each year by the Committee	Set in line with the Group's KPIs and key financial and strategic priorities for the Company. The use of financial metrics (which could include revenue, profitability and/or cash) ensures executives are focused on maintaining the ongoing financial health of the business. Strategic objectives may be included where appropriate to ensure delivery of key business milestones.
Value Creation Plan	Market capitalisation growth.	Provides alignment with shareholders on the achievement of the Group's long-term growth ambition. Management will only succeed in significantly increasing the share price if strong financial performance and key strategic milestones are delivered.

The Committee may vary or rebalance the weighting of the performance metrics for future incentive awards to ensure that they remain aligned with the Company's strategic objectives. The Committee may also adjust the targets for awards or the calculation of performance measures and vesting outcomes for events not foreseen at the time the targets were set (e.g. material M&A activity) to ensure that they remain a fair reflection of performance over the relevant period. When making such judgements, the Committee may consider all such factors deemed relevant.

### Clawback, malus and discretion

**Clawback** is the recovery of payments made under the annual bonus or vested deferred bonus, PSP and VCP awards. The Committee may decide to apply clawback for up to one year from the payment of bonus awards (or the completion of the next audit of Group accounts, if later), and up to two years from the vesting of PSP awards. For the VCP awards, clawback may apply up to the end of the holding period for each tranche of the award.

Clawback may apply to all or part of a participant's payment or award and may be invoked, among other means, by reducing outstanding awards or requiring the return of the net value of vested awards to the Group.

**Malus** is the adjustment of unpaid annual bonus, unvested deferred bonus awards, unvested PSP awards or unvested VCP shares. The Committee may apply malus to reduce an award or determine that it will not vest or that it will only vest in part.

In respect of the VCP, malus and clawback may be invoked by the Committee in the event of the following circumstances:

- A material misstatement of results;
- Error in assessing the VCP Pool and/or the Performance Condition;
- Material failure of risk management, fraud or material financial irregularity;

- Serious reputational damage;
- Serious misconduct or material error on the part of the participant;
- Material corporate failure; or
- Any other circumstances which the Directors, in their discretion, consider to be similar in their nature or effect to those set out above.

In respect of all other incentive plans, malus and clawback may be invoked by the Committee in the event of a fraud or material misstatement of results being identified in relation to the year in which the bonus or incentive was earned.

Discretion can be exercised by the Committee, in line with the 2018 UK Corporate Governance Code, to adjust incentive outcomes to ensure that they remain reflective of underlying financial and non-financial performance of participants or the Group or where the formulaic outcome is not appropriate in the context of circumstances that were unexpected or unforeseen when the targets were set.

Subject to shareholder approval of the VCP, the Committee will have the ability to reduce the level of value delivered under the VCP in the event that business performance is not deemed to be aligned to the outcome of the VCP. The Committee may use its discretion to reduce the VCP vesting level if it considers that this does not reflect the underlying financial or non-financial performance of the Group or the participant over the performance period, if the vesting level is inappropriate in the context of circumstances that were unexpected or unforeseen at the grant date, or there exists any other reason why an adjustment is appropriate.

## Directors' Remuneration report

### Detailed provisions

All share awards are subject to the terms of the relevant plan rules, and, where relevant, articles of Articles of Association, under which the award has been granted. The Committee may adjust or amend awards only in accordance with the provisions of the relevant plan rules or Articles. This includes adjusting awards to reflect one-off corporate events such as a change in the Company's capital structure (e.g. a rights issue or a demerger). In accordance with the plan rules, awards may be settled in cash rather than shares, where the Committee considers this appropriate (e.g. exchange control impact on overseas participants).

The Remuneration Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above, where the terms of the payment were agreed either: (i) before the 2019 AGM (the date the Company's previous shareholder-approved Directors' Remuneration Policy came into effect); (ii) during the term of, and was consistent with, any previous policy; or (iii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Remuneration Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes 'payments' includes the Remuneration Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' at the time the award is granted.

The Committee may make minor amendments to the Remuneration Policy to aid its operation or implementation without seeking shareholder approvals (e.g. for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation).

### Remuneration Policy for new Executive Directors

When appointing a new Executive Director, including by way of internal promotion, the Company may make use of all the existing components of remuneration as follows:

Component	Approach
<b>Base salary</b>	Determined in line with the stated Policy and considering their previous salary. Initial salaries may be set below market and consideration given to phase any increases over two or three years subject to development in the role. Above market salaries may also be offered if the experience and calibre of the candidate is considered to justify such an approach being taken by the Committee.
<b>Benefits and retirements benefits</b>	In line with the stated Policy. For some candidates, this may include relocation costs, if applicable.
<b>Annual bonus</b>	In line with the stated Policy with the relevant maximum pro rata to reflect the proportion of the year served. Tailored bonus targets may apply in the year of appointment to a new Executive Director (e.g. if the appointment took place towards the end of a financial year).
<b>Long-term share awards</b>	Where individuals participate in the VCP, participation will be in line with the stated Policy subject to suitable performance criteria in line with the Rules and the principles of the Plan. In exceptional circumstances, the Committee may elect to not grant an interest in the VCP to a new executive appointment, but instead grant an award under the PSP up to a maximum of 200% of salary (consistent with the limit under the previous Policy). Individuals would not be expected to be granted awards under both the VCP and PSP during the life of this Policy.

### Differences in Remuneration Policy operated for other employees

The approach to annual salary reviews is consistent across the Group. All employees are eligible to participate in an annual bonus scheme or a commission-based incentive package. Opportunities and specific performance conditions vary by organisational level within the Group, with business area specific and personal metrics incorporated where appropriate.

Members of senior management and other key employees are eligible for consideration of awards under either the VCP or the PSP to further support alignment with shareholder interests.

### Executive Director shareholding guidelines

The importance of aligning the interests of Executive Directors and shareholders is hugely important and, as such, Executive Directors are expected to build a significant shareholding in the Group over time. Executive Directors are normally required to retain shares of a value equal to at least 25% of any gain made after tax on the vesting of awards under the plans, until they have built up a minimum shareholding of a value equivalent to at least 200% of annual base salary.

On leaving employment, Executive Directors will be expected to maintain at least 100% of their minimum shareholding requirement, for 12 months from their termination date. If the leaver has not yet met their shareholding requirement on departure, they will be required to retain the shares they do own up to these limits. This requirement can be waived in certain exceptional personal circumstances (e.g. death, disability, ill health).

These post-employment shareholding guidelines will apply to any shares delivered through the vesting of share awards made after this Remuneration Policy comes into effect.



When determining appropriate levels of remuneration for a new Executive Director, the Committee will take into consideration all relevant factors (including quantum, nature of remuneration and the jurisdiction from which the candidate was recruited) to ensure that arrangements are in the best interests of both the Group and its shareholders.

The Committee may consider it appropriate to grant an award under a structure not included in the Policy, to 'buy out' remuneration arrangements forfeited on joining the Company. Existing plans (including the PSP) may be used in respect of buy-out awards on recruitment. The Committee may also exercise the discretion available under Listing Rule 9.4.2R where necessary.

Any such buy-out would be provided for considering the form (cash or shares), timing and performance conditions of the remuneration being forfeited, with vesting on a comparable basis to the likely vesting of the previous employer's award. Any 'buy out' award would be excluded from the maximum value of incentives referred to above. In cases of appointing a new Executive Director by way of internal promotion, the Group will honour any contractual commitments made prior to their promotion as Executive Director. Any incentive awards granted in respect of the prior role would be allowed to vest according to their original terms.

In cases of appointing a new Non-Executive Director, the approach will be consistent with the Policy.

#### **Relocation and expatriate packages**

There may be occasion when hiring a new Executive Director that a relocation package is awarded, where the individual or the individual's immediate family relocate either on a temporary or permanent basis to fulfil their role in the best interests of the Group and its shareholders. In such instances, the Committee retains the right to compensate for reasonable and appropriate relocation expenses.

#### **Service contracts and letters of appointment**

In line with the Provision 18 of the 2018 UK Corporate Governance Code, all Directors are subject to re-election annually at the Company's AGM. The Chairman has a notice period of up to six months and the Non-Executive Directors have a one-month notice period. Each Non-Executive Director is engaged based on a letter of appointment, which are available to view at the Group's registered office and at the AGM.

Executive Director service contracts have no fixed term and have a notice period of up to 12 months. The current CEO has a notice period of 12 months, and the current CFO has a notice period of six months (in respect of notice from either the Executive Director or the Group). The Executive Director service contracts are available to view at the Group's registered office and at the AGM.

#### **Exit payment policy**

The Committee's policy is to seek to limit severance payments on termination to pre-established contractual arrangements and the rules of the relevant incentive plans. In doing so, the Committee's objective is to avoid rewarding poor performance. Furthermore, the Committee will take account of the Executive Director's duty to mitigate their loss.

Termination payments are limited to base salary, benefits and pension during the notice period and the Company may elect to put Executive Directors on gardening leave during their notice period and/or make a payment in lieu of notice and contractual benefits. If an Executive Director's contract is terminated, they may be eligible for a pro-rata bonus over the period to the date of cessation of employment, subject to performance.

An Executive Director's service contract may be terminated with immediate effect for certain events such as gross misconduct. No payment or compensation beyond sums accrued up to the date of termination will be made if such an event occurs.

## Directors' Remuneration report

In addition to the contractual provisions regarding payment on termination set out above, the Group's incentive plans, and share schemes contain provisions for termination of employment, which are summarised in the table below.

Component	Bad leaver	Good leaver	Change of control
<b>Annual bonus</b>	No annual bonus payable	Eligible for an award to the extent that performance conditions have been satisfied and pro rata for the proportion of the financial year served (or such lower period as the Committee determines), with Committee discretion to treat otherwise. Participants may be required to defer a portion of any bonus into shares in line with the normal policy.	Eligible for an award to the extent that performance conditions have been satisfied up to the change of control and pro rata for the proportion of the financial year served, with Committee discretion to treat otherwise.
<b>Deferred Bonus Plan</b>	Outstanding awards are forfeited	Outstanding awards will normally vest on the original vesting date or such other earlier date as the Committee may determine.	Outstanding awards will normally vest in full.
<b>PSP</b>	Outstanding awards are forfeited	Outstanding awards will normally continue and be tested for performance over the full period, and reduced pro rata for time based on the proportion of the period served, with Committee discretion to treat otherwise in respect of time pro-rating. Awards may vest early in certain circumstances (e.g. death, or at the Committee's discretion). Any applicable holding period would normally continue to apply.	Outstanding awards will normally vest and be tested for performance over the period to change of control, and reduced pro rata for time based on the proportion of the period served, with Committee discretion to treat otherwise.
<b>Value Creation Plan</b>	Compulsory purchase of VCP shares by the Company. Where awards lapse the participant will be required to sell their growth shares at cost.	Good leaver status may normally only be awarded to participants from the second anniversary of grant. If a participant leaves within the first two years for any reason, all awards would normally lapse (except in exceptional compassionate circumstances).  The participant's VCP Shares will continue to vest in the ordinary course, subject to the satisfaction of the Performance Condition and a reduction to reflect the period elapsed at the date of leaving as a proportion of the vesting period, unless the Remuneration Committee determines that they should vest on cessation, subject to the Performance Condition (in which case they will be subject to time pro-rating unless the Committee determines otherwise).  Any applicable holding period would normally continue to apply.	Awards will vest early. The extent to which any unvested awards will vest will be determined at the discretion of the Committee, considering the relevant VCP value and any adjustments they consider appropriate. Alternatively, awards may be exchanged for equivalent awards of shares in the acquiring company.

An individual would normally be considered a good leaver if they leave for reasons of death, ill health, disability, redundancy, cessation of part of the business in which the individual is employed or engaged, circumstances that are considered by the Committee to be retirement or any other reason the Committee determines.

The Committee reserves the right to make any other payments in connection with an Executive Director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement of any claim arising in connection with the cessation of a former director or employee. Any such payment may

include but are not limited to paying any fees for outplacement assistance and/or the Director's legal and/or professional advice fees in connection with the cessation of office or employment.

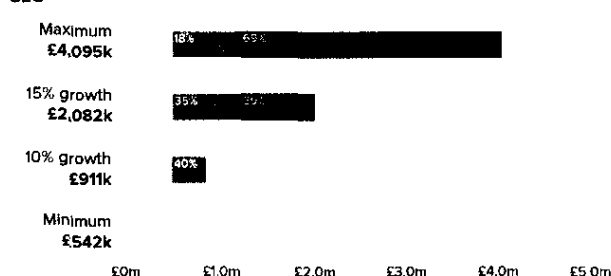
### External appointments

The Board supports Executive Directors holding non-executive directorships of other Companies and believes that any such appointments are part of the continuing development of the Executive Directors from which the Group will ultimately benefit. Executive Directors may accept external appointments with the prior approval of the Board and fees from any such appointments may be retained by Executive Directors.

### Illustration of the application of the Remuneration Policy

The charts below show how the remuneration of the Executive Directors varies in three different performance scenarios.

#### CEO



#### CFOO



Fixed pay  
 ● Annual bonus  
 ● VCP

Assumptions underlying each element of pay are provided in the tables below.

Component – Fixed		Basis		
Base pay		Current salary (as disclosed in the 2020 Directors' Remuneration report)		
Pension		Contribution rate applied to current salary		
Other benefits		Estimated at a value of £1,000, in line with 2020 single figure		
Component – Variable	Minimum	Scenario – 10% growth	Scenario – 15% growth	Maximum
Annual bonus	No bonus payable	Target bonus	Maximum	Maximum
		50% of maximum		
Long-term share awards	No VCP vesting	10% share price growth per annum. No VCP vesting	15% share price growth per annum	c. 34% share price growth per annum. This broadly equates to the return which results in the number of shares delivered by the VCP being capped
		As the VCP is a block award covering the three-year term of the Policy rather than an annual award, potential pay-outs have been annualised over a three-year period		

In line with the disclosure regulations, the VCP shares vesting as a result of the VCP pool calculation have been valued using the share price at grant of £1.30, i.e. excluding the impact of share price growth on those shares. If the share price growth were 50% over the five-year period, the VCP value would be £0 and the annualised total remuneration package would be £1,280,000 for the CEO and £679,500 for the CFOO. For additional reference, modelling of indicative pay-outs was set out in the Remuneration Committee Chair's letter in the October 2021 Notice of General Meeting.

#### Consideration of employment conditions elsewhere in the Group and employee views

When reviewing and setting remuneration levels for Executive Directors, the Committee considers the pay and employment conditions of all employees of the Group. The Group-wide pay review budget is one of the key factors when reviewing the salaries of Executive Directors.

Although the Group has not carried out a formal consultation regarding the Policy, it does comply with local regulations and practices regarding employee consultation more broadly. The Chief Talent Officer periodically feeds back employees' views on the Group's remuneration structure.

#### Consideration of shareholder views

It is the Committee's policy to consult with major shareholders prior to any changes to its Executive Director remuneration structure. During the summer and autumn of 2021, the Committee consulted extensively with major shareholders and engaged with the proxy pool as on the design of the VCP, this being the key change proposed for the new Remuneration Policy to operate from the 2021 General Meeting. This process was constructive and provided valuable input, and as a result, several changes were made to the Value Creation Plan design.

## Directors' responsibilities statement

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the parent company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Responsibility statement

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- The Strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- The annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 16 December 2021 and is signed on its behalf by:

**John Gulliver**

Chief Finance and Operations Officer

16 December 2021

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## Independent auditor's report

### Opinion on the financial statements

#### In our opinion:

- The financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2021 and of the Group's loss for the year then ended;
- The Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- The Group financial statements have been properly prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union;
- The Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006, and, as regards the Group financial statements, Article 4 of the IAS Regulation

We have audited the financial statements of Hyve Group plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2021 which comprise Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Financial Position, Consolidated Cash Flow Statement, notes to the Consolidated Accounts, The Company Statement of Financial Position, The Company Statement of Changes in Equity and notes to the Company Accounts financial statements including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standards in the United Kingdom and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

### Independence

Following the recommendation of the Audit Committee, we were appointed by the Directors with our appointment approved by the shareholders on 23 January 2020 to audit the financial statements for the year ending 30 September 2020 and subsequent financial periods. The period of total uninterrupted engagement including tenders and reappointments is two years, covering the years ended 30 September 2020 and 30 September 2021. We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

We have highlighted going concern as a key audit matter as a result of the estimates and judgements required by management in their going concern assessment and the effect on our audit strategy. The level of judgement and estimation uncertainty has been significantly increased by the COVID-19 pandemic.

As disclosed in note 2 and in the going concern and viability statement on pages 60 to 62 in the 2021 financial year, the operations of the Group continued to be significantly impacted by COVID-19, as a result of varying local restrictions on business events and international travel constraints. This has caused significant disruption and economic uncertainty globally and has had an impact on the Group's future expected cash flows, with a consequential impact on the going concern assessment.

In addition, as described in note 20, the Group has loan covenant requirements to adhere to in connection with its financing.

Whilst the Directors' assessment in relation to going concern did not identify any material uncertainties in this respect we nevertheless considered going concern to be a significant risk and a key audit matter.

Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting, has been set out in the key audit matters. These workings included the analysis and evaluation of management's cash flow forecasts and the process by which they were determined and approved, agreeing the forecasts with the latest Board approved budgets and confirming the appropriateness of underlying calculations.

In assessing management's review of the going concern assumption within the financial statements, we have undertaken the following audit procedures:

- Obtained from management their latest assessments that support the Board's conclusions with respect to the going concern basis of preparation of the financial statements;
- Considered the reasonableness of the 12-month period over which management have considered and assessed the going concern assumption in light of all available information about the future, of which we are aware as a result of the audit;
- Corroborated the extension of waivers obtained subsequent to the year end to underlying executed legal agreements;
- Engaged our Business Restructuring experts to analyse management's base case forecast and downside scenarios, and subsequently challenged the adequacy and appropriateness of the underlying assumptions, including the impact on projected revenue, profitability and cash flow of an extended period of restrictions in the trade exhibitions and conferences sector;
- Engaged our Business Restructuring experts to review management's 'reverse stress test' analysis outlining the conditions management believe would be required for the Group to breach covenants outlined within the going concern and viability statement on pages 60 to 62 and reviewed the likelihood of such conditions arising;
- Robustly challenged management on assumptions used within forecasts through use of external data sources and corroborative evidence where possible;
- Reviewed the impact of COVID-19 on the future forecast cash flows, reviewing movements in both projected revenues and costs to be incurred in relation to future events; and
- Reviewed future forecast cash flows and revenues against post year end performance and trading analysis.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

In relation to the Parent Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements that the Directors consider it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

## Overview

### Coverage

	Number of covenants	Group revenue
Full scope audit work	9	70%
Risk focused procedures	3	12%
Analytical procedures performed at group level	47	18%
Total	59	100%

### Key audit matters

	2021	2020
KAM 1 – Valuation of intangible assets including goodwill	Y	Y
KAM 2 – Acquisition of Shoptalk Commerce LLC ("Shoptalk") and Groceryshop LLC ("Groceryshop")	N	Y
KAM 3 – Disclosure of adjusting items and the presentation of a alternative performance measures in the financial statements	N	Y
KAM 4 – Going Concern	Y	Y

KAM 2 is no longer considered to be a key audit matter because although there is an acquisition in the 2021 financial year it is not of the scale or complexity of the 2020 acquisition and therefore it has been concluded to be not so significant as in the previous period.

KAM 3 is no longer a key audit matter as there is less judgement involved than in the previous year.

### Materiality

#### Group financial statements as a whole

£1.2m (2020: £1.5m) based on 1% (2020: 1%) of a three-year average of revenue.

## Independent auditor's report

### An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Of the Group's 59 reporting components, only those situated in the UK, Russia and China were considered to be significant components. These, together with a further six components were subject to full scope audits for Group purposes. Specified risk-focused audit procedures were carried out on a further three components. The UK components were audited by the Group audit team and the components in Russia and China were performed by BDO Russia and BDO Hong Kong respectively.

The components within the scope of our work accounted for the percentages illustrated below:

	Number of components	Group revenue
Full scope audit work completed by BDO UK	6	26%
Full scope audit work completed by BDO network member firms in Russia and Hong Kong	3	44%
Risk-focused procedures completed by BDO UK	3	12%
Analytical procedures performed at group level	47	18%

Component materiality ranged from £0.31m to £0.47m (2020: £0.36m to £0.44m) having regard to the mix of size and risk profile of each of the component across the Group.

### Our involvement with component auditors

For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole.

The work on the overseas components was directed, supervised and reviewed by the Group audit team. This included, but was not limited to, the issuance of Group audit instructions, holding periodic meetings, including formal and documented planning and close meetings, remotely reviewing component work completed and discussions with component audit teams and local management.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter referred to in the 'Conclusions relating to going concern' section, we identified the following as a key audit matter:



## Valuation of Intangible Assets, including Goodwill

<b>Key audit matter</b>	<p>On March 11, 2020, the World Health Organization declared a global pandemic in relation to COVID-19. This has impacted both global health and the economic welfare across the globe, with restrictions on movement of goods and people put in place in a number of countries, and overall trading slowing across the globe in a number of industries. As a result of this the Group recognised impairment charges totalling £19.0m in the current financial year and impairment charges totalling £195.5m in respect of goodwill, £63.4m</p>	<p>in relation to acquired intangible assets, and £4.5m in relation to Intests in associates and joint ventures in the previous financial year.</p> <p>In view of the impact of the ongoing COVID-19 pandemic on the Group's business there is a risk, whether due to fraud or error, that the application of inappropriate assumptions supports assets that should otherwise be impaired or further impaired.</p> <p>Management are required to test annually for impairment, or more</p>	<p>frequently if there are indications that goodwill might be impaired. Management tests impairment through determination of the value in use of each cash generating unit identified (CGU). Management has determined that its goodwill and intangible assets are allocated to 10 cash generating units.</p> <p>To determine the value in use of each CGU, management prepares a detailed impairment model using a number of judgemental assumptions (as described in note 12 to the financial statements).</p>
<b>How the scope of our audit addressed the key audit matter</b>	<p>As part of audit workings completed, we have challenged Management's value in use determined for each CGU within the model prepared, including the assumptions underpinning the model.</p> <p>Our work in relation to the model and its assumptions was as follows:</p> <ul style="list-style-type: none"> <li>• Considering the appropriateness and completeness of the number of CGUs identified by management and the associated allocation of assets of the Group to each of these CGU as per the accounting policy;</li> <li>• Testing of the arithmetic accuracy of the model used by Management;</li> <li>• Agreeing the underlying cash flow projections for each CGU to Board approved budget and three year plan;</li> </ul>	<ul style="list-style-type: none"> <li>• Challenged management on their assessment of the impact of COVID-19 on the future forecast cash flows, as well as reviewing movements in both revenues anticipated and costs to be incurred in relation to future events as indicated by management;</li> <li>• Reviewed the likelihood and timing of events forecast by management to take place in the short term, agreeing to available third party and other available information as applicable;</li> <li>• Reviewing the reasonability of central costs that are allocated to the CGUs;</li> <li>• Engaging our valuation specialists to independently assess appropriate discount rates;</li> </ul>	<ul style="list-style-type: none"> <li>• Agreeing assumptions used within the estimation of discount rates including, country specific risk premiums, inflation rates, risk free rates against independent market data;</li> <li>• Reviewing future forecast cash flows and revenues against post year end performance such as booking statistics;</li> <li>• Analysed the sensitivity of the model to changes in assumptions as outlined within note 12 in relation to forecast cash flows to and concluded the sensitivities to be accurately calculated and appropriate; and</li> <li>• Review and consideration of whether the disclosures in the Annual Report and Accounts were appropriate.</li> </ul>
<b>Key observations</b>	<p>Based on the procedures performed, we concluded that the assumptions used within the impairment model prepared by management are reasonable and noted no instances of material misstatements in the year.</p>	<p>We noted that disclosures made by management within notes 12 and 14 of the financial statements are appropriate and the sensitivities and assumptions outlined adequately describe the estimation uncertainty and are consistent with the model prepared.</p>	

## Independent auditor's report

### Going Concern

<b>Key audit matter</b>	As disclosed in note 2 and the going concern and viability statement on pages 60 to 62 in the 2021 financial year, the operations of the Group continued to be significantly impacted by COVID-19, as a result of varying local restrictions on business events and international travel constraints. This has caused significant disruption	and economic uncertainty globally and has had an impact on the Group's future expected cash flows, with a consequent impact on the going concern assessment.  In addition, as described in note 20, the Group has loan covenant requirements to adhere to in connection with its financing.	Whilst the directors' assessment in relation to going concern did not identify any material uncertainties in this respect we nevertheless considered going concern to be a significant risk and a key audit matter.
<b>How the scope of our audit addressed the key audit matter</b>	We analysed and evaluated management's cash flow forecasts and the process by which they were determined and approved, agreeing the forecasts with the latest Board approved budgets and confirming the mathematical accuracy of underlying calculations.  In assessing management's review of the going concern assumption within the financial statements, we have undertaken the following audit procedures: <ul style="list-style-type: none"><li>Obtained from management their latest assessments that support the Board's conclusions with respect to the going concern basis of preparation of the financial statements.</li></ul>	<ul style="list-style-type: none"> <li>Considered the reasonableness of the 12-month period over which management have considered and assessed the going concern assumption in light of all available information about the future, of which we are aware as a result of the audit.</li> <li>Corroborated the extension of waivers obtained subsequent to the year end to underlying executed legal agreements.</li> <li>Engaged our Business Restructuring experts to analyse management's base case forecast and downside scenarios, and subsequently challenged the adequacy and appropriateness of the underlying assumptions, including the impact on projected revenue, profitability and cash flow over an extended period of restrictions in the trade exhibitions and conferences sector.</li> </ul>	<ul style="list-style-type: none"> <li>Engaged our Business Restructuring experts to review management's 'reverse stress test' analysis outlining the conditions management believe would be required for the Group to breach covenants outlined within the going concern and viability statement on pages 60 to 62 and reviewed the likelihood of such conditions arising.</li> <li>Robustly challenged management on assumptions used within forecasts through use of external data sources and corroborative evidence where possible.</li> <li>Reviewed the impact of COVID-19 on the future forecast cash flows, reviewing movements in both projected revenues and costs to be incurred in relation to future events, and</li> <li>Reviewed future forecast cash flows and revenues against post year end performance and trading analysis.</li> </ul>
<b>Key observations</b>	Our conclusion in respect of going concern is included within the 'Conclusions relating to going concern' section of this report on page 108.		

