7 May 2020

Hyve GROUP PLC
("Hyve" or the "Group")

INTERIM RESULTS ANNOUNCEMENT

Coronavirus update

- Decisive management action has been taken to reduce costs and manage cash and liquidity.
- Underwritten rights issue to raise £126.6m separately announced today, to provide security through the COVID-19 crisis and support the Group's long-term success.
- Waivers obtained for the leverage ratio and interest cover covenants up to and including March 2022 and additional liquidity of £35m secured through deferrals of the next two term loan repayments until December 2023, previously due in November 2020 and November 2021, conditional on the successful completion of the rights issue.
- Postponement Plan has moved 30 events to later this financial year, 18 are postponed to FY21 and 13 have been cancelled in this financial year.
- Close collaboration with customers to ensure attendance at events when they are rescheduled.
- Continued productive dialogue with venue owners to defer and rollover costs for postponed or cancelled events.
- Accelerating omni-channel strategy to connect with customers online with Shoptalk leading the way.

Financial highlights

	Six months to 31 March 2020	Six months to 31 March 2019
Volume sales	308,500 m^2	354,300 m^2
Revenue	£96.3m	£107.8m
Headline profit before tax[1]	£19.8m	£24.5m
(Loss) / Profit before tax	£(168.3)m	£1.9m
Headline diluted earnings per share[2]	2.0p	2.3p
Diluted earnings per share	(21.6)p	(0.1)p
Interim dividend per share	Nil	0.9p
Adjusted net debt[3]	£157.2m	£108.9m

- Revenue of £96.3m (2019: £107.8m), impacted by international government restrictions to control coronavirus.
- Despite the impact of coronavirus, revenue increased 1% on a like-for-like basis[4] and by 3% including biennials and timing differences.
- Headline profit before tax of £19.8m (2019: £24.5m), due to event postponements and cancellations as a result of coronavirus.
- Statutory loss before tax of £168.3m (2019: profit of £1.9m), after £166.8m of non-cash impairments as a result of the coronavirus outbreak.
- Cash conversion[5] of 137% (2019: 102%), owing to strong cash collection pre-coronavirus but lower profits due to event postponements and cancellations in March.
- Dividends suspended and future dividends will be kept under review and subject to bank waiver restrictions.
- £110.1m acquisition of Shoptalk and Groceryshop in December 2019, two US-based market-leading events focused on e-commerce for retail and grocery. Shoptalk did not take place in the period due to coronavirus and Groceryshop has been cancelled this financial year, with the next event to be run in FY21.
- Adjusted net debt increased from £108.9m to £157.2m following the acquisition of Shoptalk and Groceryshop.

Mark Shashoua, CEO of Hyve Group plc, commented:

"We started this year in a very strong position. We reported strong like-for-like growth in Q1 and added two market-leading products, Shoptalk and Groceryshop to our portfolio.

When the pandemic began, we initiated Project Fortress – Hyve's immediate response to COVID-19 – leaving no stone unturned. We responded rapidly and decisively by rescheduling events, reducing our costs, managing cash and supporting our customers and people through this crisis. In these unprecedented circumstances we have done everything we can and at pace to protect the business. Today we *have strengthened our financial position through a £126.6m fully underwritten rights issue, to provide additional security through this crisis and to support the long-term success of the business.*

Market-leading events act as a key trading platform for many industries and will play a vital role in reigniting economies, and we are working closely with customers, government and industry bodies to make this happen. We have also accelerated our focus on building our omni-channel capabilities driven by the Shoptalk and Groceryshop acquisition. Digital will not replace face-to-face events, but it complements them with online activity that supports our customers year-round and maximises the profile of our brands.

Whilst the immediate impact of temporary government restrictions has been severe, we believe these are short term challenges. Our strategy of building a portfolio of market-leading events and the investment made over the last three years puts us in a strong position when we exit this crisis."

1. *Headline profit before tax is defined as profit before tax and adjusting items, which include amortisation of acquired intangibles, impairment of goodwill, intangible assets and investments, profits or losses arising on disposal of Group undertakings, restructuring costs, transaction and integration costs on completed and pending acquisitions and disposals, tax on income from associates and joint ventures, gains or losses on the revaluation of deferred/contingent consideration and on equity option liabilities over non-controlling interests, and imputed interest charges on discounted equity option liabilities – see note 3 to the condensed consolidated financial statements for details.*
2. *Headline diluted earnings per share is calculated using profit attributable to shareholders before adjusting items – see notes 3 and 6 to the condensed consolidated financial statements for details.*
3. *Adjusted net debt is defined as cash and cash equivalents after deducting bank loans. This is therefore prior to any lease liabilities recognised on the balance sheet.*
4. *Like-for-like results are stated on a constant currency basis – translating the current year results at their equivalent reported rates in the comparative period – 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. For clarity, this excludes all:*
    - *Biennial events;*
    - *Timing differences (i.e. events that ran in only one of the current or comparative periods, due to changes in the event dates);*
    - *Launches;*
    - *Cancelled or disposed of events that did not take place under our ownership in the current year;*
    - *Acquired events in the current period; and*
    - *Acquired events in the comparative period that didn't take place under our ownership in the comparative period (i.e. they took place pre-acquisition).*

    See 'Trading highlights and review of operations' for further detail.
5. *Cash conversion is defined as cash generated from operations before net venue utilisation (advances and prepayments to venues less utilisation of venue advances and prepayments) and the cash impact of the adjusting items included in the definition of headline profit before tax, expressed as a percentage of headline profit before tax adjusted for net finance costs and non-cash profits, including foreign exchange gains/losses, depreciation and amortisation.*

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About Hyve Group plc

Hyve Group plc is a next generation global events business whose purpose is to create unmissable events, where customers from all corners of the globe share extraordinary moments and shape industry innovation. Hyve Group plc was announced as the new brand name of ITE Group plc in September 2019, following its significant transformation under the Transformation and Growth (TAG) programme. Our vision is to create the world's leading portfolio of content-driven, must-attend events delivering an outstanding experience and ROI for our customers.

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

Hyve Group is a public limited company and has been listed on the main market of the London Stock Exchange since 1998.

Interim Management Report

Executive summary

Hyve had a good start to the financial year, with a strong first quarter of trading in which revenues were up 7% on a like-for-like basis, driven by double-digit growth from Africa Oil Week and Yugagro. After also taking into account the performance of biennial events (compared to their previous editions two years ago) and timing differences, like-for-like revenue growth in the first quarter was 12%. We ran 45 events in the first half of the financial year, including four of our top 10 events. Yugagro, Mining Indaba and Bett delivered strong year-on-year revenue growth, while Spring Fair slowed the rate of decline compared to the prior period despite being impacted by Brexit and reduced attendance as a result of the coronavirus, which at that stage was primarily impacting events due to Chinese travel restrictions. Overall, like-for-like revenue in the first half was up 1% and after taking into account the performance of biennial events and timing differences was up 3%.

This strong start to the year was supported by the £110.1m acquisition in December 2019 of two acclaimed and successful events, Shoptalk and Groceryshop. This acquisition delivered against our strategy of making selective product-led acquisitions and further strengthens our focus on market-leading events. Shoptalk is expected to become our largest event by revenue and supports the significant expansion of our Global Brands portfolio.

The addition of these two world-class brands to our business led to the Group entering the FTSE 250 in January 2020. This promotion was reward for the transformative work undertaken over the past three years through the Transformation and Growth ("TAG") programme and reflects the strength of the market-leading portfolio of events we now run.

Managing the impact of the coronavirus

After a strong start to the year, the impact of the coronavirus started to have a significant adverse impact on the business from early March. By that stage we had already acted decisively and activated several measures to protect the business for the long-term. These include:

- Setting up a taskforce to deal with all aspects of the business affected by the coronavirus ("Project Fortress");
- Implementing a comprehensive rescheduling strategy ("Postponement Plan") for our events, ensuring that any decisions made are in the best interests of customers and any rescheduled events will continue to provide the premium experience that they have come to expect;
- Initiating a cost management programme to materially reduce costs and preserve cash;
- Seeking additional liquidity to strengthen the Group's balance sheet and provide security through the crisis; and
- Accelerating our omni-channel strategy to allow our customers the ability to network, learn and connect online.

To protect the long-term future of the business the Group has today announced an underwritten rights issue of £126.6m alongside a package of bank covenant waivers and additional liquidity through the deferral of scheduled term loan repayments.

<u>Immediate response to COVID-19: Project Fortress</u>

In the early days of the coronavirus outbreak we mobilised a dedicated task force, Project Fortress, to lead on all aspects of the impact of the crisis. The taskforce began by modelling potential scenarios, the impact each would have on the business and steps that we should take to mitigate risk. It also put in place the framework which has allowed us to operate an effective rolling Postponement Plan.

From an operational perspective, the Postponement Plan assumes that events will take place from August onwards. However, we took a more conservative approach to modelling for liquidity purposes, given the uncertainty about when markets will reopen, and a downside scenario [1] assumes events will not take place before the end of the calendar year, with the exception of a small number of our events in China. We took swift action to reduce costs and manage cash and liquidity in line with the downside scenario.

Under Project Fortress we have instigated 10 different work streams with clear management accountability for each, so that we can maintain operational flexibility whilst ensuring effective and timely decision-making. The progress of Project Fortress is tracked on a daily basis. Weekly Board calls are held with others scheduled as required. Daily Executive meetings and weekly trading meetings take place to track sales and cash collection.

One major benefit from the work undertaken during the TAG programme, where a centralised operating model based on best practice was implemented, is that our global teams are now able to replicate processes and activities consistently, which has made the business much more dynamic in reacting to a crisis.

[1] Consistent with the reasonable worst case scenario included in the Prospectus for the rights issue published today.

Downside scenario planning

While we continue to work towards delivering market-leading events in line with our Postponement Plan, we have also prudently undertaken scenario analysis to assess the potential financial impact of the coronavirus on our business. Our downside scenario has informed cost savings and cash management plans as well as the financing measures announced alongside our FY20 interim financial results.

The key assumptions underpinning the downside scenario are:

- No events take place until 1 January 2021, with the exception of ChinaCoat, our 50% owned joint venture event scheduled for December 2020, five domestic Chinese events planned for summer 2020 and one domestic Chinese event in November 2020;
- All other events currently scheduled to take place prior to 30 September 2020 are cancelled, while events that were originally scheduled to take place in the three-month period ending 31 December 2020 are postponed until later in FY21;
- Revenue for FY20 is below expectations prior to the outbreak by approximately 60% and approximately 55% below revenue for FY19; and
- Revenue for FY21 is below expectations prior to the outbreak by approximately 30% and below revenue for FY19 by approximately 10%, on the assumption that the global economic backdrop will take some time to stabilise and sales cycles will be reduced.

While we expect that the disruption caused by the coronavirus may begin to normalise in the coming months, as evidenced by the resumption of third-party trade events in China from April onwards, we consider it prudent to ensure contingency for a more prolonged period of disruption as envisaged by the downside scenario.

Managing costs and cash flows

Our approach to managing our cost base and cash has been prudent. While the Postponement Plan assumes events will take place from August onwards, we are managing costs in line with our downside scenario, in which no events take place this calendar year except those in China.