### Our application of materiality

We apply the concept of materiality both in planning and performing our audit and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed.

Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account the nature of identified misstatements, and the particular circumstances of the occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financials statement		Parent company financial statements	
	2021 £m	2020 £m	2021 £m	2020 £m
<b>Materiality</b>	£1.2m	£1.5m	£0.47	£0.54
<b>Basis for determining materiality</b>	1% of three-year average of revenue		60% of Group performance materiality	
<b>Rationale for the benchmark applied</b>	Given the significant loss before tax and decrease in revenue for the current year due to the effects of COVID-19, we based our materiality calculation on a three-year average of revenue	Given the significant loss before tax and decrease in revenue for the year due to the effects of COVID-19, we based our materiality calculation on a three-year average of revenue	Calculated as a percentage of Group materiality for Group reporting purposes given the assessment of aggregation risk	Calculated as a percentage of Group materiality for Group reporting purposes given the assessment of aggregation risk
<b>Performance materiality</b>	£0.8m	£0.9m	£0.3m	£0.3m
<b>Basis for determining performance materiality</b>	65% of group materiality. The 5% increase from the prior year is to reflect the 2nd year involvement of the audit team and additional understanding of the Group and its operations	60% of group materiality level	65% of the parent company materiality level. The 5% increase from the prior year is to reflect the 2nd year involvement of the audit team and additional understanding of the Company and its operations	60% of the parent company materiality level
In setting the level of performance materiality we considered a number of factors including the expected total value of known and likely misstatements based on past experience and other factors				

### Component materiality

We set materiality for each component of the Group based on a percentage of between 40% and 60% of Group performance materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £0.31m to £0.47m. In the audit of each component, we further applied performance materiality levels of 65% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

### Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £24,000 (2020: £16,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Independent auditor's report

### Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and the part of the Corporate Governance Statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

#### Going concern and longer-term viability

- The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified; and
- The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate on pages 60 to 62.

#### Other Code provisions

- Directors' statement on fair, balanced and understandable reporting on page 74;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks on page 79;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems on page 79; and
- The section describing the work of the Audit Committee on pages 75 to 78.

### Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

#### Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

#### Directors' remuneration

In our opinion, the part of the Directors' Remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

#### Corporate governance statement

In our opinion, based on the work undertaken in the course of the audit, the information about internal control and risk management systems in relation

to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules) is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in this information.

In our opinion, based on the work undertaken in the course of the audit, information about the Parent Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

We have nothing to report or sing from our responsibility to report if a corporate governance statement has not been prepared by the Parent Company.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you, if, in our opinion:

- Adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- The Parent Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- Certain disclosures or Directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

### Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for: assessing the Group's and the Parent Company's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a

guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates through discussions with management, the Group's legal counsel and the Audit Committee and our knowledge of the industry. We focused on significant laws and regulation that could give rise to material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, the UK Listing Rules, IFRSs as adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, Corporate and VAT legislation, Employment Taxes, Health and Safety and the Bribery Act 2010.
- We considered compliance with these laws and regulations through discussions with management, in-house legal counsel and reviewing minutes of meetings between the Board of Directors and the Audit Committee.
- Specific consideration was made to whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work and fraud risks.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud may occur. In addressing the risk of fraud including management override of controls and improper revenue recognition, we tested the appropriateness of journal entries made throughout the year by applying specific criteria.
- We performed a detailed review of the Group's year end adjusting journal entries and journals throughout the year, investigated any that appeared unusual as to the nature or amount, assessed whether the judgements made in accounting estimates were indicative of a potential bias and tested the application of cut-off and revenue recognition.
- We identified areas at risk of management bias including revenue recognition and the disclosures made in respect of adjusting items and alternative performance measures.
- We also requested each component audit team communicate any instances of non-compliance with laws and regulations that could give rise to a material misstatement of the Group financial statements relevant.

We assessed the susceptibility of the financial statements to potential misstatement including fraud and considered areas of the financial statements subject to elevated potential fraud risks.

Audit procedures performed by the Group engagement team and/or component auditors included:

- Discussions with management and the Group's legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluating and, where appropriate challenging assumptions and judgements made by management in determining significant accounting estimates, in particular in relation to impairment of goodwill and intangible assets, acquisition accounting, and the going concern assumption;
- Agreement of the financial statement disclosures to underlying supporting documentation;
- Review of minutes of Board meetings throughout the year of those charged with governance to identify any instances of non-compliance with laws and regulations;
- Review of tax compliance and involvement of our tax specialists to assess reasonableness of the income tax charge disclosed and associated balance sheet amounts and review tax disclosures in light of the reporting requirements; and
- Identifying and testing unusual journal entries, in particular journal entries posted with unusual account combinations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Andrew Viner (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor  
London, United Kingdom

16 December 2021

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

**Consolidated income statement**  
For the year ended 30 September 2021

	Notes	Year ended 30 September 2021			Year ended 30 September 2020 (restated)		
		Headline £000	Adjusting items (note 5) £000	Statutory £000	Headline £000	Adjusting items (note 5) £000	Statutory £000
<b>Revenue</b>	3	<b>55,201</b>	<b>–</b>	<b>55,201</b>	99,365	–	99,365
Cost of sales		(50,882)	–	(50,882)	(95,559)	–	(95,559)
Impairment loss in respect of trade receivables	23	592	–	592	(2,891)	–	(2,891)
<b>Gross profit</b>		<b>4,911</b>	<b>–</b>	<b>4,911</b>	915	–	915
Other operating income	4	66,101	–	66,101	22,578	–	22,578
Administrative expenses		(43,838)	(47,291)	(91,129)	(41,967)	(297,202)	(339,169)
Foreign exchange (loss)/gain on operating activities		(306)	–	(306)	2,642	–	2,642
Share of results of associates and joint ventures	18	2,000	(455)	1,545	5,748	(1,536)	4,212
<b>Operating profit/(loss)</b>		<b>28,868</b>	<b>(47,746)</b>	<b>(18,878)</b>	(10,084)	(298,735)	(308,822)
Investment revenue	6	163	10,401	10,564	611	4,804	5,415
Finance costs	7	(8,241)	(4,037)	(12,278)	(8,663)	(2,957)	(11,620)
<b>Profit/(loss) before tax</b>		<b>20,790</b>	<b>(41,382)</b>	<b>(20,592)</b>	(18,136)	(296,891)	(315,027)
Tax (charge)/credit	9	(1,465)	6,475	5,010	(3,433)	14,457	11,024
<b>Profit/(loss) from continuing operations</b>		<b>19,325</b>	<b>(34,907)</b>	<b>(15,582)</b>	(21,569)	(282,434)	(304,003)
<b>Loss from discontinued operations</b>	17	<b>(834)</b>	<b>(3,604)</b>	<b>(4,438)</b>	(999)	2,263	1,264
<b>Profit/(loss)</b>		<b>18,491</b>	<b>(38,511)</b>	<b>(20,020)</b>	(22,568)	(280,171)	(302,739)
Attributable to:							
Owners of the Company		19,323	(38,511)	(19,188)	(23,496)	(280,171)	(303,667)
Non-controlling interests		(832)	–	(832)	928	–	928
		<b>18,491</b>	<b>(38,511)</b>	<b>(20,020)</b>	(22,568)	(280,171)	(302,739)
<b>Earnings per share (p)</b>							
Basic	11	7.3	–	(7.3)	(13.3)	–	(171.6)
Diluted	11	7.3	–	(7.3)	(13.3)	–	(171.6)
<b>Earnings per share from continuing operations (p)</b>							
Basic		7.6	–	(5.6)	(12.7)	–	(172.3)
Diluted		7.6	–	(5.6)	(12.7)	–	(172.3)

1. Results for the year ended 30 September 2020 have been restated for the prior period error disclosed in note 1 and the treatment of Ilac Central As a subsidiary and a discontinued operation as disclosed in note 17. All subsequent references to restated items throughout these results refer to the changes as disclosed in note 1 and note 17.

The results stated above relate to continuing activities of the Group. The accompanying notes 1 to 32 form an integral part of the Consolidated financial statements.

**Consolidated statement of comprehensive income**

For the year ended 30 September 2021

	Notes	2021 £000	2020 (re-stated) £000
Loss for the year attributable to shareholders		<b>(20,020)</b>	(302,739)
Cash flow hedges			
Movement in fair value of cash flow hedges		<b>649</b>	(763)
Fair value of cash flow hedges released to the income statement		<b>224</b>	52
Currency translation movement on net investment in subsidiary undertakings		<b>(3,227)</b>	(5,582)
Total other comprehensive loss		<b>(2,354)</b>	(6,293)
		<b>(22,374)</b>	(309,032)
Tax relating to components of comprehensive loss	9	<b>(130)</b>	–
<b>Total comprehensive loss for the year</b>		<b>(22,504)</b>	(309,032)
Attributable to			
Owners of the Company		<b>(21,672)</b>	(309,960)
Non-controlling interests		<b>(832)</b>	928
		<b>(22,504)</b>	(309,032)

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

The accompanying notes 1 to 32 form an integral part of the Consolidated financial statements.

**Consolidated statement of changes of equity**  
For the year ended 30 September 2021

	Share capital £000	Share premium account £000	Merger reserve £000	Capital redemption reserve £000	ESOP reserve £000	Retained earnings (restated) £000	Equity option reserve £000	Translation reserve (restated) £000	Hedge reserve £000	Total (restated) £000	Non- controlling interests £000	Total equity (restated) £000
<b>Balance as at 1 October 2020 (restated)</b>	26,513	160,271	2,746	457	(3,175)	33,426	(13,255)	(50,907)	(958)	155,124	21,922	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)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	(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 (note 28)	-	-	-	-	-	715	-	-	-	715	-	715
Tax credited to equity (note 9)	-	-	-	-	-	101	-	-	-	101	-	101
Disposal of subsidiary (note 17)	-	-	-	-	-	870	-	1,928	-	2,798	(870)	1,928
Expiry of equity option (note 23)	-	-	-	-	-	(13,255)	13,255	-	-	-	-	-
<b>Balance as at 30 September 2021</b>	<b>26,513</b>	<b>160,271</b>	<b>2,746</b>	<b>457</b>	<b>(3,083)</b>	<b>2,447</b>	<b>-</b>	<b>(52,200)</b>	<b>(85)</b>	<b>137,066</b>	<b>19,549</b>	<b>156,615</b>

The accompanying notes 1 to 32 form an integral part of the Consolidated Financial statements.

	Share capital £000	Share premium account £000	Merger reserve £000	Capital redemption reserve £000	ESOP reserve £000	Retained earnings £000	Equity option reserve £000	Translation reserve £000	Hedge reserve £000	Total £000	Non- controlling interests £000	Total equity £000
<b>Balance as at 1 October 2019</b>	<b>7,416</b>	<b>279,756</b>	<b>2,746</b>	<b>457</b>	<b>(2,787)</b>	<b>69,675</b>	<b>(13,255)</b>	<b>(45,133)</b>	<b>(247)</b>	<b>298,628</b>	<b>22,803</b>	<b>321,431</b>
Net loss for the year (restated)	-	-	-	-	-	(303,667)	-	-	-	(303,667)	928	(302,739)
Currency translation movement on net investment in subsidiary undertakings (restated)	-	-	-	-	-	-	-	(5,582)	-	(5,582)	-	(5,582)
Movement in fair value of cash flow hedges	-	-	-	-	-	-	-	-	(763)	(763)	-	(763)
Fair value of cash flow hedges released to the income statement	-	-	-	-	-	-	-	-	52	52	-	52
<b>Total comprehensive income for the year (restated)</b>	-	-	-	-	-	(303,667)	-	(5,582)	(711)	(309,960)	928	(309,032)
Dividends (note 10)	-	-	-	-	-	(13,072)	-	-	-	(13,072)	-	(13,072)
Dividends paid to minority interests	-	-	-	-	-	-	-	-	-	-	(1,809)	(1,809)
Exercise of share options	-	-	-	-	(388)	-	-	-	-	(388)	-	(388)
Share-based payments (note 28)	-	-	-	-	-	556	-	-	-	556	-	556
Issue of shares – share placement	596	49,413	-	-	-	-	-	-	-	50,009	-	50,009
Issue of shares – subscription	146	11,283	-	-	-	-	-	-	-	11,429	-	11,429
Issue of shares – rights issue	18,355	99,632	-	-	-	-	-	-	-	117,987	-	117,987
Capital reduction	-	(279,813)	-	-	-	279,813	-	-	-	-	-	-
Tax credited to equity	-	-	-	-	-	67	-	-	-	67	-	67
Disposal of subsidiary	-	-	-	-	-	-	-	(186)	-	(186)	-	(186)
<b>Balance as at 30 September 2020 (restated)</b>	<b>26,513</b>	<b>160,271</b>	<b>2,746</b>	<b>457</b>	<b>(3,175)</b>	<b>33,426</b>	<b>(13,255)</b>	<b>(50,901)</b>	<b>(958)</b>	<b>155,124</b>	<b>21,922</b>	<b>177,046</b>



**Consolidated statement of financial position**

30 September 2021

	Notes	2021 £000	2020 (restated) £000
<b>Non-current assets</b>			
Goodwill	12	73,702	63,678
Other intangible assets	14	200,660	240,572
Property, plant and equipment	15	17,237	21,115
Interests in associates and joint ventures	18	37,126	37,444
Investments	13	–	1,540
Deferred consideration receivable > 1 year	19	7,357	6,865
Deferred tax asset	24	5,707	460
		<b>341,789</b>	<b>371,674</b>
<b>Current assets</b>			
Trade and other receivables	19	35,569	33,731
Tax prepayment	19	1,818	1,374
Cash and cash equivalents	19	41,733	50,330
		<b>79,120</b>	<b>85,435</b>
<b>Total assets</b>		<b>420,909</b>	<b>457,109</b>
<b>Current liabilities</b>			
Bank loan and overdrafts	20	(11,751)	(17,500)
Trade and other payables	21	(42,665)	(58,354)
Deferred income	21	(72,277)	(61,276)
Corporation tax		(1,259)	(1,360)
Derivative financial instruments	23	–	(9,393)
Provisions	22	–	(170)
		<b>(127,952)</b>	<b>(148,053)</b>
<b>Non-current liabilities</b>			
Bank loan and overdrafts	20	(109,849)	(100,485)
Provisions	22	(1,400)	(1,547)
Lease liabilities	27	(13,375)	(15,332)
Deferred tax liabilities	24	(11,633)	(13,773)
Derivative financial instruments	23	(85)	(873)
		<b>(136,342)</b>	<b>(132,010)</b>
<b>Total liabilities</b>		<b>(264,294)</b>	<b>(280,063)</b>
<b>Net assets</b>		<b>156,615</b>	<b>177,046</b>
<b>Equity</b>			
Share capital	25	26,513	26,513
Share premium account		160,271	160,271
Merger reserve		2,746	2,746
Capital redemption reserve		457	457
Employee Share Ownership Trust (ESOT) reserve		(3,083)	(3,175)
Retained earnings		2,477	33,426
Equity option reserve	23	–	(13,255)
Translation reserve		(52,200)	(50,901)
Hedge reserve		(85)	(956)
<b>Equity attributable to equity holders of the parent</b>		<b>137,066</b>	<b>155,124</b>
Non-controlling interests	26	19,549	21,922
<b>Total equity</b>		<b>156,615</b>	<b>177,046</b>

The accompanying notes 1 to 32 form an integral part of the Consolidated financial statements.

The financial statements of Hyve Group plc, registered company number 01947359, were approved by the Board of Directors and authorised for issue on 16 December 2021. 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 2021

	Notes	2021 £000	2020 (revised) £000
<b>Operating activities</b>			
Operating loss from continuing operations		(18,878)	(308,822)
Operating (loss)/profit from discontinued operations		(4,351)	1,180
Operating loss		(23,229)	(307,342)
<b>Adjustments:</b>			
Depreciation and amortisation		34,734	36,111
Impairment of goodwill, intangible assets and investments in associates and JVs	12	19,028	263,424
Share-based payments	28	761	579
Decrease in provisions		(442)	(119)
Loss/(profit) on disposal of plant, property and equipment and computer software		146	(8)
Loss/(profit) on disposal of subsidiary holdings		3,415	(2,263)
Fair value of cash flow hedges recognised in the income statement		224	52
Share of profit from associates and joint ventures		(1,545)	(4,213)
Operating cash flows before movements in working capital		33,092	(13,113)
(Increase)/decrease in receivables		(7,298)	31,253
Prepayments to venues		-	(1,630)
Utilisation of venue prepayments		72	126
Increase/(decrease) in deferred income		11,959	(28,823)
(Decrease)/increase in payables		(9,367)	14,813
Operating cash flows after movements in working capital		28,458	3,226
Dividends received from associates and joint ventures		1,958	4,528
Cash generated from operations		30,416	7,754
Tax paid		(3,266)	(2,113)
Net cash from operating activities		27,150	5,041
<b>Investing activities</b>			
Interest received	6	163	611
Acquisition of investments		-	(1,040)
Acquisition of businesses – cash paid net of cash acquired	13	(23,000)	(97,757)
Purchase of plant, property and equipment and computer software		(975)	(1,943)
Disposal of plant, property and equipment and computer software		73	-
Disposal of subsidiaries and investments – cash received net of cash disposed	17/19	(3,480)	(650)
Net cash utilised on investing activities		(27,219)	(100,779)
<b>Financing activities</b>			
Equity dividends paid		-	(12,995)
Dividends paid to non-controlling interests		(671)	(1,808)
Interest paid and bank charges	7	(6,556)	(1,980)
Principal lease payments	27	(4,015)	(3,940)
Proceeds from the issue of share capital and exercise of share options		-	19,084
Fees relating to issue of share capital		-	(11,085)
Acquisition of shares for ESO™		-	(386)
Drawdown of borrowings		69,604	145,321
Repayment of borrowings		(67,249)	(73,432)
Net (outflow)/inflow from financing activities		(8,887)	12,774
Net (decrease)/increase in cash and cash equivalents		(8,956)	17,036
Cash and cash equivalents at beginning of year		50,330	33,027
Effect of foreign exchange rate		359	267
Cash and cash equivalents at end of year		41,733	50,330

The above information is a summary of the principal items comprising the Consolidated financial statements.

## Notes to the consolidated accounts

### For the year ended 30 September 2021

#### 1 General information

Hyve Group plc is a public company limited by shares incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. The address of the registered office is given on page 173. The nature of the Group's operations and its principal activities are set out in the Strategic review on pages 1 to 62 and in note 3.

These financial statements are presented in British pounds sterling. All amounts, unless otherwise stated, have been rounded to the nearest thousand. Foreign operations are included in accordance with the accounting policies set out below.

#### Amendments to IFRSs that are mandatorily effective for the current year

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

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

#### IFRS 9 Financial Instruments

The standard is being amended for periods beginning from 1 January 2021 in response to the phasing out of certain benchmark interest rates. The amendments cover how to account for changes in contractual cash flows or hedging relationships for financial instruments affected by the replacement of benchmark interest rates. During the period, the Group has not designated any risk components of alternative benchmark rates in any hedge relationships. The Group does not hold any other financial instruments exposed to alternative benchmark rates, except its term loan and revolving credit facilities and corresponding interest rate swaps, which reference GBP LIBOR rates. The facility will transition to the relevant alternative reference rate at the point of the cessation of the impacted LIBOR rate. The Group does not expect that any transition adjustments will be required.

#### Prior period errors

During the year ended 30 September 2021, the Financial Reporting Council (FRC) submitted a request for further information on the Group's Annual Report and Accounts for the year ended 30 September 2020. The review conducted by the FRC was based solely on the Group's published Annual Report and Accounts and does not provide any assurance that the Annual Report and Accounts are correct in all material aspects.

In Hyve Group plc's Annual Report and Accounts for the year ended 30 September 2020 the Group disclosed the amounts recognised in respect of the identifiable assets acquired and liabilities assumed upon completion of the acquisition of Shoptalk Commerce LLC and Groceryshop LLC in December 2019.

At acquisition the Group assumed a lease for the acquired business office in New York.

A lease liability of £4.9m was recognised, measured at the present value of the remaining lease payments using the incremental borrowing rate at the acquisition date.

A right-of-use asset of £1.6m was also recognised, measured at the same amount as the lease liability, adjusted to reflect what we considered to be the unfavourable terms of the lease at acquisition. Specifically, the right-of-use asset was adjusted to only reflect the office space required by the acquired business, based on the number of employees and the estimated space required per employee.

Following discussions with the FRC and the Group's external auditors, we acknowledge that this adjustment reflected circumstances specific to the acquired business, rather than those of a market participant. As such the adjustment was not in compliance with paragraph 28B of IFRS 3 Business Combinations. The right-of-use asset should instead have been measured at the same amount as the lease liability and not adjusted for the proportion of the office space deemed surplus to requirements at acquisition.

Correcting the error at acquisition has resulted in an increase in the cost of the right-of-use asset of £3.4m, a decrease in deferred tax assets recognised of £0.7m and therefore a decrease in the cost of goodwill arising on acquisition of £2.7m.

We have also restated the comparative amounts to take account of the consequential impact of the changes at acquisition on the depreciation charge recognised in respect of right-of-use assets and the impairment of goodwill.

- An additional error identified on the same lease has also been corrected. The adjustment is to eliminate an accrual for a rent-free liability which was incorrectly charged in the prior year in addition to its inclusion in the calculation of the lease liability in accordance with IFRS 16. The release of this duplicate liability reduces trade and other payables in the balance sheet and removes the charge from the income statement. The total amount of this amendment was £0.1m.

The Group's tax credit for the year ended 30 September 2020 has been restated as the deferred tax asset of £0.7m previously recognised at acquisition was subsequently released to the income statement at 30 September 2020.

- We have also restated for the impact of the retranslation of the revised costs of the USD denominated right-of-use asset and goodwill balances, recognised in the Group's foreign currency translation reserve.

As the error occurred at the acquisition date, there is no impact on the opening statement of financial position and therefore the opening statement of financial position has not been restated or presented in these accounts.

The following table summarises the impact of the restatements on the financial statements of the Group. The net impact on the Group's loss for the financial year ended 30 September 2020 is £8,000. The net impact on the Group's net assets is £100,000. The impact of the prior period error on both basic and diluted earnings per share is presented in note 11.

Consolidated income statement	2020 £'000
Depreciation of right-of-use asset	(324)
Impairment of goodwill	(408)
Short-term leases – offices	102
Administrative expenses	(630)
Tax credit	71
Decrease in profit for the financial year	81

## Notes to the consolidated accounts

### 1 General information continued

Consolidated statement of financial position	2020 £'000
Goodwill	(3,151)
Property, plant and equipment	3,151
Trade and other payables	100
Change in net assets	100
Retained earnings	8
Translation reserve	19
Change to total equity	100

The Group's results for the year ended 30 September 2020 have also been restated for the treatment of the Central Asia business as a discontinued operation. See note 17 for further details.

### 2 Basis of accounting

Hyve Group plc ('the Company') is a UK listed company and, together with its subsidiary operations, is hereafter referred to as 'the Group'. These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with international financial reporting standards adopted pursuant to Regulation (EC)

The preparation of financial statements under IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, and income and expenses. These estimates and associated assumptions are based on past experience and other factors considered applicable at the time and are used to make judgements about the carrying value of assets and liabilities that cannot be readily determined from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Changes to estimates and assumptions are reflected in the financial statements in the period in which they are made.

The statements are presented in pounds sterling and have been prepared under IFRS using the historical cost basis, except for the revaluation of certain financial instruments which are recognised at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The principal accounting policies adopted are consistent with the prior year.

#### 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 the reassessment of the appropriateness of adopting the going concern basis when preparing the annual report or 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 12 months.

At 30 September 2021 the Group had available liquidity of £130.1m (2020: £178.6m) and adjusted net debt of £79.9m (2020: £67.7m). The Group's available liquidity has decreased during the year as a result of £37.2m of term loan repayments and the £23.2m acquisition of Retail Meetup in December 2020. Insurance proceeds of £65.0m (2020: £22.0m) for event cancellations were received during the year, more than offsetting the operating cash outflows as a result of the continued event disruption in the first half of the financial year.

In December 2020, simultaneously with the Retail Meetup acquisition, the Group amended its banking facilities, updating the term loan repayment schedule. Of the £62.8m term loan drawn at 30 September 2021, £0.8m is now due for repayment in March 2022, £5.0m in June 2022, £6.0m in each of September 2022 and November 2022 and £22.5m in each of November 2023 and December 2023. In respect of any further insurance proceeds received from cancellation insurance claims for FY20 and FY21 events, 50% of the proceeds received will be used as an early repayment of the upcoming term loan repayments.

After year end, on 15 November 2021, the Group agreed a 12-month extension to the waiver of the financial covenants with its lenders. The Group's quarterly average ratio covenant of not more than 3x, and interest cover ratio of not less than 4x, have been waived up to and including March 2023, and replaced by a £40m minimum liquidity covenant. From June 2023 the leverage and interest cover ratios will be reinstated. This extends the covenant waivers to more than six months beyond the 12-month period of assessment.

As markets have reopened in recent months, the Group has been able to resume running events across almost all of its markets. These have yielded a number of positive trends that are showing signs of improving further going into FY22, including strong domestic participation, higher customer spend, increased visitor density, improved NPS scores and strong forward bookings for next year's events.

The acquisition of Retail Meetup in December 2020 and 2021 Group in November 2021 have accelerated the Group's omnichannel strategy, providing additional online capability to deliver events and serve key industry sectors virtually. This has given the Group a proven revenue stream that adds resilience in the event of any further disruption to the Group's in-person event schedule.

The Group has modelled a number of scenarios based on different assumptions, regarding the duration and extent to which COVID-19 might impact the business. For each of our markets we have sensitised the revenue, profit and cash flow impact of required trading activity. We have considered the extent to which COVID-19 continues to impact each of our markets in our assessment of the outlook. For the purposes of considering the Group's going concern assessment, we have focused on two scenarios:

- A Base Case, and
- A Downside Case.

The Base Case, which represents the Directors' current best estimate, assumes a return to a full events calendar in FY22. This takes into account that the majority of our markets have run events post-pandemic and there are no events scheduled to run in the first half of the financial year in the few markets yet to return. We acknowledge that there is the possibility of disruption due to new variants, but at this stage feel they will have a limited impact on our event schedule. The levels of both domestic and, more substantially, international attendance have been assumed to remain below pre-pandemic levels in FY22, before recovering to previous levels by FY24. Under the Base Case scenario, available liquidity is expected to remain in excess of £110m throughout the 12-month period from the date of the Annual Report.

The Downside Case has been modelled for the purposes of ensuring the liquidity covenant is not breached during the period of assessment, even if the speed of the recovery slows. The Downside Case assumes a significant slowdown in the recovery of international travel, to just a third of pre-pandemic levels. It also factors in considerable disruption to the event schedule until after March 2022, assuming reimposed restrictions impact our events in the UK, US and mainland Europe. This scenario also assumes further disruption to the event schedule in both China and South Africa, as a result of the recent reintroduction of restrictions and the slower pace of recovery respectively. In response to this scenario playing out, further cost savings have been assumed, including a delay to planned investments, reduced discretionary bonus payments and variable event savings as a result of the lower international revenues and event cancellations. Liquidity is expected to remain in excess of £70m throughout the 12-month period from the date of the Annual Report.

Both scenarios therefore have material headroom over and above the £40m minimum liquidity covenant in place for the duration of the going concern assessment. While beyond the period of assessment, the reintroduction of covenants from June 2023 was also considered. The Group is expected to meet both covenants when they resume under the Base Case scenario, but could breach the leverage ratio under the Downside Case in the quarter ending June 2023 without additional mitigating actions being taken.

Finally, a reverse stress test case has been developed, to determine a scenario under which the Group's minimum liquidity covenant might be breached. A scenario where there is a return to a situation beyond the height of the pandemic would be required to breach the covenant during the period of assessment. This scenario assumes significant disruption to the event schedule over a period of the next 10 months, with no events able to take place for the rest of the financial year with the exception of events in Russia and Ukraine, which are assumed to resume in the final quarter. This assumption is based on these regions having proved able to run events successfully where local vaccination rates are low and restrictions have been in place elsewhere globally.

Even under this extreme scenario the Group still has available liquidity of at least £30m within the period of assessment but will breach the minimum liquidity covenant between October and December 2022.

Further, the Group can implement a number of mitigating actions if required, including but not limited to:

- **The pursuit of further insurance proceeds.** The Group has a number of outstanding claims that it continues to pursue, as well as additional cover taken out in respect of the UK Government's Live Events Reinsurance Scheme.
- **Deferral of term loan repayments.** The Group has repayments due in calendar year 2022 totalling £17.8m, but has a supportive lender group, which has agreed to the deferral of scheduled repayments of the term loan in the recent past in response to the outbreak of COVID-19.
- **Disposal of events or portfolios of events.** In the last 24 months the Group has successfully disposed of the Group's ABEC, Kazakhstan, Azerbaijan, Uzbekistan and Easterners businesses. The Group has a number of desirable assets that are currently not being considered for disposal for strategic reasons but could be sold to provide additional liquidity if absolutely necessary.
- **Cost savings.** The Group has implemented a material cost savings programme in response to the COVID-19 outbreak previously and can activate further measures if necessary. Further investments in FY22 can be deferred or removed to help ease liquidity. Last year the Group proved that it could act quickly to implement cost savings, even those related to staff reductions, as evidenced by the two waves of redundancies.
- **Equity raise.** The Group's investors have previously supported injecting additional capital into the business. This was most apparent in a downside scenario in respect of the May 2020 rights issue which raised £126.6m.

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 financial statements.

#### **Basis of consolidation**

The Group accounts consolidate the accounts of Hyve Group plc and the subsidiary undertakings controlled by the Company drawn up to 30 September each year. Control is achieved where the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

## Notes to the consolidated accounts

### 2 Basis of accounting continued

On acquisition, the assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets is recognised as goodwill. The interest of non-controlling shareholders is stated at the non-controlling interest's proportion of the fair values of assets and liabilities recognised.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interest in the net assets of consolidated subsidiaries is identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests as at the date of the original business combination and the non-controlling interest's share of changes in equity since the date of the combination. Losses applicable to the non-controlling interests in excess of their interest in the subsidiary as equity are allocated against non-controlling interests even if this results in a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

#### Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Any costs attributable to the business combination are expensed directly to the Consolidated Income Statement. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5. Non-current assets held for sale and a discontinued operation

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the income statement.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is classified as a financial liability that is within the scope of IFRS 9, will be recognised in the income statement as investment income or finance cost.

The interest of minority shareholders in the acquiree is initially measured as the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

A step acquisition occurs when the Group obtains control over an entity by acquiring an additional interest in that entity. If that entity is a business, the Group's previously held equity interest is remeasured to fair value at the date the controlling interest is acquired. Any difference in the previously held equity interest is recognised as a gain or loss in the income statement. Any amounts previously recorded in other comprehensive income relating to the investee are reclassified and included in the calculation of the gain or loss as of the acquisition date. In a step acquisition in which control is obtained, but the Group does not purchase all of the remaining ownership interests, a non-controlling interest is recorded in equity at the acquisition date at fair value.

#### Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if the carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment in an associate or a portion of an investment in an associate, the investment, or the portion of the investment in the associate that will be disposed of, is classified as held for sale when the criteria described above are met and the Group discontinues the use of the equity method in relation to that portion that is classified as held for sale. Any remaining portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of a disposal when the disposal results in the Group losing significant influence over the associate.

## 2 Basis of accounting continued

After the disposal takes place, the Group accounts for any retained interest in the associate in accordance with IFRS 9 unless the retained interest continues to be an associate, in which case the Group uses the equity method (see the accounting policy regarding investments in associates below).

### Discontinued operations

The Group classifies an operation as discontinued when it has disposed of or intends to dispose of a business component that represents a separate major line of business or geographical area of operations. The post-tax profit or loss of the discontinued operations is shown as a single line on the face of the Consolidated Income Statement, separate from the continuing operating results of the Group. When an operation is classified as a discontinued operation, the comparative Consolidated Income Statement is represented as if the operation had been discontinued from the start of the comparative year.

### Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition. Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in the Consolidated Income Statement and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs) expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to other assets of the unit, pro-rata based on the carrying amount of each asset in the unit.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill on acquisition of a foreign entity is treated as an asset of the foreign entity and translated at the closing rate.

### Intangible assets

Computer software is initially measured at purchase cost. Customer relationships, trademarks and licences, perpetual technology licenses and visitor databases are initially measured at fair value. Computer software, customer relationships, trademarks and licences and visitor databases have a definite useful life and are carried at cost or fair value less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over the estimated useful life. The estimated useful lives are typically between three and 12 years for customer relationships, for trademarks up to 20 years and for visitor databases between five and eight years. Computer software is amortised over five years. The amortisation charge is included in administrative expenses in the Consolidated Income Statement.

### Impairment of assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment is recognised immediately as an expense. The impairment charge is included in administrative expenses in the Consolidated Income Statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (CGU) in prior years. A reversal of an impairment loss is recognised in the Consolidated Income Statement immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold land and buildings	– term of lease
Plant and equipment	– 2 to 10 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, over the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying value amount of the asset and is recognised in the Consolidated Income Statement.

## Notes to the consolidated accounts

### 2 Basis of accounting continued

#### Investments in associates and joint ventures

An associate is an entity over which the Group is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

A joint venture is an entity over which the Group is in a position to exercise joint control. Joint control exists when decisions about the activities of the entity require the unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these financial statements using the equity method of accounting. Investments in associates and joint ventures are carried in the Statement of financial position at cost as adjusted by post acquisition changes in the Group's share of net assets of the associate or joint venture, less any impairment in the value of individual investments. Losses of an associate or joint venture in excess of Group's interest in that entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Where a Group company transacts with an associate or joint venture of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate or joint venture. Losses may provide evidence of an impairment of the asset transferred, in which case an appropriate provision is made for impairment.

#### Other investments

Other investments are entities over which the Group does not have significant influence. Other investments are classified as assets held at fair value through profit or loss, with changes in fair value reported in the income statement.

#### Provisions

Provisions are recognised when the Group has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are discounted to present value where the effect is material.

#### Financial instruments

##### Classes of financial instruments

The Group aggregates its financial instruments into classes based on their nature and characteristics. The details of financial instruments by class are disclosed in note 23 to the accounts.

##### Financial assets

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial asset and the financial asset's cash flow characteristics. If the financial asset is

The Group classifies its financial assets into the following categories: cash and cash equivalents and trade and other receivables.

Financial liabilities are recognised on the Group's Statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and on demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

#### Trade and other receivables

Trade receivables and other receivables are measured on initial recognition at fair value, and are subsequently measured at amortised cost, less any impairment. Trade receivables are recognised at the earlier of settlement of the performance obligation or the Group having an enforceable right of payment related to performance obligation relates.

The gain or loss on revaluation of deferred and contingent consideration receivables is recognised in the Consolidated income statement as investment revenue or a finance loss.

#### Impairment of financial assets

The Group always recognises lifetime expected credit losses (ECL) for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, *adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.*

For all other financial assets, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

#### Financial liabilities

The Group classifies its financial liabilities into the following categories: written equity options, bank borrowings, and trade and other payables.

Financial liabilities are recognised on the Group's Statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

#### Written equity options

Any contract with a single or multiple settlement option that contains an obligation for the Group to purchase equity is a liability for cash gives rise to a financial liability for the present value of the required purchase price. An amount equal to the liability is recorded in equity on initial recognition of a written equity option. The liability is subsequently remeasured through the Consolidated income statement.

Written contracts designated significant to the Group's written equity options are discounted to their present value. The unwinding of the discount is charged through the Consolidated income statement over the period to exercise.



## 2 Basis of accounting continued

### Bank borrowings

Interest-bearing loans and overdrafts are recorded at the proceeds received, net of direct issue costs and stated at amortised cost using the effective interest rate method. The amortised cost calculation is revised when necessary to reflect changes in the expected cash flows and the expected life of the borrowings including the effects of the exercise of any prepayment, call or similar options. Any resulting adjustment to the carrying amount of the borrowings is recognised as interest expense in the income statement. Loan and overdraft interest and associated costs that are considered to be financing in nature are presented as financing activities in the cash flow statement.

### Trade and other payables

Trade payables are measured at initial recognition at fair value and are subsequently measured at amortised cost. Trade payables are derecognised in full when the Group is discharged from its obligation, it expires, is canceled or replaced by a new liability with substantially modified terms. Trade and other payables are short-term and there is no interest charged in connection with these, hence the effective interest method is not applied.

The gain or loss on revaluation of deferred and contingent consideration payable is recognised in the consolidated income statement as investment revenue or a finance cost.

### Derivative financial instruments and hedge accounting

The Group's activities expose it to the financial risks of changes in foreign currency exchange rates and changes in interest rates. The Group uses derivative financial instruments such as foreign exchange forward contracts and interest rate swaps to hedge these exposures.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Consolidated income statement unless hedge accounting has been applied by designating the derivative as a hedging instrument in an eligible hedging relationship. The Group designates its derivative financial instruments as hedging instruments in cash flow hedge relationships. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with the risk management objectives and strategy for undertaking various hedging transactions. At inception of the hedging relationship, and on an ongoing basis, the Group performs an assessment of hedge effectiveness to confirm the subsistence of an economic relationship, credit risk does not dominate value changes that result from that economic relationship, and the designated hedge ratio is consistent with the risk management strategy.

Derivative instruments are initially recognised at fair value at the date a derivative contract is entered into and are subsequently measured to their fair value at the end of each financial year. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity.

The gain or loss relating to any ineffective portion is recognised immediately in the Consolidated income statement as investment revenue or finance costs respectively. Amounts deferred in equity are recycled in the Consolidated income statement in the periods when the hedged item is recognised in the Consolidated income statement, in the same line of the Consolidated income statement as the recognised hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the income statement.

The Group's use of financial derivatives is governed by the Group's financial policies. Further details on these policies can be found in the Strategic report on pages 1 to 62.

### Fair values

The fair value is defined as the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties and is calculated by reference to market rates discounted to current value.

The Group determines the fair value of its financial instruments using market prices for quoted instruments and widely accepted valuation techniques for other instruments.

Valuation techniques include discounted cash flows, standard valuation models based on market parameters, dealer quotes for similar instruments and use of comparable arm's length transactions.

### Revenue

Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes, and provisions for returns and cancellations.

Revenue from exhibitions and conferences, whether in-person or virtual, is recognised when the event is held, being the point in time that services are provided to the customer and performance obligations have been satisfied. Payments for events are normally received in advance of the event dates. Contractually committed revenues and billings, to the extent that the amounts have fallen due and there is an enforceable right to payment, and cash received in advance, and directly attributable costs relating to future events, are deferred.

The amounts deferred are included in the Statement of financial position as deferred income and prepayments respectively until the event has completed. Deferred income balances included in current liabilities at the reporting date will be recognised as revenue within 12 months. Therefore, the aggregate amount of the transaction price in respect of performance obligations that are or satisfied at the reporting date is the deferred income balance which will be satisfied within one year.

## Notes to the consolidated accounts

### 2 Basis of accounting continued

If an event is anticipated to make a loss then the prepaid event costs in excess of the deferred income held in the Statement of financial position at the end of a financial year are written off in full. Where material, transaction prices and discounts are appropriately allocated between performance obligations based on the market price of products.

Marketing and advertising services revenues are recognised on issue of the related publication, over the period of the advertising subscription, or over the period when the marketing service is provided, on a straight-line basis. The performance obligations are satisfied over time and this reflects when the customer benefits from the services provided. The performance obligations are distinct, being events held or publications issued. Where material, transaction prices and discounts are appropriately allocated between performance obligations based on the market price of products. Payments for such services are normally received in advance of the marketing or advertising period.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Income from investments is recognised when the shareholders' rights to receive payment have been established.

Due to the nature of the business, there is an immaterial value of transaction price allocated to unsatisfied performance obligations. There are no material contract assets arising on work performed to deliver performance obligations.

#### Barter transactions

Revenue relating to barter transactions is recorded at fair value and the timing of recognition is in line with the above. Expenses from barter transactions are recorded at fair value and recognised as incurred. Barter transactions typically involve the trading of show space or conference places in exchange for services provided at events or media advertising.

#### Taxation

The tax expense represents the sum of tax currently payable and deferred tax.

The current tax charge is based on the taxable profit for the year using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss, ascertained by using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised

only to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that does not affect the tax profit or the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred taxes are calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except where it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

A current tax provision is recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

#### Insurance proceeds

The Group has insurance policies in place in respect of event postponements and cancellations. The gross proceeds from claims under these policies are recognised in the income statement as other operating income when the receipt of the proceeds is virtually certain.

#### Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

## 2 Basis of accounting continued

### Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or their contractual rate where applicable. Monetary assets and liabilities denominated in foreign currencies at the end of each financial year are retranslated at the rates of exchange prevailing at that date. Non-monetary assets and liabilities are translated at the rate prevailing at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains and losses arising on the settlement of monetary items, and on the retranslation of monetary items, are included in income for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in income for the period except for differences arising on the retranslation of non-monetary items in respect of which gains or losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is recognised in other comprehensive income.

Details of the Group's accounting policies for forward contracts and options are included in the policy on derivative financial instruments.

On consolidation, the monthly income statements of overseas operations are translated at the average rates of exchange for each month, and each Statement of financial position at the rates ruling at the end of each financial year. Exchange differences arising are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expense in the period in which the operation is disposed of. The Group deems an operation to be disposed of when it has lost control of the trade and assets of that operation.

Under the exemption permitted from IAS 21 (the effects of changes in foreign exchange rates), cumulative translation differences for all foreign operations prior to 1 October 2004 have been treated as zero. Consequently, any gain or loss on disposal will exclude translation differences that arose prior to 1 October 2004.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

### Employee Share Ownership Trust

The financial statements include the assets and liabilities of the Employee Share Ownership Trust (ESOT). Shares in the Company held by the ESOT have been valued at cost and are held in equity. The costs of administration of the ESOT are written off to profit or loss as incurred.

Where such shares are subsequently sold, any net consideration received is included in equity attributable to the Company's equity holders.

### Pension and other retirement benefits

The Group operates defined contribution pension plans in multiple regions around the Group. Contributions payable are charged to the income statement as they fall due as an operating expense.

### Share-based payments

#### Equity-settled

The Group issues equity-settled share-based payments to certain employees. These are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

#### Cash-settled

The Group operates a cash-settled share-based compensation plan for the benefit of certain employees. Cash-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at each reporting date. The fair value is expensed on a straight-line basis over the vesting period, with a corresponding increase in liabilities.

Fair value is measured using a Black-Scholes model. The expected life used in the model has been adjusted, for the effects of non-transferability, exercise restrictions and behavioural considerations based on management's best estimate.

### Leases

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as operating leases expensed directly to the income statement.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, using the discount rate implicit with the lease. The lease liability is presented as a separate line in the Consolidated balance sheet. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the discount rate used at commencement) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right of use asset) whenever:

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification;
- The lease payments change due to changes in an index or rate or a change in expected payments, in which cases the lease liability is remeasured by discounting the revised lease payments using a changed discount rate at the effective date of the modification.

## Notes to the consolidated accounts

### 2 Basis of accounting continued

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and vacant property provisions. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the expected lease term of the underlying asset. The depreciation starts at the commencement date of the lease. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss against the right-of-use asset.

#### Headline results (notes 5 and 11)

In addition to the statutory results, headline results are prepared for the income statement, including measures in relation to operating profit, profit before tax and diluted earnings per share, as the Board considers these measures to be the most appropriate way to measure the Group's performance in a way that is comparable to the prior year.

The Group presents headline results (note 5) and headline diluted earnings per share (note 11) to provide additional useful information on business performance trends to shareholders. These results are used for performance analysis and incentive compensation arrangements for employees. Headline results exclude items that are commonly excluded amongst peer companies: amortisation and impairment of goodwill and other intangible assets, transaction costs, restructuring costs, integration costs, profit or loss on disposal of businesses, and other items that in the opinion of the Directors would distort underlying results. The term 'headline' is not a defined term under IFRSs and may not therefore be comparable to similarly titled profit measurements reported by other companies. It is not intended to be a substitute for, or superior to, IFRS measurements of profit. Refer to note 5 for details of adjusting items recorded for the year and reconciled to statutory operating profit.

#### 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 critical accounting policies and the commentary. These definitions have been applied consistently year-on-year.

Note 5 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 separately identifiable 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 13.

#### 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 of 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 12 for further detail.

The carrying value of goodwill and intangible assets at 30 September 2021 is £73.2m (2020: £63.7m) and £201.2m (2020: £240.6m) respectively.

#### Deferred consideration receivable

The valuation of deferred consideration receivable of £9.8m (2020: £8.1m), recognised upon disposal 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 has taken place, as well as the size and credit risk of the buyer. Any contingent element of the deferred consideration receivable is recognised at fair value based on the directors' best estimate of the relevant performance of the a spouse of business.

#### 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 deduction can be utilised. Therefore, there is estimation uncertainty relating to the forecast profits. The forecast profits are based on Board-approved budgets and plans. At 30 September 2021 deferred tax assets of £5.7m (2020: £0.5m) have been recognised.

### 3 Segmental information

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

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

During the year the Group has made changes to its reportable segments. The Global Brands and UK segments have merged to form a new Global Communities segment, reflecting the new management structure in place for these businesses. Following the disposal of the Group's Kazakhstan business in April 2021, in addition to the disposal of our Azerbaijan and

Uzbekistan event portfolios in August 2020, Hyve has now completed its exit from Central Asia. The results of Central Asia are treated as a discontinued operation in both the current and comparative periods and Central Asia is no longer a reportable segment for the Group.