The measures taken to reduce costs and preserve cash include:

- **People-related cost savings**: a freeze on recruitment has been implemented and the contracts of temporary staff have been terminated. A collective consultation process has recently concluded in relation to potential redundancies and is expected to result in further savings from July onwards. We have, in seeking additional staff savings in the short term, placed 135 members of full-time staff on a "furlough" arrangement in accordance with the UK Government Coronavirus Job Retention Scheme announced on 26 March 2020. In addition, all Directors and a significant number of key managers globally have agreed to take a temporary 20% reduction in salary on a voluntary basis, bonus schemes have been removed and a number of staff are working reduced hours with much of the UK workforce, the largest in the Group, moving to a four-day week for a period of three months starting from May;
- **Non-people-related cost savings**: a Group-wide ban on non-essential travel and internal events, removal of non-sales incentives and awards, removal of expenses reimbursement and reduction of internal training initiatives have been implemented;
- **Reduced capital expenditure**: a significant reduction of capital expenditure has already been applied with only essential replacement of assets and equipment now being permitted. This includes a delay to the roll-out of a Group-wide ERP system which was the final element of the TAG Programme to be implemented; and
- **Events and venue savings**: discussions are on-going with venue operators regarding the potential to roll forward costs associated with cancelled or postponed events. People-related cost savings as a result of fewer onsite staff, as well as lower requirement for content and other event related costs are also planned.

The cost saving programme outlined above is intended to identify and implement up to £10m of savings in the current financial year (approximately £9m income statement; £1m capital expenditure) and £42m in FY21 (approximately £40m income statement, £2m capital expenditure).

In addition, the Board has taken the decision not to declare any dividends for the current financial year and the decision to make dividend declarations in future periods will remain under review and subject to bank waiver restrictions.

Postponement Plan

To ensure the safety of our colleagues and event communities, and in-line with international government directives, we have implemented a rolling Postponement Plan for our events.

Based on the latest Postponement Plan, we are currently scheduled to run 96 events in FY20. In the first half of FY20, 45 events were held leaving 51 events to take place in the second half of the financial year, the vast majority of which are now due to take place between late July and the end of September 2020. To date we have cancelled 13 events that had been scheduled to take place during FY20, with these events having contributed revenue of £25m in FY19, excluding Groceryshop which was acquired during the current financial year but has been cancelled. 18 events scheduled to take place during FY20 have been postponed to FY21, with these events having contributed revenue of £21m in FY19.

Vital to our long-term success has been regular dialogue with our customers, buying groups and other stakeholders for each event. By keeping customers informed and up to date with our plans, we will ensure the relationships we have spent years, and in some cases decades building, are maintained once our event programme restarts.

From a financial perspective, the Postponement Plan has also included productive dialogue with many venue owners to rollover certain costs to the new dates for postponed events or, in the case of cancelled events, to the FY21 edition. Similarly, we have had positive conversations with a number of customers in relation to cash already received for those events.

We expect reduced attendance at, and revenue generated by, events which are held during the remainder of FY20 and in FY21, primarily because of existing travel restrictions, potential reluctance to travel to other countries or reduced corporate travel budgets. We expect domestic audiences to recover more quickly than international audiences as people may be more willing to travel to events within their own country and internal domestic restrictions on travel may be eased sooner. In addition, even following the easing of the outbreak and the lifting of related restrictions, the occurrence of second or subsequent waves of infection or the establishment of "new normal" protocols to fend off infection would continue to adversely impact attendance at, and revenue generated by, the Group's future events.

Financing and liquidity

Alongside our FY20 interim financial results, we announced an underwritten rights issue to raise gross proceeds of £126.6m, with full details of that transaction set out in the rights issue announcement. In addition, we secured an extra £35m of liquidity from our lenders through the deferral of scheduled term loan repayments of £17.5m each in November 2020 and November 2021 until maturity in December 2023 and obtained covenant waivers up to and including March 2022, contingent on the rights issue.

Earlier in the period, in December 2019, we refinanced our external debt facility, giving us access to a total facility of £250m, £100m as a term loan and £150m as a revolving credit facility, from a syndicate of five banks, Commerzbank, HSBC UK, Citibank, Barclays and HSBC US. The facilities terminate in December 2023 with the option, subject to certain conditions, to extend by a further year. The scheduled annual repayments of the term loan, prior to the repayment deferrals outlined above, are for £17.5m to be repaid in November 2020, with further repayments each subsequent November for £17.5m, £20.0m, £22.5m, and a final repayment for £22.5m on the termination date.

We are also in active discussions in relation to accessing the package of measures announced by HM Treasury, including the COVID Corporate Finance Facility ("CCFF"). This facility is designed to support liquidity among larger firms, helping them to bridge short-term outbreak-related disruption to their cash flows. We have submitted an application for the CCFF to the Bank of England but there remains uncertainty as to our eligibility to such funding. We are also actively investigating the availability other governmental programmes in the UK and in other markets in which we operate.

Safeguarding our people

We are taking special measures to support our own people during the epidemic. Almost all of our colleagues are now working from home – in the UK, USA, Russia, Turkey, the Ukraine, Central Asia and India – with each location benefitting from the investment in technology made through the TAG programme. Our colleagues in China have now returned to the office and measures have been put in place to protect them, such as social-distancing, additional cleaning as well as the provision of extra hand sanitisers and masks.

We have also put a strong emphasis on communications to keep our people connected, via weekly CEO video updates, managers keeping in touch every day with their teams by video and conference calls and virtual Town Halls in every region, while the Regional Directors issue regular newsletters sharing stories between the regions.

A leading role in the safe return to work

We are working with the industry and playing a leading role in establishing new ground rules to ensure the safety of customers and colleagues when events re-commence. We are part of an Advisory Panel working with the Minister of Tourism in the UK and are working alongside national and international industry bodies, such as the Association of Events Organisers in the UK, the Society of Independent Show Organisers in the US and UFI, the Global Association of the Exhibition Industry, in order to develop best practice guidelines for the industry when restrictions are lifted.

We will work within local government guidelines as markets reopen, at the same time as ensuring that we adhere to international standards of quality and safety. We continue to examine a wide range of measures to ensure customer safety, including:

- Masks, disinfectant and hand sanitisers;

- On-site temperature testing;
- Larger aisles that enable social distancing;
- Staggering attendance times to reduce the number of visitors in the hall at any one time;
- Putting in place frequent and regular deep cleaning;
- Signage with health and hygiene reminders for exhibitors and visitors; and
- Training all our people on COVID-19 safety and cleaning protocols.

The implementation of agreed procedures and protocols we adopt will involve additional staff training in support of those actions, alongside the delivery and monitoring of onsite processes. Once our response measures are agreed, we will communicate with our customers and provide support to them regarding the navigation of any additional travel controls, such as visa, permit or other certifiable entry requirements.

A greater focus on market-leading events post COVID-19

We have worked intensively over the last three years to deliver the TAG Programme, which has fundamentally transformed the business into one with a global portfolio of market-leading events, leveraging a centralised operating model to deliver a premium product to exhibitors and attendees. This process has been underpinned by our vision to create the world's leading portfolio of content-driven, must-attend events delivering an outstanding experience and return on investment for our customers.

Although the coronavirus outbreak continues to have a material impact on the events industry as a whole, we continue to believe in the power of face-to-face events for businesses. Events are central to winning new business, sourcing products, staying up-to-date with industry trends and finding new ideas and innovations. The backdrop of the outbreak is likely to have a significant impact on smaller operators and we believe that, over the long term, this will strengthen our market-leading events over second tier competitor events, as customers prioritise attendance at the number one shows.

Our scalable operating model, combined with our selective approach to acquiring best in class events, had, until the market was impacted by the coronavirus, opened up a number of incremental growth opportunities. These remain opportunities, which we will reassess in light of market changes. For example, Shoptalk and Groceryshop have developed an industry-leading Hosted Buyer Programme, which is underpinned by bespoke software and includes a platform that facilitates group meetings among customers for the purposes of engaging in conversations in relation to pre-defined topics of mutual interest. The software underpinning the Hosted Buyer Programme for Shoptalk and Groceryshop represents an opportunity to be introduced across other Hyve events.

Acceleration of our omni-channel strategy

We are accelerating our existing omni-channel strategy which adds online elements to our physical events, to create multiple touch points for our customers to learn, network and connect online.

We have already begun to address the trend of virtual engagement with our customers as seen most recently with the launch of Shoptalk Virtual Events. Shoptalk Virtual Events are a new set of products that offer ground-breaking content, connections and community to the entire retail ecosystem in three different formats:

- We launched **Shoptalk Virtual Tabletalks** in April 2020: These are Interactive peer-to-peer 45-minute virtual conversations that enable in depth discussions and briefings based on specific topics. Shoptalk Virtual Tabletalks carefully match up to six individuals from retailers and brands who come together via video conference to share insights, address issues and generate actionable takeaways. Tabletalks are interactive, video-based conversations designed for the purposes of creating new connections. As with those table talks conducted onsite at Shoptalk's in-person events, Shoptalk Virtual Tabletalks are invite-only for retailers and brands.
- **Shoptalk Virtual Conferences** to be launched later in 2020: A series of panels, presentations and interviews that address the most critical challenges and opportunities in retail today. Conferences are conducted via livestream video and organised around a single theme. These conferences are open for anyone to register to attend.
- **Shoptalk Virtual Meetings** will be launched later in 2020: Video conference-enabled versions of the Group's Hosted Buyers Programme, Shoptalk Virtual Meetings will also incorporate the many other networking and collaboration initiatives traditionally conducted in connection with Shoptalk's in-person events, creating the ability for individuals throughout the retail industry to engage with each other across a wide range of subjects in distributed and digitally interactive environments.

Reigniting industries and businesses

Market-leading events are key trading platforms for major industries, governments and regional authorities and will play a vital role in reigniting economies as we exit this global crisis.

Once it is safe to do so, our portfolio of premium events will bring people together from all corners of the globe where they can get back to connecting, learning, inspiring and innovating.

Outlook

The coronavirus continues to have a material impact on the events industry as a whole and we are not immune to that. However, we firmly believe in the power of face-to-face contact and are confident that in time, events will once again be sparking connections, forming communities, broadening horizons and enabling opportunities for millions of people in business around the world.

The COVID-19 outbreak has reminded us of the power of human connections, which have never been more important than now. The time that people across the world are spending away from others is reminding us that, whilst technology is incredibly important and will undoubtedly increase the return on investment we offer our customers in the future, it does not replace what can be achieved when people meet face-to-face.

Mark Shashoua
Chief Executive Officer

Financial performance

Statutory results

Revenues for the first six months of the year were £96.3m (2019: £107.8m), down £11.5m and 11% behind the comparative period. Revenues in the period were impacted by the spread of the coronavirus and the Postponement Plan implemented by the Group following the restrictions put in place by governments across the Group's markets. 14 events due to take place in the first six months of the year were postponed or cancelled, including MITT, the international travel and tourism event in Moscow, which will not take place until the following financial year, and Shoptalk, the newly acquired e-commerce event in Las Vegas, which has been postponed until September.

Four top 10 events ran as planned in the first six months of the year, including Bett, Mining Indaba and Yugagro, all of which delivered strong year-on-year growth. Spring Fair took place in the first half of the year and despite an ongoing impact from Brexit and reduced attendance by Chinese exhibitors due to coronavirus travel restrictions, the rate of decline slowed compared to the previous year. Africa Oil Week, one of the Group's 20 largest events, also performed very well delivering double digit revenue growth.

The impact of foreign exchange rates has had a positive impact of £0.2m on the translation of revenue into sterling when compared to the prior period, largely as a result of the strengthening of the Russian ruble relative to sterling in the first few months of the financial year.