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

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

Year ended 30 September 2021	Global Communities £000	Asia £000	Eastern & Southern Europe £000	Russia £000	Continuing operations £000	Discontinued operations £000	Total Group £000
<b>Revenue</b>	<b>17,725</b>	<b>4,114</b>	<b>6,054</b>	<b>27,308</b>	<b>55,201</b>	<b>49</b>	<b>55,250</b>
Segment headline (loss)/profit before tax	(21,030)	(7,454)	(1,944)	5,742	(24,686)	(747)	(25,433)
Other operating income					66,101	–	66,101
Unallocated costs					(20,625)	–	(20,625)
<b>Headline profit before tax</b>					<b>20,790</b>	<b>(747)</b>	<b>20,043</b>
Adjusting items					(41,383)	(3,604)	(44,987)
<b>Profit before tax</b>					<b>(20,593)</b>	<b>(4,351)</b>	<b>(24,944)</b>
Tax					5,010	(86)	4,924
<b>Profit for the period</b>					<b>(15,583)</b>	<b>(4,437)</b>	<b>(20,020)</b>

The revenue in the year of £55.2m includes £0.5m (2020: £2.9m) 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 £65.0m (2020: £22.0m) in relation to claims regarding the cancellation or postponement of a number of events that were scheduled to take place in the current and prior year. 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.

## Notes to the consolidated accounts

## 3 Segmental information continued

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

Year ended 30 September 2021	Global Communities £000	Asia £000	Eastern & Southern Europe £000	Russia £000	Total Group £000
<b>Share of results of associates and joint ventures</b>					
Share of results before tax	–	1,880	–	120	2,000
Tax	–	(443)	–	(12)	(455)
Share of results after tax	–	1,437	–	108	1,545
<b>Capital expenditure</b>					
Segment capital expenditure	120	71	96	134	421
Unallocated capital expenditure					554
					975
<b>Depreciation and amortisation</b>					
Segment depreciation and amortisation	27,684	1,588	140	283	29,695
Unallocated depreciation and amortisation					5,038
					34,734

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

	2021 £000	2020 restated £000
Asia	–	25,712
Global Communities	19,028	231,958
Eastern & Southern Europe	–	5,157
Discontinued operations	–	596
	19,028	263,423

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

30 September 2021	Global Communities £000	Asia £000	Eastern & Southern Europe £000	Russia £000	Total Group £000
<b>Assets</b>					
Segment assets	264,147	68,083	5,281	37,624	375,135
Unallocated assets					45,774
					420,909
<b>Liabilities</b>					
Segment liabilities	(54,350)	(32,551)	(3,914)	(17,821)	(108,636)
Unallocated liabilities					(155,658)
					(264,294)
<b>Net assets</b>					156,615

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).

### 3 Segmental information continued

Year ended 30 September 2020 (restated)	Global Communities £000	Asia £000	Eastern & Southern Europe £000	Russia £000	Continuing operations £000	Discontinued operations £000	Total Group £000
<b>Revenue</b>	56,505	17,069	4,010	21,781	99,365	5,717	105,082
Segment headline (loss)/profit before tax	(14,977)	6,390	(3,058)	(6,622)	(18,267)	(948)	(19,215)
Other operating income					22,578	–	22,578
Unallocated costs					(22,447)	165	(22,282)
<b>Headline profit before tax</b>					(18,136)	(783)	(18,919)
Adjusting items					(296,891)	2,263	(294,628)
<b>Profit before tax</b>					(315,027)	1,480	(313,547)
Tax					11,024	(216)	10,808
<b>Profit for the period</b>					(304,003)	1,264	(302,739)

Year ended 30 September 2020 (restated)	Global Communities £000	Asia £000	Eastern & Southern Europe £000	Russia £000	Total Group £000
<b>Share of results of associates and joint ventures</b>					
Share of results before tax	–	6,028	–	(280)	5,748
Tax	–	(1,536)	–	–	(1,536)
Share of results after tax	–	4,492	–	(280)	4,212
<b>Capital expenditure</b>					
Segment capital expenditure		132	51	17	293
Unallocated capital expenditure					1,649
					1,942
<b>Depreciation and amortisation</b>					
Segment depreciation and amortisation		24,900	3,946	2,084	31,752
Unallocated depreciation and amortisation					4,997
					36,749

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

30 September 2020 (restated)	Global Communities £000	Asia £000	Central Asia £000	Eastern & Southern Europe £000	Russia £000	Total Group £000
<b>Assets</b>						
Segment assets	296,937	64,629	6,811	9,682	42,345	420,404
Unallocated assets						36,705
						457,109
<b>Liabilities</b>						
Segment liabilities	(65,164)	(28,293)	(3,189)	(7,428)	(31,444)	(135,518)
Unallocated liabilities						(144,545)
						(280,063)
<b>Net assets</b>						177,046

## Notes to the consolidated accounts

## 3 Segmental information continued

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

## Geographical information

	Revenue <sup>1</sup>		Non-current assets <sup>2</sup>	
	2021 £000	2020 £000	2021 £000	2020 £000
Asia	4,317	16,940	46,377	49,331
Central Asia	49	3,114	–	2,085
Eastern & Southern Europe	5,401	3,613	2,340	2,844
Russia	21,398	17,243	19,170	18,208
UK	9,311	38,245	82,073	39,083
US	6,674	2,746	91,879	89,369
Rest of the World	8,100	23,181	94,243	170,294
	55,250	105,082	336,082	371,214

1. Includes revenue from discontinued operations.

2. Non-current assets exclude deferred tax assets, or other non-current assets classified as held for sale.

## 4 Operating (loss)/profit

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

	2021 £000	2020 £000
Staff costs	46,957	47,757
Redundancy, severance and payments in lieu of notice	(129)	3,940
Government grants – furlough payments received	(35)	(1,286)
Depreciation of property, plant and equipment	5,702	5,171
Amortisation of intangible assets included within administrative expenses	29,032	31,576
Impairment of goodwill	–	195,518
Impairment of intangibles (note 14)	19,028	63,432
Impairment of investments	–	4,473
(Profit)/loss on disposal of subsidiary holdings (note 17)	(197)	–
Short-term leases – offices	161	481
Short-term leases – venues	7,654	32,229
(Gain)/loss on derivative financial instruments – equity options (note 23)	(8,807)	(3,851)
Foreign exchange (gain)/loss on operating activities	306	(2,806)
Other operating income	66,101	22,578

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 the current or prior year.

	2021 £000	2020 £000
Cancellation insurance proceeds	64,992	22,906
Government and other subsidies	596	375
Other	513	197
Other operating income	66,101	22,578



#### 4 Operating (loss)/profit continued

##### Auditor's remuneration

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

	2021 £000	2020 £000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	408	410
Fees payable to the Company's auditor and its associates for other services:		
– The audit of the Company's subsidiaries pursuant to legislation	220	251
– Additional fees paid in relation to the 2020 audit	100	–
Total audit fees	728	661
– Other services pursuant to legislation (Interim review)	69	55
– Advice regarding regulatory enquiries	12	–
– Reporting accountant work – rights issue	–	384
Total non-audit fees	81	439
	809	1,100

Details on the Group's policy on the use of the auditor for non-audit services, the reasons why the auditor was used rather than another supplier and how the auditor's independence and objectivity were safeguarded are set out in the Audit Committee report on page 75. No services were provided pursuant to contingent fee arrangements.

#### 5 Adjusting items

	2021 £000	2020 (restated) £000
<i>Operating adjusting items</i>		
Amortisation of acquired intangible assets (note 14)	27,770	29,154
Impairment of goodwill (note 12)	–	195,518
Impairment of intangible assets (note 14)	19,028	63,432
Impairment of investments in associates and JVs	–	4,473
Profit on disposal of subsidiary holdings (note 17)	(189)	–
Transaction costs on completed and pending acquisitions and disposals	682	3,271
Integration costs		
– Integration costs	–	531
Restructuring costs		
– TAG	–	823
Tax on income from associates and joint ventures	455	1,536
Total operating adjusting items	47,746	298,738
<i>Financing adjusting items</i>		
Revaluation of assets and liabilities on completed acquisitions and disposals		
– Gain on revaluation of equity options (note 23)	(8,807)	(3,851)
– Loss/(gain) on revaluation of deferred and contingent consideration payable (note 21)	1,350	(104)
– Loss on revaluation of deferred and contingent consideration receivable (note 19)	2,687	1,604
– Unwind of imputed interest charged on discounted deferred consideration receivable (note 19)	(1,594)	(849)
Write-off of previously capitalised debt issue costs on refinancing	–	1,353
Total adjusting items before tax	41,382	296,891

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

	2021 £000	2020 £000
Operating adjusting items		
Loss/(profit) on disposal of discontinued operations (note 17)	3,604	(2,263)
<b>Discontinued operations – adjusting items</b>	<b>3,604</b>	<b>(2,263)</b>

The adjusting items are also discussed in the Chief Finance and Operations Officer's statement.

## Notes to the consolidated accounts

## 6 Investment revenue

	2021 £000	2020 £000
Interest receivable from bank deposits	163	611
Gain on revaluation of equity options (note 23)	8,807	3,851
Gain on revaluation of deferred and contingent consideration payable (note 21)	–	104
Unwind of imputed interest charged on discounted deferred consideration receivable (note 19)	1,594	849
	<b>10,564</b>	<b>5,415</b>

## 7 Finance costs

	2021 £000	2020 £000
Interest on bank loans	5,241	6,415
Bank charges	2,350	1,565
Loss on revaluation of deferred and contingent consideration receivable (note 19)	2,687	1,604
Loss on revaluation of deferred and contingent consideration payable (note 21)	1,350	–
Interest on lease liabilities (note 27)	650	683
Write-off of previously capitalised debt issue costs on refinancing	–	1,353
	<b>12,278</b>	<b>11,620</b>

## 8 Staff costs

	2021 Number	2020 Number
The average monthly number of employees (including Directors) was		
Administration	298	375
Technical and sales	616	808
	<b>914</b>	<b>1,183</b>
The total aggregate remuneration comprised:	£000	£000
Wages and salaries	38,413	38,692
Social security costs	6,212	6,341
Other staff benefits	774	1,156
Defined contribution pension scheme contributions	792	989
Share-based payments	766	579
	<b>46,957</b>	<b>47,757</b>

The defined contribution pension contributions relate to the schemes in multiple regions around the Group.

Details of audited Directors' remuneration are shown in the Report on remuneration on pages 86 to 105.

Remuneration of key management personnel is disclosed in note 29.

## 9 Tax on profit on ordinary activities

Analysis of tax charge/(credit) for the year

	2021 £000	2020 (restated; £000)
Group taxation on current year result:		
UK corporation tax charge/(credit) on result for the year	1,231	(467)
Adjustment to UK tax in respect of previous years	17	50
	1,248	(417)
Overseas tax – current year	2,151	3,703
Overseas tax – previous years	(723)	472
	1,428	4,175
Current tax	2,676	3,758
<b>Deferred tax</b>		
Origination and reversal of temporary differences		
Current year	(6,176)	(14,527)
Prior year	(1,510)	(255)
	(7,686)	(14,782)
	(5,010)	(11,024)

The tax impact of the adjusting items outlined within note 5 and within the Consolidated income statement relates to the following

	2021 Gross £000	2021 Tax impact £000	2020 (restated) Gross £000	2020 (restated) Tax impact £000
Amortisation of acquired intangible assets	27,770	5,526	29,154	5,248
Impairment of goodwill	–	–	195,518	–
Impairment of intangible assets	19,028	5,206	63,432	11,369
Impairment of investments in associates	–	–	4,473	–
Change of rate of deferred tax on intangible assets	–	(4,712)	–	(3,696)
Profit on disposal of subsidiary holdings	(189)	–	–	–
Transaction costs on completed and pending acquisitions and disposals	682	–	3,271	–
– Integration costs	–	–	531	–
Restructure costs (TAG)	–	–	823	–
Tax on income from associates and joint ventures	455	455	1,536	1,536
Revaluation of liabilities on completed acquisitions				
– Gain on revaluation of equity options	(8,807)	–	(3,857)	–
– Loss/(gain) on revaluation of deferred and contingent consideration payable	1,350	–	(104)	–
– Loss on revaluation of deferred and contingent consideration receivable	2,687	–	1,604	–
– Unwind of imputed interest charged on discounted deferred consideration receivable	(1,594)	–	(849)	–
Write-off of previously capitalised debt issue costs on refinancing	–	–	1,353	–
	41,382	6,475	296,891	14,457

## Notes to the consolidated accounts

## 9 Tax on profit on ordinary activities continued

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

	2021 £000	2020 restated £000
Loss on ordinary activities before tax from continuing operations	(20,592)	(315,027)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2020: 19.0%)	(3,912)	(59,855)
Effects of:		
(Profit)/loss on disposal of subsidiary holdings	(29)	(153)
Transaction costs	181	585
Tax effect of equity options and deferred contingent consideration	(1,132)	(608)
Impairment of goodwill and other intangible assets	283	38,166
Other expenses not deductible for tax purposes	619	583
Tax effect of amortisation of intangibles	(1,386)	157
De-recognition of deferred tax assets previously recognised	-	3,414
Recognition of deferred tax assets not previously recognised	(2,411)	-
Movement on provisions for tax uncertainties	(76)	396
Current year losses not recognised as DTA	2,341	3,924
Withholding tax on overseas dividends suffered in the year	563	666
Deferred tax provision on repatriation of overseas profits	950	(1,749)
Tax charge in respect of previous period	(2,215)	267
Change in tax rate at which deferred tax is calculated	2,072	2,947
Effect of different tax rates of subsidiaries in other jurisdictions	(564)	1,036
Associate tax	(294)	(800)
	(5,010)	(11,024)

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 £86,000 (2020: £216,000) has been recognised in respect of discontinued operations.

	2021 £000	2020 £000
Tax relating to components of comprehensive income		
Cash flow (losses) – Deferred	(130)	-
	-	-
Tax relating to amounts credited/(charged) to equity		
Share options – Deferred	101	67
	101	67
	(29)	67

## 10 Dividends

	2021			2020		
	Per share p	Settled in cash £000	Settled in scrip £000	Per share p	Settled in cash £000	Settled in scrip £000
Amounts recognised as distributions to equity holders in the year						
Final dividend in respect of the prior year	–	–	–	1.6	13,012	–
Interim dividend in respect of the current year	–	–	–	–	–	–
	–	–	–	1.6	13,012	–

The Directors have not proposed a final dividend for the year ended 30 September 2021.

Under the terms of the trust deed dated 20 October 1998, the Hyve Group Employees Share Trust, which holds 771,375 (2020: 812,656) ordinary shares representing 0.3% of the Company's called up ordinary share capital, has agreed to waive all dividends due to it each year.

## 11 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:

	2021 No. of shares ('000)	2020 No. of shares ('000)
Weighted average number of shares:		
For basic earnings per share	264,349	177,009
Effect of dilutive potential ordinary shares	132	3
For diluted and headline diluted earnings per share	264,481	177,012

### 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 £19.2m (2020 restated: loss of £303.7m). Basic and diluted earnings per share were (7.3)p and (7.3)p respectively (2020 restated: (171.6)p and (171.6)p). No share options (2020: nil) 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

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 £19.3m (2020 restated: loss of £23.5m). Headline basic and diluted earnings per share were 7.3p and 7.3p respectively (2020 restated: (13.3)p and (13.3)p).

### 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 £14.8m (2020 restated: loss of £304.9m). Basic and diluted earnings per share from continuing operations were (5.6)p and (5.6)p respectively (2020 restated: (172.3)p and (172.3)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 antidilutive.

### Headline earnings per share from continuing operations

The calculations of headline basic and diluted earnings per share are based on the headline profit for the financial year attributable to equity holders of the parent from continuing operations of £20.2m (2020 restated: loss of £22.5m). Headline basic and diluted earnings per share from continuing operations were 7.6p and 7.6p respectively (2020 restated: (12.7)p and (12.7)p respectively).

### Impact of prior period error

The restatement for the prior period error disclosed in note 1 has had the following impact on the calculations of basic and diluted earnings per share and headline basic and diluted earnings per share:

	2020 Loss for the financial year attributable to equity holders of the parent £000	2020 Basic earnings per share (p)	2020 Diluted earnings per share (p)	2020 Headline loss for the financial year attributable to equity holders of the parent £000	2020 Headline basic earnings per share (p)	2020 Headline diluted earnings per share (p)
Reported	(303,748)	(171.6)	(171.6)	(23,985)	(13.6)	(13.6)
Changes relating to prior period errors (note 1)	81	–	–	489	0.3	0.3
Restated	(303,667)	(171.6)	(171.6)	(23,496)	(13.3)	(13.3)

## Notes to the consolidated accounts

## 11 Earnings per share continued

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

	2021 £000	2020 revised £000
Loss for the financial year attributable to equity holders of the parent	(19,188)	(303,667)
Amortisation of acquired intangible assets	27,770	29,154
Impairment of goodwill (note 12) (restated)	–	195,518
Impairment of intangible assets (note 14)	19,028	63,432
Impairment of investment in associates and JVs (note 18)	–	4,473
Loss/(profit) on disposal of subsidiary holdings (note 17)	(189)	–
Loss/(profit) on disposal of discontinued operations (note 17)	3,603	(2,263)
Transaction costs on completed and pending acquisitions and disposals	682	3,277
– Integration costs	–	531
Restructuring costs (IAG)	–	823
Revaluation of assets and liabilities on completed acquisitions and disposals		
– Gain on revaluation of equity options (note 23)	(8,807)	(3,851)
– Loss/(gain) on revaluation of deferred and contingent consideration payable (note 21)	1,350	(104)
– Loss on revaluation of deferred and contingent consideration receivable (note 19)	2,687	1,604
– Unwind of imputed interest charged on discounted deferred consideration receivable (note 19)	(1,594)	(849)
Write-off of previously capitalised debt issue costs on refinancing	–	1,353
Tax effect of other adjustments	(6,019)	(7,292)
Headline profit for the financial year attributable to equity holders of the parent	19,323	(23,496)
Headline profit from discontinued operations	834	999
Headline profit for the financial year attributable to equity holders of the parent from continuing operations	20,157	(22,497)

## 12 Goodwill

	Goodwill £000
<b>Cost</b>	
At 1 October 2019	253,059
Additions through business combinations (restated)	54,834
Foreign exchange (restated)	(8,397)
Disposal	(1,827)
<b>At 30 September 2020 (restated)</b>	<b>297,675</b>
Additions through business combinations (note 13)	12,747
Disposals	(3,689)
Foreign exchange	(5,777)
<b>At 30 September 2021</b>	<b>300,950</b>
<b>Provision for impairment</b>	
At 1 October 2019	(43,089)
Disposals	567
Impairment (restated)	(195,518)
Foreign exchange	4,043
<b>At 30 September 2020 (restated)</b>	<b>(233,997)</b>
Disposals	2,029
Foreign exchange	4,720
<b>At 30 September 2021</b>	<b>(227,248)</b>
<b>Net book value</b>	
<b>At 30 September 2021</b>	<b>73,702</b>
At 30 September 2020 (restated)	63,678

## 12 Goodwill continued

Goodwill recognised in the year ended 30 September 2020 in respect of the acquisition of Shoptalk has been restated as disclosed in note 1. The impairment charge recognised in respect of goodwill in the year ended 30 September 2020 has also been restated due to the consequential impact of the change in the cost of the Shoptalk goodwill acquired.

Goodwill with a net book value of £1.7m, held in respect of the Kazakhstan business, was disposed of during the year following the disposal of the Group's remaining event portfolio in the region (see note 17).

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 extrapolates 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 in many cases the effects of the pandemic will continue to be felt in the financial years ending 30 September 2022 and

30 September 2023, however, a full recovery is expected by the end of the financial year ending 30 September 2024, supported by growth from the Group's omnichannel strategy, including the impact of the Retail Meetup acquisition (included within the Shoptalk CGU).

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. The methodology for allocating central costs has been refined during the year in order to align with the latest corporate structure of the business following changes made as a result of the COVID-19 pandemic and the acquisitions of Retail Meetup and Shoptalk.

### 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 12% and 17% (2020: 10% and 19%). The large variance in discount rates applied reflects the differences in risks inherent in the regions in which the CGUs operate.

### Individually significant CGUs

	Goodwill		Other intangible assets		Long-term growth rates		Pre-tax discount rates		Recoverable amount in excess of carrying value	
	2021 £m	2020 £m	2021 £m	2020 £m	2021 %	2020 %	2021 %	2020 %	2021 £m	2020 £m
Significant CGUs										
Russia	14.9	14.4	–	–	4.0	1.8	16.3	14.4	132.0	90.3
China	9.6	9.5	1.8	2.9	2.0	5.5	12.7	11.6	18.8	17.6
Global Communities										
Shipping & Specialised										
Engineering	16.2	16.8	41.5	46.1	1.9	1.3	12.0	10.3	14.1	–
Bett	0.7	–	40.2	43.0	2.0	1.5	12.6	11.2	6.9	–
Shoptalk	29.4	18.6	58.6	59.1	2.4	1.6	12.5	10.3	39.6	–
Africa Oil & Mining	0.8	0.8	27.7	32.4	3.3	1.7	15.1	13.2	14.1	–
UK	–	–	28.9	53.7	2.0	1.5	13.0	11.2	–	5.2

## Notes to the consolidated accounts

## 12 Goodwill continued

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

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

Impairment charges of £19.0m have been recognised in respect of acquired intangible assets within the UK CGU as a result of the continuing impact of COVID-19 on our UK-retail events, as well as the allocation of additional central costs following revisions to the cost allocation methodology. The impairment charges are recognised within administrative expenses in the Consolidated income statement.

CGU	Pre-tax discount rates	Impairment to goodwill £000	Impairment to intangible assets £000	Total impairment to goodwill and intangible assets £000
<b>Global Communities</b>				
UK	13.0%	-	19,028	19,028

## 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 an additional adverse impact from the COVID-19 outbreak. The scenarios have been performed separately, and in aggregate, for each CGU with a recoverable value in excess of its carrying value, with the sensitivities summarised as follows:

- A delay in the recovery of international travel. We have sensitised forecasts to factor in a slower return in international travel across our markets during FY22, as determined by the progress of the vaccine rollout in our geographies. Under this scenario international revenues are assumed to be only 30% of pre-pandemic levels in FY22. We have also included the subsequent impact that this would have on domestic revenues.
- A decrease in the long-term growth rate by 0.5%.
- An increase in the discount rate by 1%.

The sensitivity analysis shows that no impairment would result from either a delay in international travel, a decrease in the long-term growth rate, an increase in the discount rate, or an aggregate of these sensitivities, in any CGU with headroom in excess of its carrying value at 30 September 2021. There would, however, be an incremental increase in the impairment charge in the UK recognised in respect of acquired intangible assets.

- A delay in the recovery of international travel would increase the impairment charge by £0.5m.
- A decrease in the long-term growth rate by 0.5% would increase the impairment charge by £0.7m.
- An increase in the discount rate by 1% would increase the impairment charge by £1.8m.

The aggregate of these sensitivities would increase the impairment charge in respect of acquired intangible assets by £3.0m.



### 13 Acquisitions

#### Retail meetup

On 21 December 2020 the Group acquired 100% of the share capital of Retail Meetup, LLC for initial consideration of £18.5m and deferred contingent consideration with a fair value at acquisition of £3.4m. The acquisition was completed to support Hyve's digital evolution and the delivery of its omnichannel strategy.

The deferred contingent consideration related to an earn-out payment based on the EBITDA of the two Retail Meetup events which took place post-acquisition in FY21. The deferred contingent consideration was calculated based on management's expectations of EBITDA at acquisition. The deferred contingent consideration was subsequently settled in August 2021 for £4.7m based on the finalised EBITDA of the two events, resulting in an additional £1.3m of 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 £0.3m, 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
Intangible assets – Perpetual technology licence	9,523
Intangible assets – Trademarks	401
<b>Identifiable net assets</b>	<b>9,924</b>
Goodwill arising on acquisition	12,030
<b>Total consideration</b>	<b>21,954</b>
<b>Satisfied by</b>	
Initial cash consideration	18,514
Deferred consideration	3,440
	<b>21,954</b>
<b>Net cash outflow arising on acquisition</b>	
Cash consideration paid	18,514
<b>Net cash outflow arising on settlement of deferred consideration</b>	
Cash consideration paid	4,693
<b>Total net cash outflow from acquisition</b>	
Total cash consideration paid	<b>23,207</b>

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

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

The acquired business has contributed £2.0m to Group revenue and £1.2m to statutory profit before tax. Had the acquisition occurred on 1 October 2020, the acquired businesses would have contributed £3.8m to Group revenue and £2.6m to statutory profit before tax.