Loss before tax was £168.3m (2019: profit of £1.9m), after non-cash impairment charges totalling £166.8m have been recognised in respect of our UK, Bett, CWIEME and Azerbaijan businesses, as well as our Indonesian joint venture. These impairment charges are as a result of the coronavirus outbreak which has increased discount rates due to the heightened risk environment and reduced forecast operating profits following event postponements and cancellations.

There was also an increased amortisation charge on acquired intangible assets following the Shoptalk and Groceryshop acquisitions which increased the total amortisation to £14.0m (2019: £12.0m). A loss on disposal of £5.6m (2019: £3.1m) was recognised as a result of the write-off of deferred consideration receivable in respect of prior year disposals as, while we remain committed to recovering the contractual amount in full, the coronavirus outbreak has increased the credit risk. The loss after tax is also after including transaction costs of £2.6m (2019: £1.4m) incurred in respect of the acquisitions of Shoptalk and Groceryshop and costs of £0.7m (2019: £3.4m) incurred in integrating these acquired events into our portfolio. Restructuring costs of £0.9m (2019: £2.1m) have been incurred in relation to the finalisation of the TAG programme.

The impact of foreign exchange rates has had a £4.3m positive impact on profits compared to HY19. The increased impact on profits compared to revenue is due to gains recognised in the first six months of the year as a result of balance sheet translations which resulted in foreign exchange gains £4.0m higher than the comparative period.

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

	Six months ended 31 March 2020	Six months ended 31 March 2019	Movement
Russian ruble	83.5	85.7	-3%
Turkish lira	7.6	7.0	+9%
Indian rupee	92.0	92.0	-
Chinese renminbi	9.0	8.8	+2%
Euro	1.16	1.14	+2%
United States dollar	1.29	1.28	+1%

Diluted earnings per share for the first six months were (21.6p) (2019: (0.1p)).

Headline results

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 consider this to be the most appropriate way to measure the Group's underlying performance. In addition to providing a more comparable set of results year-on-year, this is also in line with similar adjusted measures used by our peer companies and therefore facilitates comparison across the industry. The adjusting items presented are consistent with those presented in the previous year.

The Group achieved like-for-like revenue growth of 1% despite the ongoing impact of Brexit and reduced attendance by Chinese exhibitors at certain events due to coronavirus travel restrictions. After also taking into account the performance of biennial events compared to their previous editions two years ago and timing differences, like-for-like revenue growth was 3%. Prior to the outbreak, first quarter revenues were up 7% on a like-for-like basis, driven by Africa Oil Week and Yugagro, which both delivered double-digit like-for-like growth. After also taking into account the performance of biennial events compared to their previous editions two years ago and timing differences, like-for-like revenue growth in the first quarter was 12%.

Headline profit before tax for the first six months of the year was £19.8m (2019: £24.5m). The results were adversely impacted by event postponements and cancellations which had a £7.9m impact on headline profit before tax, most significantly due to the cancellation of MITT, due to take place in Russia in March. In addition, the acquired Shoptalk event was originally due to take place in March but has been postponed until September and therefore the results include £2.8m of costs and no revenue in the period post-acquisition.

This was offset in part by £2.4m of positive biennial and timing differences, primarily in relation to the Paperex event in India, and growth of £0.6m from annually recurring events, driven by strong performances from Bett, Mining Indaba, Yugagro and Africa Oil Week. The impact of foreign exchange rates also had a £4.3m positive impact on profits compared to the six months ended 31 March 2019.

Headline diluted earnings per share for the first six months was 2.0p (2019: 2.3p), reflecting the decline in headline profits due to the impact of coronavirus.

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

	Six months to 31 March 2020 £m	Six months to 31 March 2019 £m	Year ended 30 September 2019 £m
(Loss)/profit on ordinary activities before taxation	**(168.3)**	1.9	8.7
Operating items			
Amortisation of acquired intangible assets	**14.0**	12.0	24.1
Impairment of goodwill	**124.0**	-	-
Impairment of intangible assets	**42.0**	-	-
Impairment of investments in associates and joint ventures	**0.8**		
Loss on disposal of investments	**5.6**	2.4	3.2
Transaction costs on completed and pending acquisitions and disposals	**2.6**	1.4	1.4
Integration costs			
- Integration costs	**0.7**	2.5	5.3
- Costs to realise synergies	**-**	0.9	1.5
Restructuring costs			
- TAG	**0.9**	1.7	2.8
- Other	**-**	0.4	1.4
Tax on income from associates and joint ventures	**1.5**	1.7	1.9
Financing items			
Write off of previously capitalised debt issue costs on refinancing	**1.3**	-	-
Revaluation of assets and liabilities on completed acquisitions and disposals	**(5.3)**	(0.4)	0.1
Headline profit before tax	**19.8**	24.5	50.4

Amortisation of acquired intangible assets relates to the amortisation charge in respect of intangible assets acquired through business combinations. The charge has increased in the period, as a result of the amortisation of the intangible assets recognised following the Shoptalk and Groceryshop acquisitions in December 2019.

Impairment charges totalling £166.8m have been recognised in respect of goodwill (£124.0m), acquired intangible assets (£42.0m) and investments in our associates and joint ventures (£0.8m). In the 2019 Annual Report and Accounts the Group disclosed that the headroom of the Bett and UK CGUs was sensitive to a reasonably possible change in the key assumptions used in the value in use calculation, including an increase in discount rates and a decline in the CGUs' operating profit growth rates. As a result of the coronavirus outbreak, discount rates have increased due to the heightened risk environment, while forecast operating profits have declined significantly across the business in the short term, reflecting the event postponements and cancellations. Therefore, the forecast cash flows of these CGUs are no longer able to support the carrying value of their assets and consequently impairment charges of £44.7m and £108.3m have been recognised in the Bett and UK CGUs respectively. Furthermore, the adverse impact of the outbreak on discount rates and forecast cash flows has resulted in combined impairment charges of £13.8m being recognised in our CWIEME and Azerbaijan CGUs, and our Indonesian joint venture Debindo. Refer to note 8 for further details.

The loss on disposal in the year of £5.6m relates to the write-off of deferred consideration receivable in relation to prior year divestments. The coronavirus outbreak has resulted in a greater risk over the recoverability, however we remain committed to recovering the contractual amounts due in full. In the previous year the Group recognised a loss of £1.4m in relation to this disposal and a £1.6m loss on disposal in relation to a number of smaller disposals within Central Asia.

Transaction costs on completed and pending acquisitions and disposals relate principally to costs incurred on the acquisition of the Shoptalk and Groceryshop events completed in December 2019. The most significant of these costs are professional and consultancy fees incurred in relation to the due diligence and legal procedures necessary for the completion of the deal. In the previous year the costs recognised related to the acquisition of Mining Indaba completed in October 2018.

Integration costs of £0.7m have been incurred, primarily in relation to the integration of the Shoptalk and Groceryshop events. The costs incurred primarily relate to the TSA agreements in place, and most significantly the costs relating to the events' founders and certain members of senior management, who are remaining in their roles for a minimum of 12 months from acquisition in order to oversee the events' transition to the new management team. In the previous year integration costs of £5.3m were incurred in relation to the Ascential Events business and the Mining Indaba event, as well as £1.5m of costs incurred in order to realise the synergy opportunities presented by these acquisitions.

Restructuring costs are those incurred in transforming the business, primarily as a result of the TAG programme. In the current period costs of £0.9m have been incurred in relation to the finalisation of the TAG programme, including the development of the global ERP software to be rolled out across the finance function. In the prior year, in connection with the new strategic direction of the Group, the focus on our Core events, and the active management of the Group's portfolio of events, £1.4m of restructuring costs were incurred in relation to the closure of the Siberian business.

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

Write off of previously capitalised debt issue costs on refinancing is the accelerated non-cash amortisation of previously capitalised financing costs upon refinancing of the Group's external debt facilities in December 2019.

A number of the Group's acquisitions completed in recent years have future earn-out commitments, either through deferred or contingent consideration payments or through equity option liabilities to increase our current shareholdings. These are held on balance sheet at fair value and therefore change based on the latest foreign exchange rates, the proximity of the settlement date and the latest expectation of the settlement value. Revaluation of assets and liabilities on completed acquisitions and disposals include the gains from the revaluation of our equity options over non-controlling interests in our subsidiaries (credit of £4.5m), principally in relation to the remaining 40% interest in ABEC, the 2015 acquisition of the Indian exhibitions company including the Acetech portfolio, the imputed interest credit on the unwinding of the discount on the Group's deferred consideration receivable in relation to the disposal of ITE Expo LLC (credit of £0.9m), and a loss on the revaluation of the ITE Expo LLC deferred consideration (charge of £0.1m).

Cash flows

The Group's cash flow generated from operations over the first six months was £25.1m (2019: £16.6m) and cash conversion was 137% (2019: 102%), as presented below. Adjusted net debt at 31 March 2020 has increased to £157.2m (2019: £108.9m) following the acquisition of Shoptalk and Groceryshop.

	Six months to 31 March 2020 £m	Six months to 31 March 2020 £m	Year ended 30 September 2019 £m
Cash generated from operations	**25.1**	16.6	40.3
Add back:			
Net venue utilisation	0.9	5.0	-
Adjusting items (which have cash impact):			
Transaction costs on acquisitions and disposals	2.6	2.0	1.5
Integration costs	0.7	3.4	6.8
Restructuring costs	0.9	2.1	4.2
Other adjustments:			
Adjustment to reflect timing of cash flow for above adjusting items	0.8	-	1.9
Working capital adjustment on acquisitions	-	-	1.4
Headline cash generated from operations (A)	**31.0**	29.1	56.1
Headline operating profit	**23.8**	27.1	55.8
Add back:			
Depreciation of property, plant and equipment	2.3	0.7	1.7
Amortisation of computer software	0.7	0.7	1.3
Foreign exchange loss/(gains) on operating activities	(4.2)	(0.1)	1.1
Headline operating profit before non-cash items (B)	**22.6**	28.4	59.9
Cash conversion % (A/B)	**137%**	102%	94%

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

2020 interim dividend

The Board has taken the decision to not declare an interim dividend (2019: 0.9p) for the year ending 30 September 2020.

Trading highlights and review of operations

During the period the Group organised 45 events (2019: 61 events) and volume sales for the period were 308,500 sqm (2019: 354,300 sqm). The reductions compared to the prior period primarily reflect the postponements and cancellations following the coronavirus outbreak.

A summary of the Group's volume sales, revenue and headline profit before tax for the period is set out below.

	Square metres sold ’000	**Revenue £m**	**Headline profit before tax £m**
First half 2019	**354**	**107.8**	**24.5**
Biennial	(2)	(0.7)	(0.2)
Timing	(2)	(0.4)	(0.1)
COVID-19 postponements	(31)	(7.7)	(3.8)
COVID-19 cancellations	(18)	(6.6)	(4.1)
Non-recurring	(4)	(0.5)	-
Disposals	(6)	(2.7)	(0.6)
Annually recurring 2019	**291**	**89.2**	**15.7**
Acquisitions	-	-	(3.5)
Launches	2	0.2	-
FX Translation	-	0.2	4.3
Like-for-like change	(15)	0.9	0.5
Annually recurring 2020	**278**	**90.5**	**17.0**
Timing	1	-	0.6
Biennial	29	5.8	2.2
First half 2020	**308**	**96.3**	**19.8**

Global Brands

The Global Brands division now comprises Africa Oil Week, Breakbulk, Mining Indaba, Bett, CWIEME and the Shoptalk and Groceryshop events acquired in December 2019. Overall revenues fell by 2% compared to the comparative period, as a result of the postponement of three events in Asia. On a like-for-like basis revenues grew by 7%.