#### Learnit

During the year the Group acquired the remaining 89% stake of Learnit Worldwide Limited. The Group had previously recognised an investment of £1.5m (presented within 'Investments' in the statement of financial position), consisting of its initial 11% stake acquired at a cost of £0.5m, in addition to further capital contributions of £1.0m.

Immediately before the acquisition the Group's initial 11% interest was equal to the cost of the initial interest and therefore no gain or loss was recognised in relation to its revaluation. In the previous financial year, the Group had made capital contributions of £1.0m. No additional consideration was payable in the current financial year.

At acquisition, intangible assets of £0.9m (recognised wholly in respect of trademarks) and goodwill of £0.7m were recognised in respect of the business and allocated to the Beta CGU. Deferred tax liabilities of £0.3m were recognised in respect of the trademarks. The investment of £1.5m was de-recognised following the acquisition of a controlling stake in the business.

## Notes to the consolidated accounts

## 14 Other intangible assets

	Customer relationships £000	Trademarks and licences £000	Visitor databases £000	Perpetual technology licences £000	Computer software £000	Total £000
<b>Cost</b>						
At 1 October 2019	93,218	242,287	298	–	9,390	345,193
Additions through business combinations	9,208	49,792	–	4,070	–	63,070
Additions	–	–	–	–	1,329	1,329
Disposals	–	–	–	–	(3,649)	(3,649)
Foreign exchange	(1,449)	49	(92)	107	(263)	(1,648)
<b>At 30 September 2020</b>	<b>100,977</b>	<b>292,128</b>	<b>206</b>	<b>4,177</b>	<b>6,807</b>	<b>404,295</b>
Additions through business combinations (note 13)	–	1,270	–	9,523	99	10,892
Additions	–	–	–	–	104	104
Disposals	(1,938)	(1,327)	–	–	(1,109)	(4,374)
Foreign exchange	(1,968)	(3,024)	(33)	(179)	30	(5,174)
<b>At 30 September 2021</b>	<b>97,071</b>	<b>289,047</b>	<b>173</b>	<b>13,521</b>	<b>5,931</b>	<b>405,743</b>
<b>Amortisation</b>						
At 1 October 2019	41,633	27,596	298	–	5,058	74,585
Charge for the year	10,864	17,950	–	340	2,422	31,576
Impairments	9,197	54,235	–	–	–	63,432
Disposals	–	–	–	–	(3,649)	(3,649)
Foreign exchange	(1,202)	(717)	(92)	8	(218)	(2,221)
<b>At 30 September 2020</b>	<b>60,492</b>	<b>99,064</b>	<b>206</b>	<b>348</b>	<b>3,613</b>	<b>163,723</b>
Charge for the year	8,311	17,908	–	1,551	1,262	29,032
Impairments (note 12)	1,169	17,859	–	–	–	19,028
Disposals	(1,938)	(1,327)	–	–	(945)	(4,210)
Foreign exchange	(1,437)	(1,033)	(33)	(34)	47	(2,490)
<b>At 30 September 2021</b>	<b>66,597</b>	<b>132,471</b>	<b>173</b>	<b>1,865</b>	<b>3,977</b>	<b>205,083</b>
<b>Net book value</b>						
<b>At 30 September 2021</b>	<b>30,474</b>	<b>156,576</b>	<b>–</b>	<b>11,656</b>	<b>1,954</b>	<b>200,660</b>
At 30 September 2020	40,485	193,064	–	3,829	3,194	240,572

The amortisation period for customer relationships is between three and 12 years, for trademarks is between three and 20 years and for visitor databases between five and eight years and for perpetual technology licences between seven and 10 years. Computer software is amortised over five years.

The additions to trademarks and licences and perpetual technology licences through business combinations relate to the purchase of Retail Meetup (£9.9m) and Learnit (£0.9m) as disclosed in note 13. The intangible assets acquired during the year are amortised in accordance with the Group's amortisation policy for intangible assets as detailed in note 2 and have been assessed for impairment as detailed in note 12.

## Individually material intangible assets

CGU	Acquisition	Depreciation	Initial value £000	Carrying amount £000	Remaining amortisation
Belt	Belt	Trademarks	63,863	37,724	16.8 years
Shapping & Specialised Engineering	CWIE/ME	Trademarks	41,022	34,441	16.8 years
UK	UK	Trademarks	89,833	23,233	16.8 years
Africa O & M / mg	Mining / mg	Trademarks	22,089	18,191	14.0 years
Shoptalk	Shoptalk	Trademarks	48,062	37,432	8.2 years

## 15 Property, plant and equipment

	Leasehold land and buildings £000	Plant and equipment £000	Right of use asset (restated) £000	Total (restated) £000
<b>Cost</b>				
At 1 October 2019	5,303	8,746	15,686	29,735
Additions through business combinations (restated)	–	75	4,935	5,010
Additions	–	618	304	922
Disposals	–	(2,487)	(156)	(2,643)
Foreign exchange (restated)	–	(958)	(189)	(1,147)
<b>At 30 September 2020 (restated)</b>	<b>5,303</b>	<b>5,994</b>	<b>20,580</b>	<b>31,877</b>
Additions through business combinations (note 13)	–	–	–	–
Additions	453	418	1,558	2,429
Disposals	(3,211)	(1,073)	(273)	(4,557)
Foreign exchange	(19)	(22)	(376)	(417)
Lease modifications	–	–	(964)	(964)
<b>At 30 September 2021</b>	<b>2,526</b>	<b>5,317</b>	<b>20,525</b>	<b>28,368</b>
<b>Depreciation</b>				
At 1 October 2019	3,202	5,680	–	8,882
Charge for the year (restated)	184	1,529	3,458	5,171
Disposals	–	(2,494)	(96)	(2,590)
Foreign exchange (restated)	–	(613)	(88)	(701)
<b>At 30 September 2020 (restated)</b>	<b>3,386</b>	<b>4,102</b>	<b>3,274</b>	<b>10,762</b>
Charge for the year	1,490	960	3,252	5,702
Disposals	(3,062)	(1,073)	(129)	(4,264)
Foreign exchange	(12)	49	(21)	16
Lease modifications	–	–	(1,085)	(1,085)
<b>At 30 September 2021</b>	<b>1,802</b>	<b>4,038</b>	<b>5,291</b>	<b>11,131</b>
<b>Net book value</b>				
<b>At 30 September 2021</b>	<b>724</b>	<b>1,279</b>	<b>15,234</b>	<b>17,237</b>
At 30 September 2020	1,917	1,892	17,306	21,115

All right-of-use assets are recognised in respect of office leases.

The right-of-use asset recognised in the year ended 30 September 2020 in respect of the acquisition of ShopTalk has been restated as disclosed in note 1. The depreciation charge recognised in respect of the right-of-use asset in the year ended 30 September 2020 has also been restated due to the consequential impact of the change in the cost of the right-of-use asset acquired.

On lease modification the cost of the right-of-use asset was adjusted to the present value of the remaining future lease payments and the accumulated depreciation recognised up to the date of modification was derecognised.

## 16 Subsidiaries

A list of all subsidiaries, including the name, country of incorporation and proportion of ownership interest is presented in note 5 to the Company's separate financial statements.

## 17 Disposal of subsidiaries and discontinued operations

### Kazakhstan

In April 2021 the Group announced the disposal of ITECA LLP, the operating company for 25 of the Group's non-core, regionally focused events in Kazakhstan, to ICA (JV) Limited, a company owned and operated by a former consultant to Hyve in the region. This completes the Group's planned exit of its business in Central Asia.

Total consideration was £4.8m, payable over a number of years. When discounted, the present value of the consideration receivable was £3.1m.

## Notes to the consolidated accounts

## 17 Disposal of subsidiaries and discontinued operations continued

In addition to fixed payments of £4.4m, there is an additional amount of variable consideration based on the net square metres sold at the disposed-of events taking place at the Atokent venue in Kazakhstan between the completion date and 31 December 2021. At the disposal date this variable consideration had a fair value of £0.4m.

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

	£000
Goodwill	1,660
Property, plant and equipment	235
Trade and other receivables	1,294
Cash and cash equivalents	1,278
Other net liabilities	(2,212)
<b>Net assets</b>	<b>2,255</b>
Fair value of consideration received	3,085
Working capital payments	(1,751)
Disposal costs	(375)
<b>Proceeds net of related selling expenses</b>	<b>959</b>
<b>Cumulative exchange differences</b>	<b>(2,308)</b>
<b>Loss on disposal</b>	<b>(3,604)</b>
<b>Satisfied by:</b>	
Cash and cash equivalents	–
Deferred consideration	3,085
	<b>3,085</b>
<b>Net cash outflow arising on disposal:</b>	
Consideration received in cash and cash equivalents	–
Less: working capital payments	(1,751)
Less: cash and cash equivalents disposed of	(1,278)
	<b>(3,029)</b>

In line with the requirements of IFRS 5, the Group's exit from Centra Asia has been treated as a discontinued operation, as it represents the disposal of a component of the entity, a separate major line of business and a separate geographical area of business.

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

	Year ended 30 September 2021			Year ended 30 September 2020		
	Headline £000	Adjusting items (note 5) £000	Statutory £000	Headline £000	Adjusting items (note 5) £000	Statutory £000
<b>Revenue</b>	<b>49</b>	<b>–</b>	<b>49</b>	5,777	–	5,777
Cost of sales	(472)	–	(472)	(5,344)	–	(5,344)
<b>Gross profit</b>	<b>(423)</b>	<b>–</b>	<b>(423)</b>	373	–	373
Administrative expenses	(324)	(3,604)	(3,928)	(1,156)	2,263	1,107
<b>Operating (loss)/profit</b>	<b>(747)</b>	<b>(3,604)</b>	<b>(4,351)</b>	(783)	2,263	1,480
<b>(Loss)/profit before tax</b>	<b>(747)</b>	<b>(3,604)</b>	<b>(4,351)</b>	(783)	2,263	1,480
Tax on (loss)/profit	(87)	–	(87)	(216)	–	(216)
<b>(Loss)/profit from discontinued operations</b>	<b>(834)</b>	<b>(3,604)</b>	<b>(4,438)</b>	(999)	2,263	1,264
<b>Attributable to:</b>						
Owners of the Company	(834)	(3,604)	(4,438)	(999)	2,263	1,264
Non-controlling interests	–	–	–	–	–	–
	<b>(834)</b>	<b>(3,604)</b>	<b>(4,438)</b>	<b>(999)</b>	<b>2,263</b>	<b>1,264</b>
<b>Earnings per share from discontinued operations (p)</b>						
Basic	(0.3)	–	(1.7)	10.6	–	10.6
Diluted	(0.3)	–	(1.7)	10.6	–	10.6

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

## 17 Disposal of subsidiaries and discontinued operations continued

### Fasteners

During the year the Group also disposed of its 70% holding in ITE Ebseek Exhibitions Limited, the operating company of the Fasteners event in Shanghai, for total upfront consideration of £0.5m. After the disposal of net assets of £0.7m and the release of cumulative exchange differences of £0.4m, a gain on disposal of £0.2m was recognised.

The non-controlling interest of £0.9m held in respect of ITE Ebseek Exhibitions Limited has also been disposed of.

## 18 Interests in associates and joint ventures

### Associates and joint ventures

	Country of incorporation and operation	Registered address	Principal activity	Description of holding	Group interest %
<b>Joint ventures</b>					
Sinostar ITE	Incorporated in Hong Kong with operations in China	Rm 2701-2, 27/F, 42-46 Gloucester Rd, Jubilee Centre, Wanchai, Hong Kong	Exhibition organiser	Ordinary	50%
Debindo Unggul Buana Makmur	Indonesia	G9 Lantai 1 Jl. KH. Abdullloh Syafii No. 9 Bukit Duri, Tebet Jakarta Selatan RT/RW. 013/05 Kel BUKIT DURI Kec. TEBET KOTA ADMINISTRASI JAKARTA SELATAN	Exhibition organiser	Ordinary	50%
ITEMF Expo LLC	Russia	Verkhnyaya Krasnaya Str. 3, Blag. 2, Floor a2, Suite 1, Room 1, Moscow, 107140	Exhibition organiser	Ordinary	50%
					Total £000
<b>At 1 October 2020</b>					37,444
Share of results of associates and joint ventures					1,545
Dividends received					(1,958)
Foreign exchange					95
<b>At 30 September 2021</b>					<b>37,126</b>

The Group received dividends from Sinostar of approximately £2.0m (2020: £4.0m). In 2021, no dividends were received from Debindo (2020: £0.2m) or ITEMF Expo LLC (2020: £0.5m).

The carrying value of interests in associates and joint ventures has been assessed for impairment at the year end. The recoverable amounts of each investment were determined from value in use calculations, using assumptions consistent with those applied in the goodwill and intangible assets impairment review detailed in note 12. No impairments were identified in respect of the associates and joint ventures.

For the year ended 30 September 2021 there were unrecognised losses of £0.1m in respect of the investment in Debindo which has a carrying value of £nil following its impairment in the previous financial year.

Summarised financial information in respect of the Group's material associates and joint ventures is set out below. The sole material joint venture is Sinostar ITE. The summarised financial information below represents amounts in the associates and joint ventures financial statements prepared in accordance with IFRS.

<b>Results of material joint venture at 100% share</b>	<b>2021 £000</b>	<b>2020 £000</b>
Cash and cash equivalents	<b>11,982</b>	8,014
Current assets	<b>1,674</b>	1,890
Non-current assets	<b>213</b>	263
<b>Total assets</b>	<b>13,869</b>	10,167
Current liabilities	<b>(12,779)</b>	(7,981)
Non-current liabilities	<b>(39,872)</b>	(42,942)
<b>Total liabilities</b>	<b>(52,651)</b>	(50,923)
<b>Revenue</b>	<b>7,575</b>	18,460
Interest income	<b>77</b>	176
Depreciation and amortisation	<b>237</b>	15
<b>Profit from continuing operations</b>	<b>3,760</b>	12,676
Tax expense	<b>(886)</b>	(3,072)
<b>Profit from continuing operations after tax</b>	<b>2,874</b>	9,604
<b>Total comprehensive income</b>	<b>2,874</b>	9,604

## Notes to the consolidated accounts

## 18 Interests in associates and joint ventures continued

A reconciliation of the above summarised financial information to the carrying amount of the interest in the material joint venture in the Consolidated financial statements is shown below

	2021 £000	2020 £000
<b>Net liabilities</b>	<b>(38,782)</b>	<b>(40,756)</b>
Proportion of the Group's ownership in the joint venture	(19,391)	(20,378)
Loan due to shareholders	19,909	21,471
Goodwill	33,556	33,515
<b>Carrying amount of the Group's interest in the joint venture</b>	<b>34,074</b>	<b>34,608</b>

The loan due to shareholders forms part of the net investment in the joint venture

The Group's non-material joint ventures have an aggregate profit after tax from continuing operations and total comprehensive income of £0.2m (2020: £1.2m), at a 100% share

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

	£000
<b>At 1 October 2019</b>	<b>5,466</b>
Arising on disposal	4,286
Consideration received	(618)
Unwind of imputed interest charged on discounted deferred consideration receivable	849
Revaluation of deferred consideration receivable	
– Revaluation	(45)
– Foreign exchange	(1,189)
<b>At 30 September 2020</b>	<b>8,743</b>
Arising on disposal (note 17)	3,085
Consideration received	(335)
Unwind of imputed interest charged on discounted deferred consideration receivable	1,594
Revaluation of deferred consideration receivable	
– Modification of deferred consideration receivable	(3,114)
– Revaluation	297
– Foreign exchange	130
<b>At 30 September 2021</b>	<b>9,800</b>
Included in non-current assets	7,357
Included in current assets	2,443
	<b>9,800</b>

## 19 Current assets and non-current assets

Current assets	2021 £000	2020 £000
<b>Trade and other receivables</b>		
Trade receivables	20,333	14,338
Other receivables	1,602	3,138
Deferred consideration receivable	2,443	1,278
Venue advances and prepayments	–	1,059
Prepayments	11,122	8,807
Taxation and social security	69	5,111
	<b>35,569</b>	<b>33,731</b>
Taxation prepayments	1,818	1,374

Taxation prepayments relate to overseas subsidiaries and are available for offset against future tax liabilities

Prepayments include £9.6m (2020: £7.5m) of prepaid event costs to fulfil the Group's contracts with its customers

## 19 Current assets and non-current assets continued

The modification of the deferred consideration receivable relates to the renegotiation of payment terms and amounts outstanding, amending the fair value of the receivable.

	2021 £000	2020 £000
<b>Cash and cash equivalents</b>		
Cash at bank and in hand	<b>41,733</b>	50,330

The cash at bank and in hand comprises cash held by the Group and short-term deposits with an original maturity of three months or less. The carrying value of these assets approximates their fair value. The cash balance is represented by £10.7m of sterling, £5.5m of euros, £5.5m of US dollars, £3.7m of Russian rubles, £4.9m of Indian rupees and £11.4m of other currencies. Surplus funds are placed on short-term deposit with floating interest rates.

## 20 Bank borrowings

	2021 £000	2020 £000
Total drawdowns under debt facility	<b>(124,423)</b>	(121,673)
Capitalised refinancing fees	<b>2,823</b>	3,688
<b>Bank loans</b>	<b>(121,600)</b>	(117,985)
Included in current liabilities	<b>(11,751)</b>	(17,500)
Included in non-current liabilities	<b>(109,849)</b>	(100,485)
	<b>(121,600)</b>	(117,985)

In December 2020 the Group agreed a number of amendments to its debt facility agreement, including an amended repayment schedule for the term loan and the application of 50% of insurance proceeds, to the extent that such amount exceeds £82.5m, as an advanced payment towards upcoming term loan repayments.

At 30 September 2021 the Group had total available facilities of £212.8m (2020: £250.0m), comprising a revolving credit facility of £150.0m (2020: £150.0m) and a term loan of £62.8m (2020: £100.0m). During the year £37.2m of term loan repayments were made, including £2.2m in respect of 50% of insurance proceeds above £82.5m. The upcoming scheduled repayments of the term loan, to be made after 30 September 2021, are now £0.8m in March 2022 (£3.0m less the £2.2m repaid in respect of insurance proceeds received), £5.0m in June 2022, £6.0m in September 2022 and November 2022, £22.5m in November 2023 and a final repayment of £22.5m on the termination date in December 2023.

Interest is charged on any utilised amount at a rate of LIBOR plus a margin ranging from 1.90% to 3.40% dependent on the Group's leverage ratio under the debt facility agreement. In line with the FCA's announcement of the cessation of GBP LIBOR by 31 December 2021, the reference to LIBOR in the debt facility agreement will be amended to SONIA in December 2021. The debt facility is secured by asset pledges and debentures given by a number of Group companies.

At 30 September 2021 the Group had total drawn amounts under the debt facility agreement of £124.4m (2020: £121.7m), all of which denominated in sterling, and had £88.4m (2020: £128.3m) of undrawn committed facilities.

All borrowings are arranged at floating interest rates, thus exposing the Group to interest rate risk. The Group uses interest rate swaps to reduce this risk. At 30 September 2021 the notional amount hedged was £41.3m (2020: £100.0m), reducing due to the termination of part of the Group's interest rate swaps following the term loan repayments during the year. Please refer to note 23 for further information. All borrowings are secured by a guarantee between a number of Group companies.

As at 30 September 2021 there are capitalised fees of £2.8m (2020: £3.7m) in relation to the Group's current debt facility.

In the previous financial year 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 must ensure that the aggregate of cash and undrawn debt facilities is not less than £40m at the end of each month, except between April and October 2021 being not less than £30m. Subsequent to the year ended 30 September 2021 the Group has secured an extension of the covenant waivers up to and including March 2023 with the same minimum liquidity test remaining in place.

## Notes to the consolidated accounts

## 21 Current liabilities and non-current liabilities

## Current liabilities

	2021 £000	2020 £000
Trade payables	1,324	4,731
Taxation and social security	837	1,167
Other payables	10,833	28,888
Accruals	25,489	19,184
Deferred consideration	835	881
Lease liabilities	3,347	3,503
	42,665	58,354
Deferred income		
– Current	72,277	61,276
– Non-current	–	–

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider that the carrying value of trade payables approximates their fair value.

During the year ended 30 September 2021, £271m (2020: £63.6m) of the deferred income balance of £61.3m at 30 September 2020 (£79.7m at 30 September 2019) was recognised as revenue in the consolidated income statement. This was lower than the balance of deferred income included in current liabilities at 30 September 2020 as a result of event cancellations and postponements.

Other payables include refund liabilities in respect of cancelled events of £7.4m (2020: £23.6m).

The movements in deferred consideration payable during the year are shown in the table below.

	Total £000
<b>At 1 October 2020</b>	<b>881</b>
Arising on acquisition (note 13)	3,440
Consideration paid (note 13)	(4,693)
Revaluation of deferred consideration payable	1,350
Foreign exchange	(143)
<b>At 30 September 2021</b>	<b>835</b>

## 22 Provisions

	National insurance on share options £000	Dilapidations £000	Other £000	Total £000
<b>At 1 October 2020</b>	<b>8</b>	<b>1,670</b>	<b>39</b>	<b>1,717</b>
Charged/(credited) to profit or loss	37	–	(39)	(2)
Utilised in the year	–	(170)	–	(170)
Foreign exchange	–	(145)	–	(145)
<b>At 30 September 2021</b>	<b>45</b>	<b>1,355</b>	<b>–</b>	<b>1,400</b>
Included in current liabilities				–
Included in non-current liabilities				1,400
				<b>1,400</b>

National Insurance on share options is calculated by reference to the employer's National Insurance cost on the potential gain, based on the difference between the exercise price and share price for those share options where the share price exceeds the exercise price at 30 September 2021.

The amounts included in respect of dilapidations provisions will be fully utilised by the end of the lease term in 2028. The dilapidations are based on the most likely amount for settlement.



## 23 Financial instruments

### Financial assets and liabilities

Details of the accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset and financial liability are disclosed in the accounting policies note on pages 126 and 127.

### Categories and maturities of financial assets and liabilities

Financial assets and liabilities are classified according to the following categories in the table below.

30 September 2021 £000	Carrying amount & fair value	Contractual cash flows	Less than 1 year	1 – 2 years	2 – 5 years	Greater than 5 years
<b>Non-derivative financial assets</b>						
Cash and cash equivalents	41,733	41,733	41,733	–	–	–
Trade and other receivables:						
Trade receivables	20,333	21,886	21,886	–	–	–
Deferred consideration	9,800	16,661	2,669	2,400	8,648	2,944
Other receivables	1,602	1,602	1,602	–	–	–
	73,468	81,882	67,890	2,400	8,648	2,944
<b>Non-derivative financial liabilities</b>						
Bank loans	(121,600)	(121,600)	(11,751)	(6,000)	(103,849)	–
Amortised cost:						
Trade payables	(1,324)	(1,324)	(1,324)	–	–	–
Other payables	(10,833)	(10,833)	(10,833)	–	–	–
Accruals	(25,489)	(25,489)	(25,489)	–	–	–
Deferred consideration	(835)	(835)	(835)	–	–	–
Lease liabilities	(16,722)	(18,788)	(3,348)	(3,137)	(8,157)	(4,146)
<b>Derivative financial liabilities</b>						
Equity option liabilities	–	–	–	–	–	–
Interest rate swaps	(85)	(85)	(73)	(12)	–	–
	(176,888)	(178,954)	(53,653)	(9,149)	(112,006)	(4,146)

The Group seeks to minimise the effects of interest rate risk by using derivative financial instruments to hedge the risk exposure. The use of financial derivatives is governed by the Group's policies approved by the Board. Compliance with policies and exposure limits is reviewed by the Board on a continuous basis. The Group does not enter into financial instruments, including derivative financial instruments, for speculative purposes.