Africa Oil Week ran in November 2019 and performed very well, achieving strong double digit like-for-like revenue growth, demonstrating the positive impact of the new portfolio and event leadership and the benefits of the TAG investment the event has received in recent years. In the same portfolio, Mining Indaba ran in February and also performed well with the event now fully integrated in the Global Brands division having had a full show cycle under Hyve ownership, delivering strong like-for-like revenue growth.

Bett, the education technology event acquired as part of the Ascential Events acquisition in July 2018, returned to revenue growth after the decline reported in the prior period. This was possible as a result of the investments made in the event team since acquisition, as well as the restructuring of the event team and adoption of Hyve's best practice.

The Breakbulk Americas event also ran in October delivering strong like-for-like revenue growth.

Shoptalk and Groceryshop, two US-based market-leading e-commerce events focused on the retail and grocery segments respectively, were acquired in December 2019. Shoptalk was due to take place for the first time under Hyve's ownership in March but was postponed until September in response to the spread of coronavirus. As a result, the decision was taken to postpone Groceryshop, originally scheduled for September 2020 into the following financial year to avoid a clash with Shoptalk.

As part of the Group's Postponement Plan, a number of other Global Brands events have now been postponed, including CWIEME Berlin, the largest event in the CWIEME portfolio and Breakbulk Europe, the largest event in the Breakbulk portfolio, both originally scheduled to take place in May 2020.

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 3% compared to the comparative period with the positive impact of the biennial Paperex event offset by the postponement of one event in China until later in the year as a result of the coronavirus outbreak and reduced revenues across the Acetech portfolio of construction events in India. On a like-for-like basis revenues fell by 12% but increased by 1% when including the impact of like-for-like growth from Paperex compared to the previous edition organised two years ago.

The performance across the Acetech portfolio reflected a challenging trading environment in the Indian construction sector. This was compounded by delays to the completion of the Pragati Maidan venue in Delhi which impacted the Acetech Delhi event in December 2019. Conversely, the biennial Indian paper event, Paperex, achieved double-digit growth compared to the previous edition two years ago.

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 prior to the outbreak of coronavirus and contributed £6.8m (2019: £6.9m) to headline profits before tax. Only one majority owned Chinese event took place in the period with one other majority owned Chinese event postponed until later in the current financial year.

The outbreak of the coronavirus has meant that a number of events in Asia have been postponed. China felt the impact of coronavirus much earlier than the rest of the world and is therefore now at a more advanced phase of the virus' cycle. This brings more confidence that our rescheduled events, and those events still due to take place later in the year, will be able to take place as planned.

Central Asia

The Central Asia division includes our events in Uzbekistan, Kazakhstan and a smaller Azerbaijan portfolio following the disposal of a number of events in the country in March 2019. Revenues were 14% lower than the comparative period, reflecting the disposal of the Azerbaijan events towards the end of the comparative period, but on a like-for-like basis were up 27%.

The double-digit revenue growth is largely attributable to Uzbekistan's performance as the region continues to benefit from the new, investment-friendly Presidential regime with revenue growth across the majority of its events in the first half of the year.

Kazakhstan also reported strong like-for-like growth, driven by the by the Agroworld Kazakhstan event which doubled its revenues compared to the previous edition.

Eastern & Southern Europe

The Eastern & Southern Europe division is comprised of our event portfolios in Turkey and Ukraine. The division reported a revenue decline of 22% as a result of the postponement of the international travel and tourism event in Kiev, UITT, originally scheduled to take place in March 2020. On a like-for-like basis revenues grew by 5% compared to the comparative period.

The only Turkish event scheduled to take place in the first half was EMITT, the international travel and tourism event in Istanbul. Despite challenges in the macroeconomic environment in Turkey the event delivered revenue in line with the comparative period event on a like-for-like basis.

Ukraine achieved like-for-like revenue growth of 11% with strong performance across the events that took place in the first half of the year. UITT and Pro Beauty Expo in Ukraine were due to take place in March but have been moved to new dates towards the end of the financial year as a result of the coronavirus outbreak.

Two Turkish events due to take place early in the second half of the financial year, TurkeyBuild Istanbul and Beauty Eurasia, have also been postponed until August and November respectively. A number of Ukrainian events have also been postponed until later in the financial year or early in the next financial year.

Russia

In March the international travel and tourism event, MITT, was cancelled while the security event, Securika, was postponed until August 2020. As a result, revenue for the division fell by 16% compared to the comparative period, more than offsetting the biennial impact of running the woodworking and furniture event, Woodex. On a like-for-like basis, revenues increased by 14% and increased by 16% when including the impact of like-for-like growth from Woodex compared to the previous edition organised two years ago.

The Russia division was performing very well prior to the coronavirus outbreak with a notably strong performance at Yugagro, the agriculture event in Krasnodar, which delivered another year of double-digit like-for-like revenue growth, reflecting the continued positive impact the TAG investments have had.

Mosbuild, the division's largest event, was due to take place in early April but has been cancelled and will next take place in April 2021. Customers on both cancelled events, Mosbuild and MITT, have been approached with contract amendments to roll over their bookings to the following edition and good progress has been made on this to date.

UK

The UK division comprises Spring and Autumn Fair, Glee and our UK fashion portfolio which includes Pure and Moda. Revenue fell compared to the comparative period by 16%, impacted by the disposal of the low profit BVE event that took place in February 2019. On a like-for-like basis revenues declined by 12%, reflecting the ongoing impact of Brexit and challenges facing the UK high street.

Spring Fair, acquired from Ascential plc last year, is the second largest event in the Hyve portfolio and takes place each February at the NEC in Birmingham. Despite the ongoing impact from Brexit and reduced attendance by Chinese exhibitors due to coronavirus travel restrictions, the rate of decline slowed compared to the previous year, reflecting progress made by the new management team.

Events across the fashion portfolio struggled in the first half of the year, impacted by Brexit uncertainty and the challenged UK high street. The two largest brands in the fashion portfolio are Pure, the high-end fashion event which runs twice per year in Olympia and Moda, the mid-market focused fashion event held twice annually at the NEC in Birmingham. Both February editions reported like-for-like double-digit revenue declines as a result of challenges faced in the sector.

All of the division's remaining shows are scheduled to take place as originally planned in the latter part of the second half of the financial year, with the exception of Moda, which has been moved from August to September.

Principal risks and uncertainties

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

- Coronavirus outbreak
- Political and economic instability
- Repatriation of profits from subsidiaries
- Breach of anti-bribery laws or similar
- Breach of sanctions or sanctions extensions
- Breach of health and safety regulations
- Cyber-attack causing systems to fail or leading to data loss
- Acquisition integration
- Effective control over non-wholly owned entities
- Venue unavailability
- Breach of GDPR regulations
- Liquidity risk
- Performance metrics out of alignment

With the exception of the coronavirus outbreak, all of these were also disclosed as principal risks and uncertainties in the 2019 Annual Report. Refer to pages 32-35 of the 2019 Annual Report, where details of the potential impact and mitigating actions in place for each is discussed. During the period, a number of these risks increased as a result of the coronavirus outbreak, which is discussed further below.

Coronavirus outbreak

In addition to the risks noted above, the recent coronavirus outbreak demonstrates the Group's exposure to the risk of an emergence of a communicable disease, which has the potential to both restrict the Group's ability to run events and reduce the attendance at its events.

The recent outbreak has negatively impacted economic conditions and customer demand globally. In March 2020, the outbreak escalated into a global pandemic leading to unprecedented societal, governmental and personal impacts and restrictions. Each region in which the Group operates reacted differently at that stage and, in most instances, governments and authorities placed certain restrictions on freedom of movement, travel and on large gatherings in order to contain the spread of the virus. The events industry is experiencing significant and unprecedented disruption across multiple geographies and sectors with the substantial majority of events scheduled to take place since early March having been cancelled or postponed worldwide.

Given the travel and other restrictions imposed by governments and corporate clients, the operational demands of the Group's events and the commercial landscape required in order to most successfully run an event, the Group has been able to run just one event since the start of March 2020 and has initiated a postponement programme to delay events until later in the current financial year or early in the next financial year.

The exposure to an extended period of time during which a communicable disease severely impacts the Group's ability to organise events represents a principal risk for the Group. This has the potential to materially reduce revenues, increase the costs of organising events and adversely affect the Group's business, cash flows, financial condition and results of operations.

The extent to which the coronavirus outbreak is impacting the Group represents an ongoing situation which the Directors will continue to address going into the second half of the financial year.

Mitigation

As a consequence of the escalation of the outbreak, the Group put in place a large-scale events postponement plan across its markets. 61 events have been rescheduled to new dates, 30 within the current financial year to 30 September 2020, 18 to the financial year to 30 September 2021 and 13 events have been cancelled outright.

The Group has event cancellation insurance policies in place to cover a number of the Group's largest events. These policies provide cover for communicable disease in certain specified circumstances. Given the novel nature and impact of the coronavirus outbreak it is unknown how insurers will respond to the large volume of claims likely to be made in response to the outbreak and therefore any successful claims could take a significant amount of time to result in proceeds being received by the Group.

The Group has undertaken significant cost-cutting and cash flow management measures to ensure that cash outflows are minimised and working capital is managed as effectively as possible. These include actions related to staff restructuring, removing non-essential spend, reducing capital expenditure, seeking event and venue savings and the decision to not declare dividends for the year ending 30 September 2020. Further measures have been identified that can be implemented as necessary as the situation develops.

Throughout the developing outbreak, the health and safety of the Group's employees, customers and exhibitors has been the Directors' priority and the Group has followed the advice of the World Health Organization ("WHO") in response to the crisis.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Interim Management Report. The financial position of the Group, its cash flows and liquidity position are described in the interim financial statements and notes. The Group has the financial resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report.

The Group is dependent on the ability to be permitted to run events attended by a significant number of people and is therefore exposed to restrictions imposed as a result of communicable diseases, particularly where government, local authority or corporate restrictions are in place that either prohibit mass gatherings or restrict travel to and from events. The Group operates in territories that can be unpredictable and unexpected geopolitical and economic events such as terrorism, sanctions, currency controls and exchange rate movements can have an impact on the Group's reported trading performance. Given the Group's reliance on its relationships with venue owners to continue to operate its events, the unavailability of a venue at short notice, damage to a venue or a dispute with a venue owner could negatively affect the Group. A significant deterioration in trading from the major markets (notably Global Brands, Russia and/or the UK) could also adversely impact the Group's results.

The Group has today announced an underwritten rights issue to raise gross proceeds of £126.6m, with an additional £35m of liquidity obtained through the deferral of scheduled term loan repayments of £17.5m each in November 2020 and November 2021 until December 2023. Waivers for the leverage ratio and interest cover covenants have also been obtained up to and including March 2022. As a consequence, following completion of the rights issue, the Directors believe that the Group is now well placed to manage its business risks successfully. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the Group continues to adopt the going concern basis in preparing the interim report and financial statements.

Responsibility statement

We confirm that to the best of our knowledge:

(a) the condensed set of interim financial statements, which have been prepared in accordance with IAS 34 "Interim Financial Reporting" give a true and fair view of the assets, liabilities, financial position and profit or loss of the undertakings included in the consolidation as a whole as required by DTR 4.2.4R;

(b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events and their impact, and description of principal risks and uncertainties for the remaining six months of the financial year); and

(c) the interim management report includes a fair review of the information required regarding related party transactions (under DTR 4.2.8R).

By the order of the board

Chief Executive Officer

Mark Shashoua

7 May 2020

Condensed Consolidated Income Statement

For the six months ended 31 March 2020

		Six months to 31 March 2020 (Unaudited)			Six months to 31 March 2019 (Unaudited)			Year ended 30 September 2019 (Audited)		
		Headline	Adjusting items (note 3)	Statutory	Headline	Adjusting items (note 3)	Statutory	Headline	Adjusting items (note 3)	Statutory
	Notes	£000	£000	£000	£000	£000	£000	£000	£000	£000
Revenue	2	**96,263**	**-**	**96,263**	107,793	-	107,793	220,723	-	220,723
Cost of sales		**(63,424)**	**-**	**(63,424)**	(67,609)	-	(67,609)	(133,343)	-	(133,343)
Gross profit		**32,839**	**-**	**32,839**	40,184	-	40,184	87,380	-	87,380
Other operating income		**99**	**-**	**99**	149	-	149	934	-	934
Administrative expenses		**(19,800)**	**(190,651)**	**(210,451)**	(20,658)	(21,327)	(41,985)	(39,708)	(39,691)	(79,399)
Foreign exchange gain on operating activities		**4,193**	**-**	**4,193**	143	-	143	(1,140)	-	(1,140)
Share of results of associates and joint ventures	2	**6,468**	**(1,521)**	**4,947**	7,264	(1,730)	5,534	8,297	(1,900)	6,397
Operating profit/(loss)		**23,799**	**(192,172)**	**(168,373)**	27,082	(23,057)	4,025	55,763	(41,591)	14,172
Investment revenue		**406**	**5,349**	**5,755**	325	618	943	1,019	1,335	2,354
Finance costs		**(4,371)**	**(1,353)**	**(5,724)**	(2,872)	(241)	(3,113)	(6,374)	(1,439)	(7,813)
Profit/(loss) before taxation	2	**19,834**	**(188,176)**	**(168,342)**	24,535	(22,680)	1,855	50,408	(41,695)	8,713
Tax on profit/(loss)	4	**(3,100)**	**3,220**	**120**	(6,506)	5,047	(1,459)	(13,115)	8,530	(4,585)
Profit/(loss) for the period		**16,734**	**(184,956)**	**(168,222)**	18,029	(17,633)	396	37,293	(33,165)	4,128
Attributable to:										
Owners of the Company		**15,781**	**(184,956)**	**(169,175)**	17,057	(17,633)	(576)	36,313	(33,165)	3,148
Non-controlling interests		**953**	**-**	**953**	972	-	972	980	-	980
		16,734	**(184,956)**	**(168,222)**	18,029	(17,633)	396	37,293	(33,165)	4,128
Earnings per share (p)										
Basic	6	**2.0**		**(21.7)**	2.3		(0.1)	4.9		0.4
Diluted	6	**2.0**		**(21.6)**	2.3		(0.1)	4.9		0.4

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

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

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 March 2020

	Six months to 31 March 2020 Unaudited	Six months to 31 March 2019 Unaudited	Year ended 30 September 2019 Audited
	£000	£000	£000
Profit/(loss) for the period attributable to shareholders	**(168,222)**	396	4,128
Cash flow hedges:			
Movement in fair value of cash flow hedges	**(332)**	351	269
Fair value of cash flow hedges released to the income statement	**42**	142	655
Currency translation movement on net investment in subsidiary undertakings	**(2,869)**	2,977	7,561
Total other comprehensive income	**(3,159)**	3,470	8,485
	(171,381)	3,866	12,613
Tax relating to components of comprehensive income	**62**	(72)	(153)
Total comprehensive income for the period	**(171,319)**	3,794	12,460
Attributable to:			
Owners of the Company	**(172,272)**	2,822	11,480
Non-controlling interests	**953**	972	980
	(171,319)	3,794	12,460

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

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

Condensed Consolidated Statement of Changes in Equity

31 March 2020

Six month period ended 31 March 2020 (Unaudited):

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

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

Condensed Consolidated Statement of Changes in Equity

Six month period ended 31 March 2019 (Unaudited):

	Share Capital	Share Premium Account	Merger Reserve	Capital Redemption Reserve	ESOT Reserve	Retained Earnings	Put Option Reserve	Translation Reserve	Hedge Reserve	Total	Non Controlling interests	Total Equity
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance as at 1 October 2018	7,416	279,756	2,746	457	(2,794)	80,800	(13,255)	(53,073)	(1,018)	**301,035**	23,847	**324,882**
(Loss)/profit for the period	-	-	-	-	-	(576)	-	-	-	**(576)**	972	**396**
Currency translation movement on net investment in subsidiary undertakings	-	-	-	-	-	-	-	2,977	-	**2,977**	-	**2,977**
Movement in fair value of cash flow hedges	-	-	-	-	-	-	-	-	351	**351**	-	**351**
Fair value of cash flow hedges released to the Consolidated Income Statement	-	-	-	-	-	-	-	-	142	**142**	-	**142**
Tax relating to components of comprehensive income	-	-	-	-	-	-	-	-	(72)	**(72)**	-	**(72)**
Total comprehensive income for the six months to 31 March 2019	**-**	**-**	**-**	**-**	**-**	**(576)**	**-**	**2,977**	**421**	**2,822**	**972**	**3,794**
Dividends	-	-	-	-	-	(7,393)	-	-	-	**(7,393)**	(1,393)	**(8,786)**
Exercise of share options	-	-	-	-	-	(8)	-	-	-	**(8)**	-	**(8)**
Share-based payments	-	-	-	-	-	250	-	-	-	**250**	-	**250**
Issue of shares	-	-	-	-	-	-	-	-	-	**-**	-	**-**
Tax debited to equity	-	-	-	-	-	-	-	-	-	**-**	-	**-**
Disposal of subsidiary	-	-	-	-	-	-	-	379	-	**379**	(47)	**332**
Balance as at 31 March 2019	**7,416**	**279,756**	**2,746**	**457**	**(2,794)**	**73,073**	**(13,255)**	**(49,717)**	**(597)**	**297,085**	**23,379**	**320,464**

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

Condensed Consolidated Statement of Changes in Equity

Year ended 30 September 2019 (Audited):

	Share Capital	Share Premium Account	Merger Reserve	Capital Redemption Reserve	ESOT Reserve	Retained Earnings	Put Option Reserve	Translation Reserve	Hedge Reserve	Total	Non Controlling interests	Total Equity
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance as at 1 October 2018	7,416	279,756	2,746	457	(2,794)	80,800	(13,255)	(53,073)	(1,018)	301,035	23,847	324,882
(Loss)/profit for the period	-	-	-	-	-	3,148	-	-	-	3,148	980	4,128
Currency translation movement on net investment in subsidiary undertakings	-	-	-	-	-	-	-	7,561	-	7,561	-	7,561
Movement in fair value of cash flow hedges	-	-	-	-	-	-	-	-	269	269	-	269
Fair value of cash flow hedges released to the income statement	-	-	-	-	-	-	-	-	655	655	-	655
Tax relating to components of comprehensive income	-	-	-	-	-	-	-	-	(153)	(153)	-	(153)
Total comprehensive income for the year ended 30 September 2019	-	-	-	-	-	3,148	-	7,561	771	11,480	980	12,460
Dividends	-	-	-	-	-	(14,043)	-	-	-	(14,043)	(1,978)	(16,021)
Exercise of share options	-	-	-	-	7	(8)	-	-	-	(1)	-	(1)
Share-based payments	-	-	-	-	-	112	-	-	-	112	-	112
Issue of shares	-	-	-	-	-	-	-	-	-	-	-	-
Tax debited to equity	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of subsidiary	-	-	-	-	-	-	-	379	-	379	(46)	333
Balance as at 30 September 2019	7,416	279,756	2,746	457	(2,787)	70,009	(13,255)	(45,133)	(247)	298,962	22,803	321,765

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

Condensed Consolidated Statement of Financial Position

31 March 2020

	Notes	31 March 2020 Unaudited £000	31 March 2019 Unaudited £000	30 September 2019 Audited £000
Non-current assets				
Goodwill	8	**147,631**	209,674	209,970
Other intangible assets	9	**280,940**	282,077	270,608
Property, plant and equipment	10	**20,438**	4,913	5,167
Interests in associates and joint ventures	11	**45,949**	47,553	43,374
Investments		**1,047**	500	-
Venue advances and other loans		-	765	500
Deferred consideration receivable		-	3,457	3,795
Deferred tax asset		**4,393**	9,498	8,547
		500,398	558,437	541,961
Current assets				
Trade and other receivables	12	**59,637**	62,983	59,024
Tax prepayment		**3,413**	2,367	3,300
Derivative financial instruments	15	**-**	23	-
Cash and cash equivalents		**89,947**	32,884	33,027
		152,997	98,257	95,351
Total assets		**653,395**	656,694	637,312
Current liabilities				
Bank loans		**(17,500)**	-	(17,500)
Trade and other payables	13	**(43,175)**	(40,306)	(33,390)
Current tax liabilities		**(698)**	(2,822)	(1,929)
Deferred income		**(103,051)**	(92,963)	(79,701)
Derivative financial instruments	15	**(8,455)**	(11,342)	(12,955)
Provisions		**(304)**	(312)	(306)
		(173,183)	(147,745)	(145,781)
Non-current liabilities				
Bank loans	14	**(229,679)**	(141,833)	(127,205)
Provisions		**(1,534)**	(1,572)	(1,505)
Deferred income		**(338)**	(419)	(291)
Lease liabilities		**(16,400)**	-	-
Deferred tax liabilities		**(33,229)**	(44,457)	(40,655)
Derivative financial instruments	15	**(445)**	(204)	(110)
		(281,625)	(188,485)	(169,766)
Total liabilities		**(454,808)**	(336,230)	(315,547)
Net assets		**198,587**	320,464	321,765
Equity				
Share capital	16	**8,158**	7,416	7,416
Share premium account		**60,695**	279,756	279,756
Merger reserve		**2,746**	2,746	2,746
Capital redemption reserve		**457**	457	457
ESOT reserve		**(2,787)**	(2,794)	(2,787)
Retained earnings		**167,328**	73,073	70,009
Put option reserve		**(13,255)**	(13,255)	(13,255)
Translation reserve		**(48,002)**	(49,717)	(45,133)
Hedge reserve		**(475)**	(597)	(247)
Equity attributable to equity holders of the parent		**174,865**	297,085	298,962
Non-controlling interest		**23,722**	23,379	22,803