The Directors consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the financial statements approximate to their fair value due to the short maturity of the instruments.

## Notes to the consolidated accounts

## 23 Financial instruments continued

30 September 2020 (restated) £000	Carrying amount & fair value	Contractual cash flows	Less than 1 year	1 – 4 years	2 – 5 years	Greater than 5 years
<b>Non-derivative financial assets</b>						
Cash and cash equivalents	50,330	50,330	50,330	–	–	–
Trade and other receivables						
Trade receivables	4,338	18,561	18,561	–	–	–
Deferred consideration	8,143	17,350	1,268	1,125	8,182	6,775
Other receivables	3,138	3,138	3,138	–	–	–
	75,949	89,379	73,297	1,125	8,182	6,775
<b>Non-derivative financial liabilities</b>						
Bank loan and overdrafts	(117,985)	(117,985)	(17,500)	(17,500)	(82,985)	–
Amortised cost:						
Trade payables	(4,731)	(4,731)	(4,731)	–	–	–
Other payables	(28,888)	(28,888)	(28,888)	–	–	–
Accruals	(19,184)	(19,184)	(19,184)	–	–	–
Deferred consideration	(881)	(881)	(881)	–	–	–
Lease liabilities	(18,835)	(21,367)	(3,555)	(2,921)	(11,039)	(3,852)
<b>Derivative financial liabilities</b>						
Equity option liabilities	(9,393)	(9,426)	(9,426)	–	–	–
Interest rate swaps	(873)	(873)	(148)	(125)	–	–
	(200,770)	(203,335)	(84,913)	(20,546)	(94,024)	(3,852)

## Fair value hierarchy

The following table categorises the Group's financial instruments which are held at fair value into one of three levels to reflect the degree to which observable inputs are used in determining their fair values.

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

30 September 2021	Fair value £000	Level 1 £000	Level 2 £000	Level 3 £000
<b>Assets measured at fair value</b>				
Deferred consideration	9,800	–	–	9,800
<b>Total</b>	<b>9,800</b>	<b>–</b>	<b>–</b>	<b>9,800</b>
<b>Liabilities measured at fair value</b>				
Interest rate swaps	(85)	–	(85)	–
Equity options	–	–	–	–
Deferred consideration	(835)	–	–	(835)
<b>Total</b>	<b>(920)</b>	<b>–</b>	<b>(85)</b>	<b>(835)</b>
30 September 2020	Fair value £000	Level 1 £000	Level 2 £000	Level 3 £000
<b>Assets measured at fair value</b>				
Deferred consideration	8,143	–	–	8,143
<b>Total</b>	<b>8,143</b>	<b>–</b>	<b>–</b>	<b>8,143</b>
<b>Liabilities measured at fair value</b>				
Interest rate swaps	(873)	–	(873)	–
Equity options	(9,393)	–	–	(9,393)
Deferred consideration	(881)	–	–	(881)
<b>Total</b>	<b>(10,147)</b>	<b>–</b>	<b>(873)</b>	<b>(10,274)</b>

## 23 Financial instruments continued

Level 1 financial instruments are valued based on quoted bid prices in an active market. Level 2 financial instruments are measured by discounted cash flow for interest rate swaps. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of the various counterparties.

Deferred and contingent consideration payable or receivable balances are classified as level 3 financial instruments and recognised at fair value.

### Level 3 reconciliation of equity options

	£000
<b>At 1 October 2020</b>	<b>9,393</b>
Gain on revaluation of equity options	(8,807)
Foreign exchange	(586)
<b>At 30 September 2021</b>	<b>-</b>

All level 3 amounts credited to the Consolidated income statement in the year are attributable to the change in unrealised gains or losses relating to those liabilities held at the end of the reporting period.

As disclosed in note 31, the equity option previously held in respect of ABEC is valued at £nil (2020: £9.4m), following the Group's lawyers' advice that the option exercise is invalid and unenforceable, both in respect of the option exercises of 15 November 2020 and 13 December 2020 as well as any subsequent attempt to exercise the option in a future period.

The equity options held in respect of Scoop and Fasteners, which had a value of £nil at 30 September 2020, have expired during the year.

Following the expiry of all of the Group's equity option liabilities during the year, the balances recognised in the equity option reserve have been recycled through retained earnings.

### Financial risk management

In the course of its business, the Group is exposed to a number of financial risks: market risk (including foreign currency and interest rate), credit risk, liquidity risk and capital risk. This note presents the Group's exposure to each of the above risks. The Group's objectives, policies and processes for measuring and managing risks can be found in the Strategic review on pages 1 to 62.

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established policies to identify and analyse risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

### Market risk management

Market risk is the risk that changes in foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into derivative financial instruments to manage its exposure to interest rate risk. Market risk exposures are measured using sensitivity analysis.

### Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies and therefore exposures to exchange rate fluctuations arise. Exchange rate exposures are managed through natural hedging arrangements where possible.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows.

	2021 £000	2020 £000
EUR	6,150	6,819
GBP	20,772	23,032
USD	8,241	15,431
RUB	14,602	7,091
INR	9,751	7,825
Other	13,952	15,751
	<b>73,468</b>	<b>75,949</b>

## Notes to the consolidated accounts

## 23 Financial instruments continued

## Financial liabilities

	2021 £000	2020 £000
EUR	(11,920)	(3,751)
GBP	148,870	151,034
USD	10,409	12,836
RUB	4,364	13,641
INR	21,610	15,974
Other	3,555	10,436
	<b>176,888</b>	<b>200,770</b>

## Foreign currency sensitivity analysis

The sensitivity analysis below details the impact of a 10% strengthening in the Group's significant currencies against sterling applied to the net monetary assets or liabilities of the Group. 10% is the sensitivity rate that represents management's assessment of the reasonably possible change in foreign exchange rates.

2021 (£000)	USD	EUR	RUB	INR	Other
Monetary assets	8,241	6,150	14,603	9,751	34,724
Monetary liabilities	(10,409)	11,920	(4,364)	(21,610)	(152,425)
Net monetary assets/(liabilities)	(2,168)	18,070	10,239	(11,859)	(117,701)
Currency impact					
Profit before tax gain/(loss)	240	459	879	(1,864)	(382)
Equity gain	(25)	1,348	260	684	1,103
2020 (£000)	USD	EUR	RUB	INR	Other
Monetary assets	15,431	6,819	7,091	7,825	38,783
Monetary liabilities	(12,836)	3,151	(13,641)	(15,974)	(161,470)
Net monetary (liabilities)/assets	2,595	9,970	(6,550)	(8,149)	(122,687)
Currency impact					
Profit before tax (loss)/gain	285	535	396	(1,367)	(593)
Equity gain/(loss)	458	462	(1,034)	590	669

The following significant exchange rates versus sterling applied during the year and in the prior year.

	Average		Reporting date	
	2021	2020	2021	2020
EUR	1.14	1.10	1.16	1.10
USD	1.37	1.30	1.35	1.29
RUB	101.95	98.36	98.13	101.69
INR	100.63	95.18	99.98	94.74

## Interest rate risk management

As the Group has no significant interest-bearing assets other than cash, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk through its borrowings at floating interest rates. This risk is managed by the Group by maintaining an appropriate level of floating interest rate borrowings and through the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate view and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The Group's exposure to interest rates on financial assets and financial liabilities are included in the liquidity risk section of this note.

## 23 Financial instruments continued

### Interest structure of financial liabilities

	2021 £000	2020 £000
Financial liabilities at variable rates		
Bank loan and overdrafts	121,600	117,905

The following average interest rates applied on the Group's bank loan during the year and in the prior year

	2021 %	2020
GBP	3.3	3.4
EUR	0.0	2.4
USD	0.0	0.0

Average interest rates applicable to cash balances were 0.39% in 2021 and 1.59% in 2020

### Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for financial assets and financial liabilities at the balance sheet date. With all other variables held constant, the table below demonstrates the sensitivity to a 1% change in interest rates applied to the major currencies of net variable rate assets/liabilities. 1% is the sensitivity rate that represents management's assessment of the reasonably possible change in interest rates.

£000	USD denominated		EUR denominated		GBP denominated		RUB denominated		INR denominated		Other	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Cash and cash equivalents	5,456	4,431	5,508	2,294	10,754	28,717	3,739	895	4,890	4,831	11,386	9,163
Bank loan and overdrafts	-	-	-	-	(121,600)	(117,985)	-	-	-	-	-	-
Net variable rate assets/(liabilities)	5,456	4,431	5,508	2,294	(110,846)	(89,268)	3,739	895	4,890	4,831	11,386	9,163

£000	USD denominated		EUR denominated		GBP denominated		RUB denominated		INR denominated		Other denominated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Profit before tax – gain/(loss)												
+ 1% change in interest rates	55	44	55	23	(1,108)	(893)	37	9	49	48	114	92
- 1% change in interest rates	(55)	(44)	(55)	(23)	1,108	893	(37)	(9)	(49)	(48)	(114)	(92)

### Interest rate swap contracts

With effect from 28 November 2017, the Group entered into two interest rate swap agreements to exchange the floating rate of interest paid on its bank borrowings for fixed rates on the first £50.0m of the Group's GBP debt at that time, calculated on agreed notional principal amounts of £30.0m and £20.0m. Under the agreements, three-month GBP LIBOR was exchanged for fixed rates of 0.94% and 0.942% both with a maturity date of 30 November 2020. At the balance sheet date, the notional principal amounts of these interest rate swaps was £nil following their maturity in November 2020.

Following the Group's refinancing in December 2019 and with effect from 28 February 2020, the Group entered into two new interest rate swap agreements to exchange the floating rate of interest paid on its bank borrowings for fixed rates on further notional principal amounts of £38.0m and £32.0m, increasing the total notional principal amount to £100.0m of the Group's GBP debt up until 30 November 2020. Under these agreements, the three-month GBP LIBOR was exchanged for fixed rates of 0.59% and 0.60% both with a maturity date of 30 November 2022.

The blended fixed rate of all interest rate swaps was 0.70% up to and including 30 November 2020, which then fell to 0.60% when the earlier two interest rate swaps matured. One of these interest rate swap agreements was collapsed during the year. At termination, the fair value of the interest rate swap of £0.2m was recognised in the Consolidated income statement. At the balance sheet date, the notional principal amounts of the remaining interest rate swap was £41.3m.

The interest rate swaps are designated as cash flow hedges to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. Settlement of the interest rate swaps are scheduled to fall in line with the loan interest payments every quarter.

These arrangements are designed to address potential significant interest rate exposures over the next 14 months from the balance sheet date and are expected to affect the Consolidated income statement over that time period.

When the Group's debt facilities transition to the relevant alternative reference rate at the point of the cessation of the impacted LIBOR rate, the Group will seek to transition its interest rate swap arrangements to the same alternative reference rate to continue to appropriately hedge its interest rate risk.

## Notes to the consolidated accounts

## 23 Financial instruments continued

## Credit risk management

Credit risk arises because a counterparty may fail to perform its contractual obligations. The Group's principal financial assets are cash and cash equivalents, trade and other receivables and deferred consideration receivable. The Group considers its maximum exposure to credit risk to be as follows:

	2021 £000	2020 £000
Cash and cash equivalents	41,733	50,330
Trade receivables (net of bad debt provision)	20,668	14,338
Deferred consideration (undiscounted)	16,661	17,350
Other receivables	1,602	3,138
	<b>80,664</b>	<b>85,156</b>

The Group's credit risk is primarily attributable to its trade and other receivables. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's objective is to ensure all customers have paid before any service is provided to them. The concentration of credit risk is limited due to the customer base being large and unrelated.

The ageing profile of the Group's trade receivables and the details of the Group's allowances for doubtful receivables can be seen below.

The credit risk on liquid funds arises due to where the liquid funds are held. The territories in which Hyve operates do not always have banks with high credit ratings assigned by international credit rating agencies such as Moody's and Fitch. The Group aims to minimise the exposure to credit risk by minimising the level of cash held in such banks. The Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved financial institutions.

## Credit rating of financial assets (excluding loans and receivables)

		2021 £000	2020 £000
Investments grade A and above	80%	33,383	41,538
Investments grade B and above	20%	8,350	8,792
Investments grade C or below or not rated	0%	–	–
	<b>100%</b>	<b>41,733</b>	<b>50,330</b>

The sources of the credit ratings are Moody's and Fitch.

## Ageing profile of trade receivables based on event date

	2021 £000	2020 £000
Not past due	20,053	14,307
Past due 1-30 days	280	31
Past due 31-60 days	–	–
Past due 61-90 days	–	–
Past due 91-120 days	–	–
Past due more than 120 days	–	–
	<b>20,333</b>	<b>14,338</b>

Management reviews debtors based on when an event has been held. The Group invoices on receipt of signed contracts, with payments typically due in stages in the lead up to events. Any overdue amounts, after the stage payment due date, are reviewed and chased.

Trade receivables not past due represent contracts with customers for future events. It therefore includes receivables for events taking place in 2022. Customers are typically due to settle the full contractual amount at least 30 days before an event.

## 23 Financial instruments continued

The trade receivables amounts presented in the Consolidated statement of financial position are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience, specific credit issues and their assessment of the current economic environment. Trade receivables consist of a large number of customers spread across diverse industries and geographical areas and the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including default risk of the industry and country, in which the customers operate, has less of an influence on credit risk.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The details of the movement in the allowance for doubtful receivables are shown below.

### Allowance for doubtful receivables

	2021 £000	2020 £000
At 1 October	4,223	5,053
Arising on acquisition	-	27
Allowances made in the period and amounts recovered during the year	(592)	2,891
Receivables written off as unrecoverable	(2,078)	(3,748)
	1,553	4,223

The lifetime ECL recognised in the period materially relate to receivables in respect of events that have taken place in the period. The Group no longer expects to recover these debts due to the current economic climate following the pandemic and the passage of time since these events took place.

### Ageing of impaired receivables

	2021 £000	2020 £000
Past due 0-3 months	359	39
Past due 3-6 months	-	-
Past due more than 6 months	1,194	4,184
	1,553	4,223

### Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its obligations as they fall due. Such risk may result from inadequate market depth or disruption or refinancing problems. Ultimate responsibility for liquidity risk management rests with the Board of Directors. They have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by ensuring continuity of funding for operational needs through cash deposits and debt facilities as appropriate. The Group does not use any supplier financing arrangements.

The Group's principal source of borrowings is provided through its debt facilities which comprised a revolving credit facility of £150.0m (2020: £150.0m) and a term loan of £62.8m (2020: £100.0m) at 30 September 2021. The upcoming scheduled repayments of the term loan, to be made after the 30 September 2021, are now £0.8m in March 2022 (£3.0m less the £2.2m repaid in respect of insurance proceeds received), £5.0m in June 2022, £6.0m in September 2022 and November 2022, £22.5m in November 2023 and a final repayment of £22.5m on the termination date in December 2023. See note 30 for further information on the Group's net debt and financing liabilities.

In the previous financial year 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 must ensure that the aggregate of cash and undrawn debt facilities is not less than £40m at the end of each month, except between April and October 2021 being not less than £30m. Subsequent to the year ended 30 September 2021 the Group has secured an extension of the covenant waivers up to and including March 2023 with the same minimum liquidity test remaining in place.

## Notes to the consolidated accounts

## 23 Financial instruments continued

As disclosed in the going concern and viability statements on pages 60 to 62, the Group's long-term projections have been reviewed against the Group's banking covenants, including the monthly £40m minimum liquidity covenant up to and including March 2023 before reverting to quarterly leverage and interest cover ratios from June 2023. Based on the various scenarios considered, the Group is expected to have material available liquidity throughout the five-year viability period and have headroom under the minimum liquidity covenant test. Under a downside scenario, the leverage ratio covenant could be breached in the first quarter after it returns in June 2023. The Group has more than 18 months in which to take mitigating action to avoid a breach, giving ample time to implement one or a number of the mitigating actions identified in note 2.

Since the outbreak of COVID-19, management has taken significant action to strengthen the Group's liquidity position and protect the long-term financial prospects of the business. These measures include raising £126.6m through a rights issue in May 2020, delivering significant cost savings and renegotiating banking covenants over the period until

June 2023. These measures have protected the business against a prolonged impact of COVID-19 and provide confidence in the Group's ability to withstand continued disruption over the next five years.

The Group's available liquidity means that, even under downside scenarios, the business would continue to have significant liquidity headroom on its existing facilities. In all assessments, there is an option to extend the potential mitigations available, such as further reduction in expenditure, deferring term loan repayments, raising additional capital via the equity markets or the disposal of assets, if required.

**Capital risk management**

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balances. The capital structure of the Group consists of cash and cash equivalents and bank loan which are disclosed in note 19 and note 20 and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in note 26 and in the Consolidated statement of changes in equity.

## 24 Deferred tax

	Accelerated tax depreciation £000	Intangible assets £000	Tax losses £000	Provisions and accruals £000	Share-based payments £000	Repayment of profit £000	Total £000
At 1 October 2019	2,015	(38,393)	5,840	99	20	111	(32,108)
Credit/(charge) to profit or loss	1,022	11,935	3,003	(3,070)	13	(27)	14,624
Credit/(charge) to other comprehensive income	–	–	–	–	117	(17)	322
Acquisition of subsidiary	–	736	–	2,745	–	–	3,481
Foreign exchange	–	459	(51)	(39)	(1)	–	368
<b>At 30 September 2020 (restated)</b>	<b>3,037</b>	<b>(25,263)</b>	<b>8,792</b>	<b>(43)</b>	<b>149</b>	<b>67</b>	<b>(13,313)</b>
Credit/(charge) to profit or loss	429	2,924	3,848	1,270	(2)	167	7,686
Charge to other comprehensive income	–	–	–	–	(130)	–	(130)
Credit to equity	–	–	–	–	–	101	101
Acquisition of subsidiary	–	(252)	–	–	–	–	(252)
Foreign exchange	–	56	(55)	(20)	–	1	(18)
<b>At 30 September 2021</b>	<b>3,466</b>	<b>(22,535)</b>	<b>12,585</b>	<b>1,207</b>	<b>17</b>	<b>335</b>	<b>(5,926)</b>

Certain deferred tax assets and liabilities have been offset in the above table. The following is the analysis of deferred tax balances for financial reporting purposes.

	2021 £000	2020 £000
Deferred tax liabilities	(11,633)	(13,773)
Deferred tax assets	5,707	460
	(5,926)	(13,313)

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.



## 24 Deferred tax continued

A change to the main UK corporation tax rate, announced in the Budget on 3 March 2021, was substantively enacted for IFRS and UK GAAP purposes on 24 May 2021. The rate applicable from 1 April 2023 will be 25%. Deferred tax assets/liabilities have been revalued to that rate to the extent that they are expected to unwind after that date. Any amounts expected to unwind prior to 1 April 2023 have been calculated at the current rate of 19%.

Deferred tax assets are recognised (for the carry forward of unused tax losses, accelerated capital allowances and other temporary differences) where (a) there are sufficient deferred tax liabilities relating to the same tax authority and the same taxable entity which are expected to reverse in the same period as the deferred tax asset will unwind; or (b) to the extent that, based on a review of expected profits, that it is probable that future taxable profit will be available against which the unused losses and tax credits can be utilised.

As at 30 September 2021, the Group has unused tax losses of £99.1m (2020: £93.7m) available for offset against future profits. A deferred tax asset has been recognised in respect of £53.0m (2020: £43.6m) of such losses. No deferred tax asset has been recognised in respect of the remaining £46.1m (2020: £47.1m) as it is not considered probable that there will be future taxable profits available. The unrecognised losses may be carried forward indefinitely with the exception of losses of £6.2m (2020: £6.3m) arising in certain jurisdictions which expire between five and 10 years.

No deferred tax asset has been recognised in respect of deductible temporary differences of £5.8m (2020: £7.8m) as it is not considered probable that there will be future taxable profits available given the impact of the current pandemic. The unrecognised assets may be carried forward indefinitely.

At the balance sheet date, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was £7.6m (2020: £7.0m). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

## 25 Share capital

	2021 £000	2020 £000
<b>Allotted and fully paid</b>		
265,128,107 ordinary shares of 10p each (2020: 265,128,107 at 10p each)	<b>26,513</b>	26,513
	<b>2021 Number of shares</b>	<b>2020 Number of shares</b>
At 1 October	<b>265,128,107</b>	74,161,846
Share placement	–	7,416,180
Rights issue	–	183,550,081
<b>At 30 September</b>	<b>265,128,107</b>	265,128,107

The Company has one class of ordinary shares which carry no right to fixed income. At the Extraordinary General Meeting held on 17 November 1998, shareholders approved the establishment of the Hyve Group Employee Share Ownership Trust (ESOT). The terms of the ESOT allow the trustees to transfer shares to employees who exercise options under the Company's Share Option Schemes, to grant options to employees and to accumulate shares by buying in the market or subscribing for shares at market value. The ESOT is capable of holding a maximum of 5% of the Company's issued ordinary share capital. The ESOT reserve arises in connection with the ESOT. The amount of the reserve represents the deduction in arriving at shareholders' funds for the consideration paid for the Company's shares purchased by the ESOT which had not vested unconditionally at the end of each financial year.

The ESOT held 771,375 shares in Hyve Group plc at 30 September 2021 (2020: 812,656 shares). During the year 2,180,893 nominal share options under the Employees Performance Share Plan were granted against ESOT held shares. The market value of the ordinary shares held by the ESOT at 30 September 2021 was £0.9m (2020: £0.5m).

The Company has agreed to make available to the ESOT an interest-free loan of up to £12.5m for the purpose of buying shares. At 30 September 2021, the amount of the loan drawn down was £12.0m. The Hyve Group plc Company profit and loss account and balance sheet include the results of the ESOT for the year ended 30 September 2021. The trustees have waived their current and future rights to all dividend entitlement on the shares held by the ESOT. 41,281 options were exercised from ESOT during the year (2020: nil). The total consideration for the options exercised from ESOT was £nil (2020: £nil). 3,460,870 outstanding options are to be settled by ESOT, so all shares held by the ESOT are under option as at 30 September 2021. Details of the options in issue and their exercise dates can be seen at note 28 to the accounts.

## Notes to the consolidated accounts

## 26 Non-controlling interests

	2021 £000	2020 £000
At 1 October	21,922	22,803
Dividends payable to non-controlling interests	(671)	(1,809)
Disposal of non-controlling interest (note 17)	(870)	-
(Loss)/profit on ordinary activities after taxation	(832)	928
<b>At 30 September</b>	<b>19,549</b>	<b>21,922</b>

Summarised financial information in respect of the Group's one subsidiary that has material non-controlling interests ABEC is set out below. The summarised financial information below represents amounts before intra-group eliminations.

## Statement of financial position

	2021 £000	2020 £000
Cash and cash equivalents	1,297	1,142
Trade and other receivables	3,949	4,188
Non-current assets	31	85
<b>Total assets</b>	<b>5,277</b>	<b>5,415</b>
Trade and other payables	(5,127)	(2,704)
<b>Total liabilities</b>	<b>(5,127)</b>	<b>(2,704)</b>
Net assets	150	2,711
Equity attributable to owners of the Company	90	1,627
Non-controlling interests	60	1,084
	<b>150</b>	<b>2,711</b>

## Income statement

	2021 £000	2020 £000
<b>Revenue</b>	<b>496</b>	<b>7,179</b>
Cost of sales	(909)	(4,377)
<b>Gross (loss)/profit</b>	<b>(413)</b>	<b>2,808</b>
Other income	23	110
Administrative expenses	(1,602)	(1,034)
<b>Operating (loss)/profit</b>	<b>(1,992)</b>	<b>1,884</b>
Interest expense	(44)	-
Investment revenue	-	349
<b>(Loss)/profit before tax</b>	<b>(2,036)</b>	<b>2,233</b>
Tax expense	(82)	(939)
<b>(Loss)/profit for the year</b>	<b>(2,118)</b>	<b>1,294</b>
(Loss)/profit attributable to owners of the Company	(1,271)	777
(Loss)/profit attributable to the non-controlling interests	(847)	517
	<b>(2,118)</b>	<b>1,294</b>

## Cash flow statement

	2021 £000	2020 £000
Net cash flows from operating activities	377	(2,079)
Net cash flows from investing activities	(118)	233
Net cash flows from financing activities	(44)	(2,190)
Effect of foreign exchange rates	(60)	(494)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>155</b>	<b>(4,470)</b>

## 27 Leases

The Group's right-of-use assets are disclosed in note 15. All right-of-use assets and lease liabilities are recognised in respect of office leases.