Total equity	**198,587**	320,464	321,765

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

Condensed Consolidated Cash Flow Statement

For the six months ended 31 March 2020

	Notes	Six months to 31 March 2020 Unaudited £000	Six months to 31 March 2019 Unaudited £000	Year ended 30 September 2019 Audited £000
Operating activities				
Operating profit/(loss) from continuing operations		**(168,373)**	4,025	14,172
Adjustments for non-cash items:				
Depreciation and amortisation	9,10	**16,971**	13,530	27,032
Impairment of assets	3	**166,849**	-	-
Share-based payments		**250**	285	63
(Decrease)/increase in provisions		**(53)**	(1,185)	(1,278)
Loss/(profit) on disposal of plant, property and equipment and computer software		**(14)**	-	10
Loss on disposal of investments	3	**5,616**	2,425	3,154
Fair value of cash flow hedges recognised in the income statement		**42**	142	654
Share of profit from associates and joint ventures	11	**(4,947)**	(5,534)	(6,397)
Operating cash flows before movements in working capital		**16,341**	13,688	37,410
(Increase)/decrease in receivables		**(4,138)**	(5,493)	(4,346)
Advances and prepayments to venues		**(1,615)**	(5,829)	(730)
Utilisation of venue advances and prepayments		**717**	873	719
Increase/(decrease) in deferred income		**11,315**	13,295	(96)
Increase/(decrease) in payables		**1,934**	(518)	1,249
Operating cash flows after movements in working capital		**24,554**	16,016	34,206
Dividends received from associates and joint ventures	11	**539**	594	6,147
Cash generated from operations		**25,093**	16,610	40,353
Tax paid		**(2,179)**	(6,461)	(11,548)
Net cash from operating activities		**22,914**	10,149	28,805
Investing activities				
Interest received		**406**	325	1,019
Investment in associates and joint ventures and other investments		**(547)**	(500)	(500)
Acquisition of businesses – cash paid net of cash acquired	7	**(97,924)**	(22,759)	(31,478)
Purchase of property, plant and equipment and computer software		**(1,189)**	(2,097)	(3,776)
Disposal of plant, property and equipment and computer software		**23**	-	70
Disposal of subsidiaries – cash received net of cash disposed		**-**	(492)	(462)
Settlement of deferred consideration receivable	12	**567**	-	-
Net cash flows from investing activities		**(98,664)**	(25,523)	(35,127)
Financing activities				
Equity dividends paid		**(13,006)**	(7,411)	(14,077)
Dividends paid to non-controlling interests		**(34)**	(1,393)	(1,978)
Interest paid and bank charges		**(4,044)**	(2,872)	(6,374)
Principal paid on lease liabilities		**(1,941)**	-	-
Proceeds from the issue of share capital and exercise of share options		**52,434**	-	-
Fees relating to share placing		**(2,426)**	-	-
Drawdown of borrowings		**148,832**	124,565	258,457
Repayment of borrowings		**(47,725)**	(114,438)	(246,330)
Net cash flows from financing activities		**132,090**	(1,549)	(10,302)
Net (decrease)/increase in cash and cash equivalents		**56,340**	(16,923)	(16,624)
Cash and cash equivalents at beginning of period		**33,027**	49,649	49,649
Effect of foreign exchange rates on cash and cash equivalents		**580**	158	2
Cash and cash equivalents classified as held for sale		**-**	-	-
Cash and cash equivalents at end of period		**89,947**	32,884	33,027

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

Notes to the Interim Financial Statements

1. General Information and basis of preparation

The information for the year ended 30 September 2019 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The former auditor, Deloitte LLP, reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The annual financial statements of Hyve Group plc are prepared in accordance with IFRS as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as adopted by the European Union.

The condensed consolidated financial statements have been reviewed by BDO LLP but have not been audited. They do not include all the information and disclosures required in the annual financial statements, and therefore should be read in conjunction with the Group's consolidated financial statements for the year ended 30 September 2019.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Interim Management Report. The financial position of the Group, its cash flows and liquidity position are described in the interim financial statements and notes. The Group has the financial resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report.

The Group is dependent on the ability to be permitted to run events attended by a significant number of people and is therefore exposed to restrictions imposed as a result of communicable diseases, particularly where government, local authority or corporate restrictions are in place that either prohibit mass gatherings or restrict travel to and from events. The Group operates in territories that can be unpredictable and unexpected geopolitical and economic events such as terrorism, sanctions, currency controls and exchange rate movements can have an impact on the Group's reported trading performance. Given the Group's reliance on its relationships with venue owners to continue to operate its events, the unavailability of a venue at short notice, damage to a venue or a dispute with a venue owner could negatively affect the Group. A significant deterioration in trading from the major markets (notably Global Brands, Russia and/or the UK) could also adversely impact the Group's results.

On 7 May 2020, subsequent to the balance sheet date, the Group announced an underwritten rights issue to raise gross proceeds of £126.6m, with an additional £35m of liquidity obtained through the deferral of scheduled term loan repayments of £17.5m each in November 2020 and November 2021 until December 2023. Covenant waivers for the leverage ratio and interest cover covenants have also been obtained up to and including March 2022. As a consequence, following completion of the rights issue, the Directors believe that the Group is now well placed to manage its business risks successfully. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the Group continues to adopt the going concern basis in preparing the interim report and financial statements.

Accounting policies

The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2019 annual financial statements, except for those that relate to new standards and interpretations effective for the first time for periods beginning on (or after) 1 January 2019, which have been adopted in these interim financial statements and will be adopted in the 2020 annual financial statements. New standards impacting the Group that will be adopted in the annual financial statements for the year ended 30 September 2020, and which have given rise to changes in the Group's accounting policies are:

- IFRS 16 *Leases*

Details of the impact this standard has had are given below. Other new and amended standards and Interpretations issued by the IASB that will apply for the first time in the next annual financial statements are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

IFRS 16 Leases

Effective 1 January 2019, IFRS 16 has replaced IAS 17 *Leases* and IFRIC 4 *Determining whether an Arrangement Contains a Lease*. IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. The Group does not have significant leasing activities acting as a lessor.

(a) Transition Method and Practical Expedients Utilised

The Group adopted IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (1 October 2019), without restatement of comparative figures. The Group elected to apply the practical expedient to not reassess whether a contract is or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. The definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 October 2019.

IFRS 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Group applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities for most leases. However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.

The treatment of venue leases is expected to remain unchanged, due to the cumulative tenancy dates over the term of each venue lease being less than 12 months. All current venue contracts are therefore treated as short term leases and excluded from the assessment under the related practical expedient.

On adoption of IFRS 16, the Group recognised right-of-use assets and lease liabilities primarily in relation to leases of office space, which had previously been classified as operating leases. The lease liabilities were measured at the present value of the remaining lease payments, discounted using an incremental borrowing rate as at 1 October 2019. Incremental borrowing rates were calculated for each of the Group's material leases, representing the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions in the region where the lease is situated. Incremental borrowing rates were calculated for the United Kingdom, Russia and United States. The weighted-average rate applied was 3.4%.

The right-of-use assets were measured as follows:

a. Office space: Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.
b. All other leases: the carrying value that would have resulted from IFRS 16 being applied from the commencement date of the leases, subject to the practical expedients noted above.

The following table presents the impact of adopting IFRS 16 on the statement of financial position as at 1 October 2019:

	£'000
Right of use assets recognised	15,685
Lease liabilities recognised	(17,038)
Other adjustments to statement of financial position on transition:	
Provisions	1,063
Accrued expenses	73
Prepayments	(518)
Deferred tax asset	267
Net reduction in retained earnings	**468**

Included in profit or loss for the period is £1.5m of depreciation of right-of-use assets and £0.3m of finance expense on lease liabilities. Short-term and low-value leases included in profit or loss for the period were £0.3m.

The following table reconciles the minimum lease commitments disclosed in the Group's 30 September 2019 annual financial statements to the amount of lease liabilities recognised on 1 October 2019:

	Land and buildings £'000	Venues £'000
Minimum operating lease commitment at 30 September 2019	17,345	99,056
Short-term leases not recognised under IFRS 16	(265)	(99,056)
Low value leases not recognised under IFRS 16	(5)	-
Other adjustments to the statement of financial position	617	-
Lease payments previously excluded	1,406	
Undiscounted lease payments	**19,098**	**-**
Effect of discounting	(2,060)	-
Lease liabilities	**17,038**	**-**

Other adjustments to the statement of financial position consists of lease provisions, prepayments and accrued expenses. Certain lease payments previously excluded from the disclosure of minimum operating lease commitments at 30 September 2019 have now been included on adoption of IFRS 16, primarily due to the existence of renewal options and autorenewal mechanisms which means these contracts in substance have lease terms greater than 12 months.

(b) Significant Accounting Policies subsequent to Transition

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a term of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate or when there is a change in the assessment of the term of any lease.

Use of estimates and judgements
There have been no material revisions to the nature and amount of estimates of amounts reported in prior periods except where the implementation of IFRS 16 discussed above requires a different approach to the accounting previously applied. Significant estimates and judgements that have been required for the implementation of this new standard are:

- The determination of whether an arrangement contains a lease:
- The determination of lease term for some lease contracts in which the Group is a lessee that include renewal options and termination options, and the determination whether the Group is reasonably certain to exercise such option; and
- The determination of the incremental borrowing rate used to measure lease liabilities

Liabilities of £1.0m were recognised at transition in relation to leases with some form of renewal option or autorenewal mechanism in the lease contracts which the Group is reasonably certain will be exercised.

The measurement of the lease liabilities on transition is most sensitive to the incremental borrowing rates used. The Group has conducted a sensitivity analysis taking into consideration the impact of a change in the incremental borrowing rates. A 1% increase across the incremental borrowing rates used in measuring the lease liabilities would decrease those lease liabilities on transition by £0.5m (3%). A 1% decrease across the incremental borrowing rates used in measuring the lease liabilities would increase those lease liabilities on transition by £0.6m (3%).

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 2020 (the date on which the company's next annual financial statements will be prepared up to) that the Group has decided not to adopt early. The Group does not believe these standards and interpretations will have a material impact on the financial statements once adopted.

Notes to the Interim Financial Statements

2. Segmental information

The Group has identified reportable segments based on financial information used by the Executive Team in allocating resources and making strategic decisions. The Executive Team (consisting of the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Chief People 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.

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

Six months to 31 March 2020 Unaudited	**Global Brands £000**	**Asia £000**	**Central Asia £000**	**Eastern & Southern Europe £000**	**Russia £000**	**UK £000**	**Total Group £000**
Revenue	**30,946**	**11,979**	**5,708**	**2,902**	**20,047**	**24,681**	**96,263**
Segment headline profit before tax	**11,769**	**9,246**	**367**	**(810)**	**5,636**	**4,823**	**31,031**
Unallocated items							**(11,197)**
Headline profit before tax							**19,834**
Adjusting items (note 3)							**(188,176)**
Loss before tax							**(168,342)**
Tax							**120**
Loss after tax							**(168,222)**

The revenue in the period of £96.3m includes £1.0m (six months to 31 March 2019: £1.1m; year ended 30 September 2019: £3.3m) of barter sales. No individual customer amounts to more than 10% of Group revenues.