The Group's lease liabilities at 30 September 2021 are as follows:

	Total £000
On transition	17,038
Principal lease payments	(3,940)
Interest on lease liabilities	687
Acquired through business combinations	4,935
Additions	304
Disposals	(52)
Foreign exchange	(137)
<b>30 September 2020</b>	<b>18,835</b>
Principal lease payments	(4,015)
Interest on lease liabilities	650
Lease adjustments	112
Additions	1,558
Disposals	(148)
Foreign exchange	(270)
<b>30 September 2021</b>	<b>16,722</b>
Current lease liabilities	3,347
Non-current lease liabilities	13,375
	<b>16,722</b>

The Group's average lease term under IFRS 16 is 5.6 years. The average IBR used for year ended 30 September 2021 to discount lease liabilities was 3.5% (2020: 3.5%).

### Maturity of lease liabilities

Carrying amount & fair value	Contractual cash flows	Less than 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	Greater than 5 years
(16,722)	(18,788)	(3,347)	(3,138)	(2,817)	(2,669)	(2,671)	(4,146)

Total cash outflows in respect of leases was £4.0m (2020: £3.9m).

Short-term lease expenses for the year ended 30 September 2021 were as follows:

	2021 £000	2020 £000
Office leases	161	481
Venue leases	7,654	32,229
<b>Total</b>	<b>7,815</b>	<b>32,710</b>

There were no low-value lease expenses that were not also short-term lease expenses.

## Notes to the consolidated accounts

## 28 Share-based payments

The Company operates two share option schemes.

## Share option plans

The Company operates a share option plan for certain employees of the Group. Options are exercisable at a price equal to the average quoted market price of the Company's share on the date of grant. The vesting period is typically three years and the options are exercisable up to 10 years from granting. The options are forfeited if the employee leaves the Group before the options vest.

## Performance share plans

The Company operates a Performance Share Plan (PSP) for executives and certain employees. Awards under the PSP are at an exercise value of 10p. Awards can be made to an employee over shares up to a maximum of 100% of base salary, or 150% for the Chief Executive and 120% for the Chief Financial Officer, each year based on market value. The vesting period is three years and awards are exercisable up to 10 years from the date of grant. For conditional awards the vesting is automatic on the satisfaction of performance targets. The options are forfeited if the employee leaves the Group before the options vest. The awards are also subject to a performance target. Further details of the performance targets can be found in the Report on remuneration on page 90.

Details of the share options outstanding as at 30 September 2021 are as follows:

	Number of share options 2021	Weighted average exercise price (p) 2021	Number of share options 2020	Weighted average exercise price (p) 2020
<b>Share option plans</b>				
Outstanding at beginning of period	453,127	123.3	558,884	118.4
Adjustment to reflect bonus element of rights issue	–	–	196,706	–
Lapsed during the period	(238,570)	120.7	(302,463)	114.3
Exercised during the period	–	–	–	–
	<b>214,557</b>	<b>126.1</b>	<b>453,127</b>	<b>123.3</b>
<b>Performance share plans</b>				
Outstanding at beginning of period	1,929,457	10.0	1,422,554	10.0
Adjustment to reflect bonus element of rights issue	–	10.0	836,705	10.0
Granted during the period	1,749,314	10.0	117,211	10.0
Lapsed during the period	(87,869)	10.0	(447,013)	10.0
Exercised during the period	–	10.0	–	10.0
	<b>3,590,902</b>	<b>10.0</b>	<b>1,929,457</b>	<b>10.0</b>

The total number of exercisable options in the share option plans is nil (2020: nil) and in the performance share plans is 3,478 (2020: 3,478).

The weighted average share price at the date of exercise for share options exercised during the period was nil. The options outstanding at 30 September 2021 had a weighted average exercise price of 8.2p, and a weighted average remaining contractual life of 530 days.

In the year ended 30 September 2021, PSP options were granted in December 2020, January 2021 and May 2021. The aggregate of the estimated fair value of these options is £1,083,675.

The inputs into the Monte Carlo for the instruments issued during the year are as follows:

	Performance share plan 2021	Performance share plan 2020
Weighted average share price	10p	10p
Weighted average exercise price	–	–
Expected volatility	48%	33%
Expected life	3 years	3 years
Risk-free rate	0.1%	0.4%
Dividend yield	0.0%	2.8%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous year.

Monte Carlo simulations were used to model possible share price scenarios of Hyve and the relevant comparator companies to determine the expected vesting percentages of the conditionally granted performance shares under the total shareholder return performance condition.

The Group recognised a total expense of £0.7m (2020: £0.6m), related to equity-settled share-based payment arrangements.

## 28 Share-based payments continued

### Cash-settled share-based payments

The Group issues to certain employees share appreciation rights (SARs) that require the Group to pay the intrinsic value of the SAR to the employee at the date of exercise. The Group recorded liabilities of £137,000 (2020: £64,000) and a charge of £73,000 (2020: £23,000). The total intrinsic value at 30 September 2021 was £n1 (2020: £n1).

## 29 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its joint ventures, where relevant, are disclosed below.

### Trading transactions

During the year ended 30 September 2021 the Group charged management fees of £168,000 (2020: £321,000) to Shostar LLC, the Group's joint venture operation in Hong Kong and China.

### Remuneration of key management personnel

The remuneration of Directors and the Executive Team, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related party disclosures. Further information about the remuneration of individual Directors is provided in the available part of the Report on remuneration on pages 86 to 105.

	2021 £000	2020 £000
Short-term employee benefits	2,742	1,780
Share-based payments	–	–
Other long-term benefits	166	143
	<b>2,908</b>	<b>1,923</b>

## 30 Net debt and movements in liabilities arising from financing activities

	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
<b>Cash and cash equivalents</b>	<b>50,330</b>	<b>(8,956)</b>	<b>–</b>	<b>359</b>	<b>41,733</b>
Debt due within one year	(17,500)	5,749	–	–	(11,751)
Debt due after one year	(100,485)	(8,104)	(1,260)	–	(109,849)
<b>Adjusted net debt</b>	<b>(67,655)</b>	<b>(11,311)</b>	<b>(1,260)</b>	<b>359</b>	<b>(79,867)</b>
Lease liabilities (note 27)	(18,835)	4,015	(2,172)	270	(16,722)
<b>Net debt</b>	<b>(86,490)</b>	<b>(7,296)</b>	<b>(3,432)</b>	<b>629</b>	<b>(96,589)</b>

	At 1 October 2019 £000	Cash flow £000	Non-cash movements £000	Foreign exchange £000	At 30 September 2020 £000
Cash at bank and on hand	33,027	17,036	–	267	50,330
Cash and cash equivalents	33,027	17,036	–	267	50,330
Debt due within one year	(17,500)	–	–	–	(17,500)
Debt due after one year	(127,205)	28,111	(1,353)	(38)	(100,485)
<b>Adjusted net debt</b>	<b>(111,678)</b>	<b>45,147</b>	<b>(1,353)</b>	<b>229</b>	<b>(67,655)</b>
Lease liabilities (note 27)	–	3,940	(22,912)	137	(18,835)
<b>Net debt</b>	<b>(111,678)</b>	<b>49,087</b>	<b>(24,265)</b>	<b>366</b>	<b>(66,490)</b>

Included within the net cash outflow over the 2020 net cash inflow of £49.1m is £67.2m (2020: £17.4m) of repayments on the Group's debt facility and £69.6m (2020: £145.3m) of drawdowns on the Group's debt facility. At 30 September 2021 the Group had £88.4m (2020: £128.3m) of undrawn debt facilities.

## Notes to the consolidated accounts

## 30 Net debt and movements in liabilities arising from financing activities continued

Analysis of changes in other financing liabilities:

	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)

	At 1 October 2019 £000	Cash flow £000	Non-cash movements £000	At 30 September 2020 £000
Interest payable	(315)	7,980	(7,980)	(315)

Interest payable at 30 September 2021 of £0.1m (2020: £0.3m) is recognised as a current liability within accruals.

## 31 Contingent liability

On 15 November 2020, the minority shareholders of ABEC issued notice of the exercise of their put option in respect of 19.8% of the total shares of ABEC for consideration of INR 676.7m (approximately £6.8m). As disclosed in note 31 of the FY20 Annual Report, the validity of the option exercise was under review, as was the amount of the claim. Subsequently, on 13 December 2020, the minority shareholders of ABEC issued notice of the exercise of their put option in respect of the final 20.2% of the total shares of ABEC for consideration of INR 676.8m (approximately £6.8m). The validity and amounts of both option exercises were in dispute at the year end.

At 30 September 2021 the Group was engaged in litigation with the minority shareholders. The Group's lawyers' advice was that they consider the Group likely to succeed in the litigation. Accordingly, no provision was made as at 30 September 2021 as management did not expect any economic outflow to arise as a result of the litigation in respect of the option exercises.

The Group's lawyers' advice was that the option exercise is invalid and unenforceable, both in respect of the option exercises of 15 November 2020 and 13 December 2020 as well as any subsequent attempt to exercise the option in a future period. Accordingly, a put option liability of £m (2020: £9.4m) was recognised at 30 September 2021.

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

Subsequent to the year end, the original agreement within which the put option originally existed has been superseded as the Group has disposed of its 60% shareholding in ABEC to the minority shareholders and all litigation has been withdrawn.

## 32 Post balance sheet events

Subsequent to the year end the Group has secured a 12-month extension to its leverage and interest cover covenant waivers, up to and including March 2023. A minimum liquidity test, whereby the Group must ensure that the aggregate of cash and undrawn debt facilities is not less than £40m at the end of each month, will be in place through to the end of the waiver period.

On 12 November 2021, the Group completed the disposal of its 60% shareholding in ABEC Exhibitions & Conferences Pvt. Ltd, the operating company for a portfolio of exhibitions in India including the ACETECH construction events. The Group has received upfront consideration of £1.0m in respect of the disposal.

On 18 November 2021 the Group completed the acquisition of 100% of the share capital of 121 Group (HK) Limited and 121 Partners Limited (121 Group) for initial consideration of approximately £21m. The estimated total consideration after earn-out is expected to be between approximately £42m and £50m based on the financial performance of 121 Group over a three-year period. Due to the proximity to the date of signing of these accounts, the accounting and disclosure impact of this acquisition has not been finalised.

In order to fund the initial consideration for the acquisition, on 18 November 2021 the Group completed a placement with institutional investors of 13,818,698 new ordinary shares to raise gross proceeds of £14.8m, in addition to a direct subscription of 12,694,102 new ordinary shares by investment funds managed by Strategic Value Partners, LLC (SVP Global), to raise gross proceeds of £14.3m.

**Company statement of financial position**

30 September 2021

	Notes	2021 £000	2020 (restated) £000
<b>Fixed assets</b>			
Investments	5	118,034	117,770
Intangible assets	5	25	33
		<b>118,059</b>	117,803
<b>Current assets</b>			
Debtors due within one year	6	580,887	439,034
Cash at bank and in hand		16,194	26,491
		<b>597,081</b>	465,525
<b>Creditors: amounts falling due within one year</b>	8	<b>(94,836)</b>	(26,563)
<b>Net current assets</b>		<b>502,245</b>	438,962
<b>Creditors: amounts falling due after one year</b>	8	<b>(71,233)</b>	(60,485)
<b>Net assets</b>		<b>549,071</b>	496,280
<b>Capital and reserves</b>			
Called up share capital	9	26,513	26,513
Share premium account		160,271	160,271
Merger reserve		2,746	2,746
Capital redemption reserve		457	457
ESOT reserve		(3,083)	(3,175)
Profit and loss account		362,167	309,468
<b>Shareholders' funds</b>		<b>549,071</b>	496,280

1. Results for the year ended 30 September 2020 have been restated to reflect the adjustments made to transfer pricing and internal management fee recharges. See note 1 for further detail.

The Company reported a profit for the financial year ended 30 September 2021 of £52.0m (2020 restated: £45.6m).

The accounts of the Company, registered number 01927339, were approved by the Board of Directors and signed on their behalf, on 16 December 2021, by

**John Gulliver**

Chief Finance and Operations Officer

**Company statement of changes in equity**  
For the year ended 30 September 2021

	Called up share capital (note 9) £000	Share premium account £000	Merger reserve £000	Capital redemption reserve £000	ESOT reserve £000	Profit and loss account £000	Total £000
1 October 2019 (restated)	7,416	279,756	2,746	457	(2,787)	90,695	378,283
Net loss for the year	-	-	-	-	-	(48,582)	(48,582)
Total comprehensive loss for the year	-	-	-	-	-	(48,582)	(48,582)
Exercise of share options	-	-	-	-	(388)	-	(388)
Dividends	-	-	-	-	-	(13,012)	(13,012)
Capital contribution	-	-	-	-	-	60	60
Share-based payments	-	-	-	-	-	494	494
Issue of shares – placement	596	49,413	-	-	-	-	50,009
Issue of shares – subscription	146	11,283	-	-	-	-	11,429
Issue of shares – rights issue	18,355	99,632	-	-	-	-	117,987
Capital reduction	-	(279,813)	-	-	-	279,813	-
<b>30 September 2020 (restated)</b>	<b>26,513</b>	<b>160,271</b>	<b>2,746</b>	<b>457</b>	<b>(3,175)</b>	<b>309,468</b>	<b>496,280</b>
Net loss for the year	-	-	-	-	-	52,026	52,026
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,026</b>	<b>52,026</b>
Exercise of share options	-	-	-	-	92	(92)	-
Dividends	-	-	-	-	-	-	-
Capital contribution	-	-	-	-	-	264	264
Share-based payments	-	-	-	-	-	501	501
<b>30 September 2021</b>	<b>26,513</b>	<b>160,271</b>	<b>2,746</b>	<b>457</b>	<b>(3,083)</b>	<b>362,167</b>	<b>549,071</b>



## Notes to the Company accounts

### 1 Basis of preparation and accounting policies

These separate financial statements of the Company have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

Hyve Group plc is the Parent Company of the Hyve Group (the Group) and its principal activity is to act as the ultimate holding company of the Group. The address of the registered office is given on page 178.

As permitted by FRS 102, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments and related party transactions. The Directors' report, Corporate governance statement and Directors' remuneration report disclosures are on pages 72, 68, and 86, respectively, of this report.

The Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The Company has also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes, and
- financial instrument disclosures, including:
  - categories of financial instruments;
  - items of income, expenses, gains or losses relating to financial instruments; and
  - exposure to and management of financial risks.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year. The Directors have made no critical judgements in applying these accounting policies during the year, and there are no significant areas of estimation uncertainty.

#### Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements. Please see Note 2 of the consolidated financial statements for further detail.

#### Investments and impairment reviews

Fixed asset investments including subsidiaries are shown at cost less provision for any impairment. Where the recoverable amount of the investment is less than the carrying amount, an impairment is recognised. Impairment reviews are undertaken at least annually, or more frequently where there is an indication of impairment.

#### Intangible assets

Trademarks are measured initially at purchase cost and have a definite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful life. The estimated useful lives are up to 20 years.

#### Provisions

Provisions are recognised when the Company has a present legal obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

#### Trade debtors and creditors

Trade debtors and creditors are stated at their nominal value. Trade debtors are reduced by appropriate allowances for estimated irrecoverable amounts.

#### Bank borrowings

Bank overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted for on an accrual basis to profit or loss.

#### Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

#### Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

## Notes to the Company accounts

### 1 Basis of preparation and accounting policies continued

#### Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates of exchange prevailing at that date. Non-monetary assets and liabilities are translated at the rate prevailing at the date the fair value was determined. Gains and losses arising on retranslation of monetary assets are included in profit or loss for the period.

#### Employee Share Ownership Trust

The financial statements include the assets and liabilities of the Employee Share Ownership Trust (ESOT). Shares in the Company held by the ESOT have been valued at cost and are held in equity. The costs of administration of the ESOT are written off to profit or loss as incurred.

Where such shares are subsequently sold, any net consideration received is included in equity attributable to the Company's equity holders.

#### Share-based payments

The Company issues equity-settled share-based payments to certain employees. These are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Fair value is measured using a Black-Scholes model. The expected life used in the model has been adjusted, for the effects of non-transferability, exercise restrictions and behavioural considerations based on management's best estimate.

Details of the Company's equity-settled share-based payments are included in note 29 to the Group accounts.

#### Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Critical judgements in applying the entity's accounting policies

The Company does not make any critical judgements in applying the entity's accounting policies.

#### Key sources of estimation uncertainty

The Company makes an estimate of the recoverable value of its investments and debtors balances including inter-company balances as disclosed within these financial statements (refer to notes 5 and 6). The Company reviews its investments for impairment whenever events or changes in circumstances indicate that the carrying amount may not be supported by its underlying assets. The recoverability assessment requires the Directors to make estimates regarding the probability of the future earnings potential of the counterparty. An impairment charge of £75.0m was recognised in the prior year in relation to the Company's debtor balances. At 30 September 2021 the Directors are satisfied that the remaining investment and debtors balances amounts as disclosed are recoverable.

#### Prior-year error

During the year, the Directors identified that certain transfer pricing and internal management fee recharges that were processed in the year ended 30 September 2020 related to the year ended 30 September 2018.

To correct for these transactions and recognise them in the relevant period, the transactions have been removed from the profit and loss account for the year ended 30 September 2020, increasing administrative expenses by £1.3m. Of the total of £1.3m, transactions of £0.5m had not previously been recognised in the year ended 30 September 2018 and therefore the profit and loss account as at 1 October 2019 has increased by £0.5m. Amounts owed to Group undertakings have decreased by £0.8m as at 30 September 2020 as a result of the adjustments. There was no impact on the tax charge for the year.

#### Company Income Statement

	2020 £000
Administrative expenses	(1,301)
<b>Increase in loss for the financial year</b>	<b>(1,301)</b>

#### Company Statement of Financial Position

	2020 £000
Amounts owed by Group undertakings	(800)
<b>Change in net assets</b>	<b>(800)</b>
Retained earnings	(800)
<b>Change to total equity</b>	<b>(800)</b>

### 2 Profit/(loss) for the year

As permitted by section 406 of the Companies Act 2006, a separate profit and loss account or statement of comprehensive income is presented in respect of the parent company. The profit or loss attributable to the Company is disclosed in the footnote to the Company's balance sheet.

The auditors' remuneration for audit and other services is also disclosed in note 4 in the Group's financial statements.

### 3 Staff costs

#### a) Number of employees

The average number of persons (including Directors) employed by the Company during the year was as follows:

	2021 No.	2020 No.
Directors	6	6

#### b) Employee costs

Their aggregate remuneration comprised:

	2021 £000	2020 £000
Wages and salaries	2,288	1,081
Social security costs	316	149
Share-based payments	502	–
	3,106	1,230
Highest paid Director*	1,254	512

### 4 Dividends

	2021			2020		
	Per share p	Settled in cash £000	Settled in scrip £000	Per share p	Settled in cash £000	Settled in scrip £000
Amounts recognised as distributions to equity holders in the year						
Final dividend in respect of the prior year	–	–	–	1.6	13,012	–
Interim dividend in respect of the current year	–	–	–	–	–	–
	–	–	–	1.6	13,012	–

The Directors have not proposed a final dividend for the year ended 30 September 2021.

Under the terms of the trust deed dated 20 October 1998, the Hyve Group Employees Share Trust, which holds 771,375 (2020: 812,656) ordinary shares representing 0.3% of the Company's called up ordinary share capital, has agreed to waive all dividends due to it each year.

### 5 Fixed assets

#### Investments in subsidiaries

The Company has investments in the following subsidiary undertakings. The principal activity of all the companies listed is the organisation of exhibitions and conferences.

Name	Address	Effective holding	%
ABEC Exhibitions & Conferences Pvt Ltd	530, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai – 400053, India	Ordinary shares	60
Airgate Holdings Ltd	42 Dositheou, Strovolos, Nicosia, 2028, Cyprus	Ordinary shares	100
Beautex Co LLC	Verkhniy Val 4A, Kyiv 04071, Ukraine	Ordinary shares	100
Breakboulk Ireland Ltd	5 Lepps Quay, Cork, Ireland T12 RW7D	Ordinary shares	100
Breakboulk US Holdco Inc	One Gateway Centre, Suite 2600, Newark, NJ07102, USA	Ordinary shares	100
Breakboulk US Opco Inc	One Gateway Centre, Suite 2600, Newark, NJ07102, USA	Ordinary shares	100
Fin-mark S.r.l.	Via del Castello 4, 40124 Bologna, Italy	Ordinary shares	100
Groceryshop, LLC	605 Third Avenue, 26th Floor, New York, NY10158, USA	Ordinary shares	100
Hyve (Europe) Exhibitions Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve (US) Exhibitions Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Asia Exhibitions Ltd	Suite 1004, 10th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong	Ordinary shares	100
Hyve Beauty Fuarları A.Ş.	19 Mayıs Caddesi Golden Plaza Kat / Şişli, İstanbul, Turkey	Ordinary shares	100
Hyve Build Fuarları A.Ş.	19 Mayıs Caddesi Golden Plaza Kat / Şişli, İstanbul, Turkey	Ordinary shares	100
Hyve China International Exhibitions and Conferences Services (Beijing) Co., Ltd	301-L302-2, 3/F, Wonderful World Commercial Plaza, 38 East 3rd Ring North Road, Chaoyang District, Beijing, China	Ordinary shares	100

## Notes to the Company accounts

## 5 Fixed assets continued

Name	Address	Effective holding	%
Hyve Enterprises Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Eurasian Exhibitions Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Eventos Ltda	R. Des. Eliseu Guilherme, 53/59 – CJ 81, Paraíso, São Paulo – SP, Brazil 04004-030	Ordinary shares	100
HYVE Events (Shanghai) Company Ltd	Unit 2822, F/28, No. 1045 Middle Huaihai Road, Xuhui District, Shanghai, China	Ordinary shares	100
Hyve Events S A. Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Events Services Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Events South Africa (Pty) Ltd	StoneMill Office Park, 13 Cornersane House 1st Floor, 300 Acacia Road, Darrenwood, 2194, South Africa	Ordinary shares	100
Hyve Events South Africa Horaco Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Expo International LLC	Verkhniaia Krasnoselskaya st, 3/2, Moscow, Russia	Ordinary shares	100
Hyve Footwear Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Fuarcilik A S	19 Mayıs Caddesi Golden Plaza Kat 7 Şişli, Istanbul, Turkey	Ordinary shares	100
Hyve Holdings Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve India Private Ltd	205, Second Floor, Harsh Bhawan, B No. 64-65, Nehru Place, New Delhi, 110 019, India	Ordinary shares	100
Hyve International Events Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Moda Footwear Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Moda Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Overseas Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Shanghai Exhibitions Co., Ltd	Room 1703, Saha Building, No. 575 Wusong Rd, Hongkou District, Shanghai, China	Ordinary shares	100
Hyve UK Events Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve US Limited	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Worldwide BV	Business Center Demka, Demkaweg 11, 3555 HW Utrecht, The Netherlands	Ordinary shares	100
Intermedia Exhibitions and Conferences Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
International Trade and Exhibitions Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
ITE Asia Pacific SDN BHD	A-11-02A, Empire Tower Office, Empire Subang, Jalan SS16/1 47500 Subang Jaya, Malaysia	Ordinary shares	100
ITE Asia Pte Ltd	8 Shenton Way #21-07, AXA Tower Singapore 068811	Ordinary shares	100
ITE Eurasian Exhibitions FZ LLC	Al Shatha Tower 26th Floor – Office 2613 Sheikh Zayed Road – Dubai, UAE	Ordinary shares	100
ITE Expo UK Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
ITE Global LLC	Verkhniaia Krasnoselskaya st, 3/2, Moscow, Russia	Ordinary shares	100
ITE Group Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
ITE International Holdings BV	Business Center Demka, Demkaweg 11, 3555 HW Utrecht, The Netherlands	Ordinary shares	100
ITE International Trade and Exhibitions ZAO	10, rue du CAP 16417, Baraj El Kifian, Algeria	Ordinary shares	100
ITE Overseas Holdings BV	Business Center Demka, Demkaweg 11, 3555 HW Utrecht, The Netherlands	Ordinary shares	100
ITE Russia LLC UK Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Jacket Reguero Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Learn It World Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
New Expstar (Shenzhen) Co. Ltd	Unit C-42, F Block A, World Finance Centre, 4003 Shennan Dong Road, Shenzhen, China		50
Premier Expo	Verkhniaia Krasnoselskaya st, 3/2, Moscow, Russia	Ordinary shares	100

## 5 Fixed assets continued

Name	Address	Effective holding	
PT ITE Exhibitions Indonesia Ltd	Jl. Maritim Raya No. 4A Cilandak Barat, Jakarta Selatan, DKI Jakarta, Indonesia	Ordinary shares	51
RAS Holdings Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
RAS Publishing Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Regent US Holdco Inc	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, USA	Ordinary shares	100
Retail Meetup, LLC	605 Third Avenue, 26th Floor, New York, NY10158, USA	Ordinary shares	100
Scoop International Fashion Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	95
Shanghai AIGE Exhibition Service Ltd	Room 1001, Building B, Twin Towers, No. 618 Xinzhuang Road, Songjiang District, Shanghai, China	Ordinary shares	70
Shoptalk Commerce, LLC	605 Third Avenue, 26th Floor, New York, NY10158, USA	Ordinary shares	100
Shoptalk Europe Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Summit Trade Events Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100

The Company has guaranteed the liabilities of the following subsidiary undertakings in order that they qualify for the exemption from audit granted by section 479A of the Companies Act. The Directors of the Company expect that the possibility of this guarantee being called upon is remote.

Subsidiary undertakings	Registered numbers
Intermedia Exhibitions & Conferences Ltd	03640982
Hyve Eurasian Exhibitions Ltd	07307385
IEG International Ltd	03448919
Hyve Enterprises Ltd	03372928
Hyve Overseas Ltd	02926434
Hyve Events Services Ltd	03942985
Hyve Holdings Ltd	06975153
Hyve (US) Exhibitions Ltd	07841956
Hyve (Europe) Exhibitions Ltd	07843009
ITE Russia LLC UK Ltd	06975105
RAS Holdings Ltd	04211246
Summit Trade Events Ltd	06446907
Hyve US Ltd	08707579
Hyve Events South Africa Ltd	09374049
International Trade and Exhibitions Ltd	10128746
Hyve Moda Ltd	04211308
RAS Publishing Ltd	02725777
Hyve Moda Footwear Ltd	02924254
Jacket Required Ltd	07563504
Scoop International Fashion Ltd	07441467
Shoptalk Europe Ltd	10440875
Learnit Worldwide Ltd	11587014

## Notes to the Company accounts

## 5 Fixed assets continued

## Subsidiary undertakings

	Shares £000	Capital contribution £000	Total £000
<b>Cost</b>			
1 October 2020	111,526	30,247	141,773
Capital contribution	–	264	264
<b>30 September 2021</b>	<b>111,526</b>	<b>30,511</b>	<b>142,037</b>
<b>Provision for impairment</b>			
1 October 2020 and 30 September 2021	429	23,574	24,003
<b>Net book value</b>			
<b>30 September 2021</b>	<b>111,097</b>	<b>6,937</b>	<b>118,034</b>
30 September 2020	111,097	6,673	117,770

## Intangible assets

	Trademark £000
<b>Cost</b>	
1 October 2020	103
Additions in the year	–
<b>30 September 2021</b>	<b>103</b>
<b>Amortisation</b>	
1 October 2020	70
Charge in the year	8
<b>30 September 2021</b>	<b>78</b>
<b>Net book value</b>	
<b>30 September 2021</b>	<b>25</b>
30 September 2020	33

## 6 Debtors due within one year

	2021 £000	2020 restated £000
Amounts owed by Group undertakings	579,871	438,937
Prepayments and accrued income	332	–
Other debtors	229	64
Deferred tax (note 7)	455	34
	<b>580,887</b>	<b>439,035</b>

The amounts owed by Group undertakings are payable on demand and bear no interest.

An impairment charge of £0.1 (2020: £75.0m) was recognised in the year in respect of amounts owed by Group undertakings.

## 7 Deferred tax

At the balance sheet date the Company has unused tax losses of £m (2020: £5.7m) available for offset against future profits on which a deferred tax asset has not been recognised due to the uncertainty of future profit streams.

## 8 Trade and other creditors

	2021 £000	2020 £000
Bank loan	11,751	17,500
Corporation tax	–	2,503
Amounts owed to Group undertakings	82,831	6,781
Accruals	90	277
Other creditors	164	162
	<b>94,836</b>	<b>26,563</b>
<b>Amounts due after one year</b>		
Bank loan	<b>71,233</b>	<b>60,485</b>

The amounts owed to Group undertakings are payable on demand and bear no interest.

## 9 Called up share capital and reserves

	2021 £000	2020 £000
<b>Allotted and fully paid</b>		
265,128,107 ordinary shares of 10p each (2020: 265,128,107 of 10p each)	<b>26,513</b>	<b>26,513</b>
	<b>2021 Number of shares</b>	<b>2020 Number of shares</b>
At 1 October	<b>265,128,107</b>	74,161,846
Share placement	–	7,416,180
Rights issue	–	183,550,081
At 30 September	<b>265,128,107</b>	<b>265,128,107</b>

The Company has one class of ordinary shares which carry no right to fixed income. At the Extraordinary General Meeting held on 17 November 1998, shareholders approved the establishment of the Hyve Group Employee Share Ownership Trust (ESOT). The terms of the ESOT allow the trustees to transfer shares to employees who exercise options under the Company's Share Option Schemes, to grant options to employees and to accumulate shares by buying in the market or subscribing for shares at market value. The ESOT is capable of holding a maximum of 5% of the Company's issued ordinary share capital. The ESOT reserve arises in connection with the ESOT. The amount of the reserve represents the deduction in arriving at shareholders' funds for the consideration paid for the Company's shares purchased by the ESOT which had not vested unconditionally at the end of each financial year.

The ESOT held 771,375 shares in Hyve Group plc at 30 September 2021 (2020: 812,656 shares). During the year 2,780,893 nominal share options under the Employees Performance Share Plan were granted against ESOT held shares. The market value of the ordinary shares held by the ESOT at 30 September 2021 was £0.9m (2020: £0.5m).

The Company has agreed to make available to the ESOT an interest-free loan of up to £12.5m for the purpose of buying shares. At 30 September 2021, the amount of the loan drawn down was £12.0m. The Hyve Group plc Company profit and loss account and balance sheet include the results of the ESOT for the year ended 30 September 2021. The trustees have waived their current and future rights to all dividend entitlement on the shares held by the ESOT. 41,281 options were exercised from ESOT during the year (2020: nil). The total consideration for the options exercised from ESOT was £nil (2020: £nil). 3,460,870 outstanding options are to be settled by ESOT, so all shares held by the ESOT are under option as at 30 September 2021. Details of the options in issue and their exercise dates can be seen at note 28 to the accounts.

## 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.

APM	Closest equivalent statutory measure	Reconciling items to statutory measure	Definition and purpose																		
Headline profit before tax	Profit/(loss) before tax	Adjusting items as disclosed in note 5	Headline profit before tax is profit/(loss) before tax and adjusting items, as presented in note 5. 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.																		
Headline operating profit	Operating profit	Operating adjusting items as disclosed in note 5	<div>Headline operating profit is operating profit before operating adjusting items, as presented in note 5.</div> <table> <tr> <td></td> <td>2021 £000</td> <td>2020 £000</td> </tr> <tr> <td>Operating profit/(loss)</td> <td>(18,878)</td> <td>(308,822)</td> </tr> <tr> <td>Operating adjusting items (note 5)</td> <td>47,746</td> <td>298,738</td> </tr> <tr> <td>Headline operating profit/(loss)</td> <td>28,868</td> <td>(10,084)</td> </tr> </table>		2021 £000	2020 £000	Operating profit/(loss)	(18,878)	(308,822)	Operating adjusting items (note 5)	47,746	298,738	Headline operating profit/(loss)	28,868	(10,084)						
	2021 £000	2020 £000																			
Operating profit/(loss)	(18,878)	(308,822)																			
Operating adjusting items (note 5)	47,746	298,738																			
Headline operating profit/(loss)	28,868	(10,084)																			
Headline operating profit margin	Operating profit margin	Operating adjusting items as disclosed in note 5	Headline operating profit margin is headline operating profit as a percentage of revenue.																		
Headline EBITDA	Operating profit	Operating adjusting items as disclosed in note 5, depreciation of property, plant and equipment and amortisation of computer software	<div>Headline EBITDA is headline operating profit before operating adjusting items, depreciation of property, plant and equipment and amortisation of computer software.</div> <table> <tr> <td></td> <td>2021 £000</td> <td>2020 £000</td> </tr> <tr> <td>Operating profit/(loss)</td> <td>(18,878)</td> <td>(308,822)</td> </tr> <tr> <td>Operating adjusting items (note 5)</td> <td>47,746</td> <td>298,738</td> </tr> <tr> <td>Depreciation of property, plant and equipment (note 15)</td> <td>5,702</td> <td>5,201</td> </tr> <tr> <td>Amortisation of computer software (note 14)</td> <td>1,262</td> <td>2,422</td> </tr> <tr> <td>Headline EBITDA</td> <td>35,832</td> <td>(2,461)</td> </tr> </table>		2021 £000	2020 £000	Operating profit/(loss)	(18,878)	(308,822)	Operating adjusting items (note 5)	47,746	298,738	Depreciation of property, plant and equipment (note 15)	5,702	5,201	Amortisation of computer software (note 14)	1,262	2,422	Headline EBITDA	35,832	(2,461)
	2021 £000	2020 £000																			
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Amortisation of computer software (note 14)	1,262	2,422																			
Headline EBITDA	35,832	(2,461)																			
Net debt	Cash and cash equivalents less bank loans and lease liabilities	Reconciliation of net debt (note 30)	Net debt is defined as cash and cash equivalents after deducting bank loans and lease liabilities.																		
Adjusted net debt	Cash and cash equivalents less bank loans	Reconciliation of net debt (note 30)	Adjusted net debt is net debt, bank loans and cash equivalents after deducting bank loans. The Board considers 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 strategic 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.																		



APM	Closest equivalent statutory measure	Reconciling items to statutory measure	Definition and purpose																																													
Adjusted net debt headline EBITDA	None	N/A	Adjusted net debt headline EBITDA is the ratio of adjusted net debt to headline EBITDA																																													
Cash conversion	None	N/A	<p>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 or acquisitions or disposals. Headline operating profit before non-cash items is headline operating profit before foreign exchange gains/losses, depreciation and amortisation.</p> <table><tr><th></th><th>2021 £000</th><th>2020 £000</th></tr><tr><td>Cash generated from operations</td><td>30,416</td><td>7,754</td></tr><tr><td>Net venue utilisation</td><td>(72)</td><td>903</td></tr><tr><td>Adjusting items</td><td></td><td></td></tr><tr><td>Integration costs</td><td>–</td><td>531</td></tr><tr><td>Restructuring costs</td><td>–</td><td>823</td></tr><tr><td>Transaction costs on completed and pending acquisitions and disposals</td><td>682</td><td>3,270</td></tr><tr><td>Adjustment to reflect timing of cash flow for above adjusting items</td><td>–</td><td>793</td></tr><tr><td><b>Adjusted cash flow from operations</b></td><td><b>31,026</b></td><td><b>14,074</b></td></tr><tr><td>Headline operating profit/(loss)</td><td>28,868</td><td>(10,084)</td></tr><tr><td>Depreciation of property, plant and equipment (note 15)</td><td>5,702</td><td>5,201</td></tr><tr><td>Amortisation of computer software (note 14)</td><td>1,262</td><td>2,422</td></tr><tr><td>Foreign exchange loss/(gain) on operating activities</td><td>306</td><td>(2,642)</td></tr><tr><td><b>Headline operating profit/(loss) on a cash basis</b></td><td><b>36,138</b></td><td><b>(5,103)</b></td></tr><tr><td><b>Cash conversion</b></td><td><b>86%</b></td><td><b>-276%</b></td></tr></table>		2021 £000	2020 £000	Cash generated from operations	30,416	7,754	Net venue utilisation	(72)	903	Adjusting items			Integration costs	–	531	Restructuring costs	–	823	Transaction costs on completed and pending acquisitions and disposals	682	3,270	Adjustment to reflect timing of cash flow for above adjusting items	–	793	<b>Adjusted cash flow from operations</b>	<b>31,026</b>	<b>14,074</b>	Headline operating profit/(loss)	28,868	(10,084)	Depreciation of property, plant and equipment (note 15)	5,702	5,201	Amortisation of computer software (note 14)	1,262	2,422	Foreign exchange loss/(gain) on operating activities	306	(2,642)	<b>Headline operating profit/(loss) on a cash basis</b>	<b>36,138</b>	<b>(5,103)</b>	<b>Cash conversion</b>	<b>86%</b>	<b>-276%</b>
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<b>Cash conversion</b>	<b>86%</b>	<b>-276%</b>																																														
Headline basic earnings per share	Basic earnings per share	Adjusting items in the earnings per share note (note 11)	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																																													
Headline diluted earnings per share	Diluted earnings per share	Adjusting items in the earnings per share note (note 11)	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																																													
Headline effective tax rate	Effective tax rate	Adjusting items and the tax impact of adjusting items (note 5 and note 9)	<p>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.</p> <table><tr><th></th><th>2021 £000</th><th>2020 £000</th></tr><tr><td>Tax credit per income statement</td><td>5,010</td><td>1,024</td></tr><tr><td>Tax on share of results of associates and joint ventures</td><td>(455)</td><td>(1,536)</td></tr><tr><td>Tax impact of adjusting items</td><td>(6,020)</td><td>(12,921)</td></tr><tr><td><b>Headline tax charge</b></td><td><b>(1,465)</b></td><td><b>(3,433)</b></td></tr><tr><td><b>Headline profit/(loss) before tax</b></td><td><b>20,790</b></td><td><b>(18,137)</b></td></tr><tr><td><b>Headline effective tax rate</b></td><td><b>7%</b></td><td><b>-19%</b></td></tr></table>		2021 £000	2020 £000	Tax credit per income statement	5,010	1,024	Tax on share of results of associates and joint ventures	(455)	(1,536)	Tax impact of adjusting items	(6,020)	(12,921)	<b>Headline tax charge</b>	<b>(1,465)</b>	<b>(3,433)</b>	<b>Headline profit/(loss) before tax</b>	<b>20,790</b>	<b>(18,137)</b>	<b>Headline effective tax rate</b>	<b>7%</b>	<b>-19%</b>																								
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## Glossary

APM	Closest equivalent statutory measure	Reconciling items to statutory measure	Definition and purpose																																																																		
Headline return on capital employed	None	Operating adjusting items as disclosed in note 5	<p>Headline ROCE is calculated as headline operating profit (i.e. before adjusting items) divided by net assets excluding all balances relating to any provisions, financial instruments, interest-bearing liabilities and cash or cash equivalents.</p> <table><tr><td><b>Headline return on capital employed (ROCE)</b></td><td><b>2021</b></td><td><b>2020</b></td></tr><tr><td></td><td><b>£000</b></td><td><b>£000</b></td></tr><tr><td><b>Headline operating profit/(loss) (A)</b></td><td><b>28,868</b></td><td><b>(10,084)</b></td></tr><tr><td><b>Non-current assets:</b></td><td></td><td></td></tr><tr><td>Goodwill</td><td><b>73,202</b></td><td>63,678</td></tr><tr><td>Other intangible assets</td><td><b>201,160</b></td><td>240,572</td></tr><tr><td>Property, plant and equipment</td><td><b>17,237</b></td><td>21,115</td></tr><tr><td>Interests in associates and joint ventures</td><td><b>37,126</b></td><td>37,444</td></tr><tr><td>Deferred consideration receivable</td><td><b>7,357</b></td><td>6,865</td></tr><tr><td>Deferred tax asset</td><td><b>5,469</b></td><td>460</td></tr><tr><td><b>Current assets:</b></td><td></td><td></td></tr><tr><td>Trade and other receivables</td><td><b>35,569</b></td><td>33,731</td></tr><tr><td>Tax prepayment</td><td><b>1,710</b></td><td>1,374</td></tr><tr><td><b>Current liabilities:</b></td><td></td><td></td></tr><tr><td>Trade and other payables</td><td><b>(42,664)</b></td><td>(58,354)</td></tr><tr><td>Corporation tax</td><td><b>(1,160)</b></td><td>(1,374)</td></tr><tr><td>Deferred income</td><td><b>(72,277)</b></td><td>(61,276)</td></tr><tr><td><b>Non-current liabilities:</b></td><td></td><td></td></tr><tr><td>Deferred tax liability</td><td><b>(11,713)</b></td><td>(13,773)</td></tr><tr><td>Deferred income</td><td><b>-</b></td><td>-</td></tr><tr><td><b>Capital employed (B)</b></td><td><b>251,016</b></td><td>270,462</td></tr><tr><td><b>Headline ROCE (A/B)</b></td><td><b>11.5%</b></td><td>-3.7%</td></tr></table>	<b>Headline return on capital employed (ROCE)</b>	<b>2021</b>	<b>2020</b>		<b>£000</b>	<b>£000</b>	<b>Headline operating profit/(loss) (A)</b>	<b>28,868</b>	<b>(10,084)</b>	<b>Non-current assets:</b>			Goodwill	<b>73,202</b>	63,678	Other intangible assets	<b>201,160</b>	240,572	Property, plant and equipment	<b>17,237</b>	21,115	Interests in associates and joint ventures	<b>37,126</b>	37,444	Deferred consideration receivable	<b>7,357</b>	6,865	Deferred tax asset	<b>5,469</b>	460	<b>Current assets:</b>			Trade and other receivables	<b>35,569</b>	33,731	Tax prepayment	<b>1,710</b>	1,374	<b>Current liabilities:</b>			Trade and other payables	<b>(42,664)</b>	(58,354)	Corporation tax	<b>(1,160)</b>	(1,374)	Deferred income	<b>(72,277)</b>	(61,276)	<b>Non-current liabilities:</b>			Deferred tax liability	<b>(11,713)</b>	(13,773)	Deferred income	<b>-</b>	-	<b>Capital employed (B)</b>	<b>251,016</b>	270,462	<b>Headline ROCE (A/B)</b>	<b>11.5%</b>	-3.7%
<b>Headline return on capital employed (ROCE)</b>	<b>2021</b>	<b>2020</b>																																																																			
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Trade and other receivables	<b>35,569</b>	33,731																																																																			
Tax prepayment	<b>1,710</b>	1,374																																																																			
<b>Current liabilities:</b>																																																																					
Trade and other payables	<b>(42,664)</b>	(58,354)																																																																			
Corporation tax	<b>(1,160)</b>	(1,374)																																																																			
Deferred income	<b>(72,277)</b>	(61,276)																																																																			
<b>Non-current liabilities:</b>																																																																					
Deferred tax liability	<b>(11,713)</b>	(13,773)																																																																			
Deferred income	<b>-</b>	-																																																																			
<b>Capital employed (B)</b>	<b>251,016</b>	270,462																																																																			
<b>Headline ROCE (A/B)</b>	<b>11.5%</b>	-3.7%																																																																			
Like-for-like	None	N/A	<p>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:</p> <ul style="list-style-type: none"><li>• Biennial events,</li><li>• Timing differences (i.e. events that ran in only one of the current or comparative periods, due to changes in the event dates),</li><li>• Launches,</li><li>• Cancelled or disposed of events that did not take place under our ownership in the current year,</li><li>• Acquired events in the current period, and</li><li>• 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).</li></ul> <p>Refer to the Chief Financial and Operations Officer's statement for a reconciliation to the closest statutory measures.</p>																																																																		
Forward bookings	None	N/A	<p>Forward bookings are instantaneous bookings for the following financial year, unless otherwise stated these are as at the date of announcement (i.e. late November/early December) each year.</p>																																																																		

## Shareholder information

### Financial calendar

Pre-close announcement	7 October 2021
Preliminary results announcement	16 December 2021
AGM	3 February 2022
Q1 trading update	3 February 2022
Q2 trading update	6 April 2022
Interim results announcement	17 May 2022
Q3 trading update	5 July 2022

### Shareholder profile at 30 September 2021

Range of holdings	Number of shareholders	Percentage of total shareholders (%)	Ordinary shares (million)	Percentage of issued share capital (%)
1-100	344	34.75	10,714	0.00
101-1,000	301	30.40	106,319	0.04
1,001-10,000	139	14.04	516,286	0.19
10,001-100,000	77	7.78	3,174,923	1.20
100,001-1,000,000	85	8.59	27,234,821	10.27
1,000,001-999,999,999	44	4.44	234,085,044	88.29
<b>Totals</b>	<b>990</b>	<b>100.00</b>	<b>265,128,107</b>	<b>100.00</b>

Category	Number of shareholders	Percentage of total shareholders (%)	Ordinary shares (million)	Percentage of issued share capital (%)
Private individuals	662	66.87	431,076	0.16
Nominee companies	227	22.93	172,873,267	65.20
Limited and public limited companies	64	6.46	13,760,651	5.19
Other organisations and banks	37	3.74	78,063,113	29.45
<b>Totals</b>	<b>990</b>	<b>100.00</b>	<b>265,128,107</b>	<b>100.00</b>

### Share price

London Stock Exchange, pence per 10p share	
Highest	152.10p
Lowest	49.98p

### Dividend calendar

Dividends suspended in respect of financial year ended 30 September 2021, future dividends will be kept under review

### Share dealing services

The Company's Registrar, Equiniti Limited, offers a telephone and internet dealing service, Shareview, which provides a simple and convenient way of buying and selling shares. For telephone dealings please call 0345 603 7037 between 8.00am and 4.30pm, Monday to Friday, and for internet dealings please log on to [www.shareview.co.uk/dealing](http://www.shareview.co.uk/dealing)

### Electronic communications

Shareholders can elect to receive shareholder documents electronically by registering with Shareview at [www.shareview.co.uk](http://www.shareview.co.uk). This will save on printing and distribution costs, creating environmental benefits. When you register, you will be sent an email notification to say when shareholder documents are available on our website and you will be provided with a link to that information. When registering, you will need your shareholder reference number, which can be found on your share certificate or proxy form. Please contact Equiniti Limited if you require any assistance or further information.

## Directors, advisers and other information

### Directors

#### Richard Last

Non-Executive Chairman

#### Nicholas Backhouse

Non-Executive Director

#### Sharon Baylay

Non-Executive Director

#### John Gulliver

Chief Finance and Operations Officer (appointed 1 October 2020)

#### Stephen Puckett

Non-Executive Senior Independent Director

#### Mark Shashoua

Chief Executive Officer

### Company Secretary

Jared Cranney

### Registered office

#### Hyve Group plc

2 Kingdom Street  
London  
W2 6JG

### Auditor

#### BDO LLP

55 Baker Street  
London  
W1U 7EU

### Solicitors

#### Macfarlanes LLP

20 Cursitor Street  
London  
EC4A 3LT

### Principal bankers

#### Barclays Bank plc

1 Churchill Place  
London  
E14 5HP

#### Citibank

33 Canada Square  
London  
E14 5LB

#### Hayfin Capital Management LLP

One Eagle Place  
London  
SW1Y 6AT

#### HSBC Bank UK plc

60 Queen Victoria Street  
London  
EC4N 4TR

### Company brokers

#### Numis Securities Ltd

45 Gresham Street  
London  
EC2V 7BF

### Registrars

#### Equiniti Ltd

Aspect House  
Spencer Road  
Lang ng  
West Sussex  
BN99 6DA

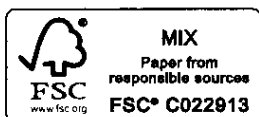
### Public relations

#### FTI Consulting Ltd

200 Aldersgate Street  
London  
EC1A 4HD

### Website

hyve.group



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