Unallocated items include:

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

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

	Six months to 31 March 2020 £000	Six months to 31 March 2019 £000	Year ended 30 September 2019 £000
Central Asia	**596**	-	-
Asia	**771**	-	-
Global Brands	**57,216**	-	-
UK	**108,266**	-	-
	166,849	-	-

Notes to the Interim Financial Statements

2. 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:

Six months to 31 March 2020 Unaudited	**Global Brands £000**	**Asia £000**	**Central Asia £000**	**Eastern & Southern Europe £000**	**Russia £000**	**UK £000**	**Total Group £000**
Share of results of associates and joint ventures							
Share of results before tax	**-**	**6,635**	**-**	**-**	**(167)**	**-**	**6,468**
Tax	**-**	**(1,554)**	**-**	**-**	**33**	**-**	**(1,521)**
Share of results after tax	**-**	**5,081**	**-**	**-**	**(134)**	**-**	**4,947**
Capital expenditure							
Segment capital expenditure	**32**	**3**	**32**	**13**	**79**	**-**	**159**
Unallocated capital expenditure							**1,030**
							1,189
Depreciation and amortisation							
Segment depreciation and amortisation	**8,539**	**1,922**	**116**	**1,043**	**431**	**3,199**	**15,250**
Unallocated depreciation and amortisation							**1,721**
							16,971

Notes to the Interim Financial Statements

2. Segmental information (continued)

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

As at 31 March 2020 Unaudited	**Global Brands £000**	**Asia £000**	**Central Asia £000**	**Eastern & Southern Europe £000**	**Russia £000**	**UK £000**	**Total Group £000**
Assets							
Segment assets	**317,159**	**104,610**	**15,904**	**17,140**	**55,420**	**69,689**	**579,922**
Unallocated assets							**73,473**
Total assets							**653,395**
Liabilities							
Segment liabilities	**(22,047)**	**(33,129)**	**(10,629)**	**(8,977)**	**(38,589)**	**(10,970)**	**(124,341)**
Unallocated liabilities							**(330,467)**
Total liabilities							**(454,808)**
Net assets							**198,587**

Six months to 31 March 2019 Unaudited	**Global Brands £000**	**Asia £000**	**Central Asia £000**	**Eastern & Southern Europe £000**	**Russia £000**	**UK £000**	**Total Group £000**
Revenue	31,667	12,381	6,667	3,717	24,118	29,243	107,793
Segment headline profit before tax	13,423	9,459	698	(13)	7,993	8,657	40,217
Unallocated items							(15,682)
Headline profit before tax							24,535
Adjusting items (note 3)							(22,680)
Profit before tax							1,855
Tax							(1,459)
Loss after tax							396

Notes to the Interim Financial Statements

2. Segmental information (continued)

Six months to 31 March 2019 Unaudited	**Global Brands £000**	**Asia £000**	**Central Asia £000**	**Eastern & Southern Europe £000**	**Russia £000**	**UK £000**	**Total Group £000**
Share of results of associates and joint ventures							
Share of results before tax	-	7,410	-	-	(146)	-	7,264
Tax	-	(1,759)	-	-	29	-	(1,730)
Share of results after tax	-	5,651	-	-	(117)	-	5,534
Capital expenditure							
Segment capital expenditure	8	170	72	128	160	-	538
Unallocated capital expenditure							1,559
							2,097
Depreciation and amortisation							
Segment depreciation and amortisation	6,273	1,826	40	1,128	134	3,039	12,440
Unallocated depreciation and amortisation							1,090
							13,530

As at 31 March 2019 Unaudited	**Global Brands £000**	**Asia £000**	**Central Asia £000**	**Eastern & Southern Europe £000**	**Russia £000**	**UK £000**	**Total Group £000**
Assets							
Segment assets	244,441	106,760	11,973	19,178	36,918	198,245	617,515
Unallocated assets							39,179
Total assets							656,694
Liabilities							
Segment liabilities	(34,187)	(48,363)	(5,456)	(8,656)	(26,852)	(33,963)	(157,477)
Unallocated liabilities							(178,753)
Total liabilities							(336,230)
Net assets							320,464

Notes to the Interim Financial Statements

2. Segmental information (continued)

Year ended 30 September 2019	Global Brands £000	Asia £000	Central Asia £000	Eastern & Southern Europe £000	Russia £000	UK £000	Total Group £000
Revenue	49,708	23,157	19,816	16,721	62,643	48,678	220,723
Segment headline profit before tax	20,258	9,382	4,980	5,849	25,902	15,509	81,880
Unallocated costs							(31,472)
Headline profit before tax							50,408
Adjusting items							(41,695)
Profit before tax							8,713
Tax							(4,585)
Profit after tax							4,128

Year ended 30 September 2019	Global Brands £000	Asia £000	Central Asia £000	Eastern & Southern Europe £000	Russia £000	UK £000	Total Group £000
Share of results of associates and joint ventures							
Share of results before tax	-	6,642	-	-	1,655	-	8,297
Tax	-	(1,571)	-	-	(329)	-	(1,900)
Share of results after tax	-	5,071	-	-	1,326	-	6,397
Capital expenditure							
Segment capital expenditure	-	298	98	235	687	-	1,318
Unallocated capital expenditure							2,458
							3,776
Depreciation and amortisation							
Segment depreciation and amortisation	12,560	3,657	53	2,224	413	6,038	24,945
Unallocated depreciation and amortisation							2,087
							27,032

2. Segmental information (continued)

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

30 September 2019	**Global Brands £000**	**Asia £000**	**Central Asia £000**	**Eastern & Southern Europe £000**	**Russia £000**	**UK £000**	**Total Group £000**
Assets							
Segment assets	250,521	106,657	13,130	15,295	54,177	184,343	624,123
Unallocated assets							13,189
							637,312
Liabilities							
Segment liabilities	(27,673)	(42,583)	(6,887)	(4,702)	(31,682)	(13,415)	(126,942)
Unallocated liabilities							(188,605)
							(315,547)
Net assets							321,765

Geographical information

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

	Revenue			**Non-current assets***		
	Six months to 31 March 2020	**Six months to 31 March 2019**	**Year ended 30 September 2019**	**Six months to 31 March 2020**	**Six months to 31 March 2019**	**Year ended 30 September 2019**
	Unaudited £000	**Unaudited £000**	**Audited £000**	**Unaudited £000**	**Unaudited £000**	**Audited £000**
Asia	**11,850**	13,137	24,882	**83,009**	87,407	81,383
Central Asia	**3,113**	3,906	11,595	**3,675**	4,691	4,097
Eastern & Southern Europe	**2,608**	2,936	13,810	**8,967**	10,212	9,578
Russia	**15,575**	16,192	40,842	**19,053**	21,532	23,904
UK	**35,977**	43,908	70,746	**116,036**	284,159	279,902
Rest of the World	**27,140**	27,714	58,848	**265,265**	140,938	134,550
Total	**96,263**	107,793	220,723	**496,005**	548,939	533,414

** Non-current assets exclude deferred tax assets.*

Notes to the Interim Financial Statements

3. Adjusting items

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

	Six months to 31 March 2020 Unaudited £000	**Six months to 31 March 2019 Unaudited £000**	**Year ended 30 September 2019 Audited £000**
Operating items			
Amortisation of acquired intangible assets	**(14,023)**	(12,026)	(24,066)
Impairment of goodwill	**(124,032)**	-	-
Impairment of intangible assets	**(42,046)**	-	-
Impairment of investment in associates and JVs	**(771)**	-	-
Loss on disposal of investments	**(5,616)**	(2,425)	(3,154)
Transaction costs on acquisitions and disposals	**(2,592)**	(1,400)	(1,462)
Integration costs			
- Integration costs	**(694)**	(2,513)	(5,322)
- Costs to realise synergies	**-**	(914)	(1,469)
Restructuring costs			
- TAG	**(878)**	(1,654)	(2,783)
- Other	**-**	(395)	(1,435)
Tax on income from associates and joint ventures	**(1,521)**	(1,730)	(1,900)
Financing items			
(Gain)/loss on revaluation of equity option liabilities	**4,526**	(246)	(1,121)
Imputed interest charge on discounted equity option liabilities	**-**	(21)	(231)
(Gain)/loss on revaluation of deferred consideration payable	**69**	6	245
Imputed interest income on discounted deferred consideration receivable	**865**	439	1,090
(Gain)/loss on revaluation of deferred consideration receivable	**(110)**	199	(87)
Write off of previously capitalised debt issue costs on refinancing	**(1,353)**	-	-
	(188,176)	(22,680)	(41,695)

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

Notes to the Interim Financial Statements

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

	Six months to 31 March 2020 Unaudited £000	**Six months to 31 March 2019 Unaudited £000**	**Year ended 30 September 2019 Audited £000**
Current tax			
UK corporation tax	**-**	553	(1,363)
Foreign tax	**835**	2,839	8,156
	835	3,392	6,793
Deferred tax	**(955)**	(1,933)	(2,208)
Tax (credit)/charge on profit on ordinary activities	**(120)**	1,459	4,585

Tax for the interim period is charged on pre-tax profits, including those of associates and joint ventures, at a blended rate representing the best estimate of the weighted average annual corporation tax expected for the financial year adjusted for discrete items in the interim period. The effective tax rate on headline profit before tax is 16% (2019: 27%) and in relation to the statutory loss before tax for the period is 0% (2019: 79%). The tax on adjusting items consists of a credit of £9.3m relating to the adjusting items set out in note 3 and a charge of £6.1m in relation to a reduction in deferred tax assets recognised in connection with carried forwards tax losses.

Notes to the Interim Financial Statements

5. Dividends

	Six months to 31 March 2020 Unaudited			Six months to 31 March 2019 Unaudited			Year ended 30 September 2019 Audited		
	Per share p	Settled in cash £000	Settled in scrip £000	Per share p	Settled in cash £000	Settled in scrip £000	Per share p	Settled in cash £000	Settled in scrip £000
Amounts recognised as distributions to equity holders in the period:									
Final dividend in respect of the year ended 30 September 2019	**1.6**	**13,030**	**-**	-	-	-	-	-	-
Interim dividend in respect of the year ended 30 September 2019	**-**	**-**	**-**	-	-	-	0.9	6,652	-
Final dividend in respect of the year ended 30 September 2018	**-**	**-**	**-**	1.0	7,393	-	1.0	7,391	-
	1.6	**13,030**	**-**	1.0	7,393	-	1.9	14,043	-

The Directors have not proposed an interim dividend for the year ending 30 September 2020.

6. Earnings per share

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

	Six months to 31 March 2020 Unaudited	Six months to 31 March 2019 Unaudited	Year ended 30 September 2019 Audited
	Number of shares ('000)	Number of shares ('000)	Number of shares ('000)
Weighted average number of shares:			
For basic earnings per share	**781,265**	**739,784**	739,114
Dilutive effect of exercise of share options	**543**	**445**	232
For diluted earnings per share	**781,808**	**740,229**	739,346

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 £169.2m (31 March 2019: £0.6m; 30 September 2019: profit of £3.1m). Basic and diluted earnings per share were (21.7)p and (21.6)p respectively (31 March 2019: (0.1)p and (0.1)p respectively; 30 September 2019: 0.4p and 0.4p respectively). 543,000 share options (31 March 2019: 445,000; 30 September 2019: 232,000) were excluded from the weighted average number of ordinary shares used in the calculation of the diluted earnings per share because their effect would have been antidilutive.

Headline earnings per share

The calculations of headline basic and diluted earnings per share are based on the headline profit for the financial year attributable to equity holders of the parent of £15.8m (31 March 2019: £17.1m; 30 September 2019: £36.3m). Headline basic and diluted earnings per share were 2.0p and 2.0p respectively (31 March 2019: 2.3p and 2.3p respectively; 30 September 2019: 4.9p and 4.9p respectively).

Notes to the Interim Financial Statements

7. Acquisitions

On 18 December 2019 the Group acquired 100% of the share capital of Shoptalk Commerce LLC ("Shoptalk") and Groceryshop LLC ("Groceryshop"), two US-based market-leading e-commerce events focused on change and innovation of the retail and grocery industries, for a total consideration of £110.1m. The consideration of £110.1m was settled £97.9m in cash, net of cash acquired, and £11.4m by forgiveness of a liability on the placement of shares with the vendors.

During the period the Group incurred transaction costs on the acquisition of £2.2m, which are included within administrative expenses.

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

	Fair value £000
Intangible assets – Trademarks	49,792
Intangible assets – Customer relationships	9,208
Intangible assets – Perpetual technology license	4,070
Property, plant and equipment	222
Property, plant and equipment – Right of use asset	1,552
Cash	745
Trade receivables	4,544
Deferred tax asset	2,070
Accrued expenses	(3,425)
Other payables	(545)
Lease liabilities	(4,935)
Deferred income	(14,816)
Provisions	(1,067)
Identifiable net assets	**47,415**
Goodwill arising on acquisition	62,683
Total consideration	**110,098**
Satisfied by	
Cash consideration	**110,098**
	110,098
Net cash outflow arising on acquisition	
Cash consideration paid or payable	**110,098**
Cash and cash equivalents acquired	**(745)**
Cash liability forgiven on placement of shares	**(11,429)**
	97,924

The goodwill of £62.7m arising from the acquisition reflects the acquisition of two market-leading events, including the expectation of new contracts and relationships and the potential for growth from spin-off events such as Shoptalk Europe. £47.6m of the goodwill recognised is expected to be deductible for tax purposes. The fair value of trade and other receivables includes trade receivables with a fair value, after providing for expected uncollectable amounts, of £0.03m. No further amounts are currently expected to be uncollectable.

The values used in accounting for the identifiable assets and liabilities of these acquisitions 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.

7. Acquisitions (continued)

The acquired business has contributed £nil to Group revenue following the postponement of the Shoptalk US event originally due to take place in March, whilst costs in relation to the acquired businesses increased the Group's statutory loss before tax by £2.8m. Had the acquisition occurred on 1 October 2019, the acquired businesses would have contributed £nil to Group revenue and increased the Group's statutory loss before tax by £3.4m.

8. Goodwill

	Total Unaudited £000
Cost	
At 1 October 2019	253,059
Additions through business combinations (Note 7)	62,683
Foreign exchange	(4,019)
At 31 March 2020	**311,723**
Provision for Impairment	
At 1 October 2019	**(43,089)**
Impairment of goodwill	(124,032)
Foreign exchange	3,029
At 31 March 2020	**(164,092)**
Net book value	
At 31 March 2020	**147,631**
At 30 September 2019	209,970

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 operating profit growth rates within the Group's cash flow forecasts, along with the long-term growth rates and discount rates applied to the forecast cash flows.

The large-scale event postponement plan implemented by the Group, following restrictions put in place by governments across our markets in response to the coronavirus outbreak, has significantly impacted the forecast cashflows of all CGUs. Therefore all CGUs are exhibiting indicators of impairment at 31 March 2020 and all have been assessed for impairment.

Management estimates discount rates that reflect the current market assessments of the time value of money and risks specific to the CGUs. There are a number of different inputs used in the build-up of the discount rates, including inflation rates, risk free rates, market risk premiums and industry betas, taken from a number of independent sources including the IMF, Bloomberg and Financial Times. The pre-tax discount rates applied to the cash generating units are between 11% and 20%. The large variance in discount rates applied reflects the differences in risks inherent in the regions in which the CGUs operate.

The cash flow forecasts used in the value in calculation have been revised to take into account the event postponements and cancellations, as well as the impact of reduced customer demand on both events due to take place as planned and those events now taking place on alternative dates. This assumes that the Group's events resume in China in August 2020 and worldwide from the end of September 2020. The forecasts assume a total of five events run in the second half of the financial year ending 30 September 2020 and 131 events run in the year ending 30 September 2021. The cash flow forecasts also assume there will be a prolonged impact on trade beyond the current financial year, with operating profit growth rates throughout the four-year financial plans used in the calculation being adjusted down to reflect this.

8. Goodwill (continued)

Central costs are allocated to the CGUs to the extent that they are necessarily incurred to generate the cash inflows, and can be directly attributed, or allocated on a reasonable and consistent basis. Growth rates beyond the detailed plans are based on IMF forecasts of GDP growth rates in the local markets, as the CGUs are expected to grow in line with their relevant

underlying markets over the long term. These growth rates, of between 1% and 7%, do not exceed the long-term growth rates for the economies in which these businesses operate.

Individually significant CGUs

Significant CGUs	**Goodwill**		**Other intangible assets**		**Long term growth rates**		**Pre-tax discount rates**		**Recoverable amount in excess of carrying value**	
	31 March 2020	30 September 2019	31 March 2020	30 September 2019	31 March 2020	30 September 2019	31 March 2020	30 September 2019	31 March 2020	30 September 2019
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Global Brands										
Bett	**-**	41.0	**59.3**	64.8	**1.5%**	1.5%	**12.0%**	8.7%	**-**	15.4
CWIEME	**8.1**	20.5	**42.1**	43.4	**1.2%**	1.2%	**11.3%**	7.6%	**-**	38.3
Shoptalk & Groceryshop	**66.7**	-	**64.8**	-	**1.7%**	-	**11.3%**	-	**11.2**	-
UK	**-**	70.0	**56.8**	98.1	**1.5%**	1.5%	**12.0%**	8.7%	**-**	3.2

A new CGU for the acquired Shoptalk and Groceryshop events has been recognised. The two events are managed as a single portfolio with a single leadership team, have a number of customers who attend both events and historically the majority of employees have worked across both events. Therefore, strategic decisions made in respect of the portfolio, or in respect of a single event, impact the cash inflows of both events.

Impairment charges of £124.0m have been recognised in respect of goodwill in our Bett (£41.0m), UK (£70.0m), CWIEME (£12.4m) and Azerbaijan (£0.6m) CGUs.

In the 2019 Annual Report and Accounts the Group disclosed that the headroom of the Bett and UK CGUs was sensitive to a reasonably possible change in the key assumptions used in the value in use calculation, including an increase in discount rates and a decline in the CGUs' operating profit growth rates. As a result of the coronavirus outbreak, discount rates have increased due to the increased risk environment, while forecast operating profits have declined significantly across the business in the short term, reflecting the event postponements and cancellations. Therefore, the forecast cash flows of these CGUs are no longer able to support the carrying value of their assets and consequently the impairment charges noted above have been recognised in the Bett and UK CGUs respectively. Furthermore, the adverse impact of the outbreak on discount rates and forecast cash flows has resulted in impairment charges being recognised in our CWIEME and Azerbaijan CGUs as noted above. The charges have been recognised on the assumption that no events within the impaired CGUs will take place prior to the end of the current financial year and that profits across the remaining financial years in the forecast period will be at least 20% lower than those forecast prior to the outbreak. In the event of further event postponements and cancellations beyond the current financial year, the subsequent adverse impact on forecast cash flows could result in further impairments in respect of these CGUs.

Sensitivity to changes in assumptions

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

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

8. Goodwill (continued)

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

Sensitivity	**Shoptalk & Groceryshop**
% change in discount rate	0.8%
% change in long term growth rate	-0.8%
% change in forecast operating profits	-6.1%

9. Other intangible assets

	Total Unaudited £000
At 1 October 2019	**270,608**
Additions	**800**
Additions through business combinations (Note 7)	**63,070**
Amortisation of acquired intangible assets	**(14,023)**
Amortisation of computer software	**(684)**
Impairment of intangible assets	**(42,046)**
Exchange differences	**3,215**
At 31 March 2020	**280,940**

Impairment charges of £42.0m have been recognised in respect of intangible assets in the UK and Bett CGUs for the reasons disclosed in Note 8.

10. Property, plant and equipment

	Right of use assets £000	**Other property, plant and equipment £000**	**Total Unaudited £000**
At 30 September 2019	-	**5,167**	**5,167**
Transition to IFRS 16	15,686	-	15,686
At 1 October 2019	**15,686**	**5,167**	**20,853**
Additions	-	389	389
Additions through business combinations (Note 7)	1,552	222	1,774
Depreciation	(1,536)	(728)	(2,264)
Disposals	-	-	-
Foreign exchange	(97)	(217)	(314)
At 31 March 2020	**15,605**	**4,833**	**20,438**

Notes to the Interim Financial Statements

11. Interests in associates and joint ventures

	Total Unaudited £000
At 1 October 2019	**43,374**
Share of results of associates and joint ventures	**4,947**
Cash received	**(539)**
Impairment of associates	**(771)**
Foreign exchange	**(1,062)**
At 31 March 2020	**45,949**

Impairment charges of £0.8m have also been recognised in respect of our Indonesian joint venture Debindo for the reasons disclosed in Note 8.

12. Trade and other receivables

	31 March 2020 Unaudited £000	31 March 2019 Unaudited £000	30 September 2019 Audited £000
Trade receivables	**36,442**	35,194	36,009
Other receivables	**9,843**	7,615	3,691
Deferred consideration	**-**	-	1,671
Venue advances and prepayments	**1,054**	6,980	160
Prepayments and accrued income	**12,298**	13,194	17,493
	59,637	62,983	59,024

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

	£000
At 1 October 2019	**5,466**
Payments received	(567)
Impact of unwind of discounting	852
Foreign exchange	(111)
Provision	(5,640)
At 31 March 2020	**-**

As at 30 September 2019 £1.7m of deferred consideration receivable was included in current assets and £3.8m was included in non-current assets.

The provision for the remaining deferred consideration receivable relates to the disposal of ITE Expo LLC, the operating company for 56 of the Group’s non-core, regionally-focused, smaller events in Russia, to Schtab-Expo LLC, which was completed in October 2018. The coronavirus outbreak has had a significant impact on the buyer’s financial position and therefore there is a greater risk over the recoverability of the receivable which has been fully provided for. The impact of the provision is included in loss on disposal of investments.

13. Trade and other payables

	31 March 2020 Unaudited	31 March 2019 Unaudited	30 September 2019 Audited
	£000	£000	£000
Trade payables	**7,190**	6,880	4,823
Taxation and social security	**1,201**	1,426	2,057
Lease liabilities	**3,988**	-	-
Other payables	**14,086**	5,011	6,416
Accruals	**15,813**	17,439	19,128
Deferred consideration payable	**897**	9,550	966
	43,175	40,306	33,390

As at 31 March 2020 £4.0m of lease liabilities were included in current liabilities and £16.4m was included in non-current liabilities.

14. Bank loans

In December 2019 the Group completed a refinancing of its existing debt facilities. Total commitments increased from £142.5m (£47.5m term loan, £95.0m revolver) to £250.0m (£100.0 term loan, £150.0m revolver). The facilities terminate in December 2023 with the option, subject to certain conditions, to extend by a further year. As at the reporting date, there were scheduled annual repayments of the term loan starting November 2020 for £17.5m, with further repayments every subsequent November for £17.5m, £20.0m, £22.5m, and a final repayment for £22.5m on the termination date. Please refer to note 19 for details on the subsequent amendments to the facilities agreement.

Interest is charged on any utilised amount on either debt facility at a rate of LIBOR plus a margin ranging from 1.90% to 2.90% dependent on the Group's leverage ratio under the agreement. The debt facilities are secured by asset pledges and debentures given by a number of Group companies.

Total drawdowns under the facility of £250.0m at 31 March 2020 were denominated in sterling (£242.7m) and euro (£7.1m). At 31 March 2020 the Group had £nil (31 March 2019: £16.3m) 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 mitigate this risk, hedging £100.0m of the debt (31 March 2019: £50.0m; 30 September 2019: £50.0m), reducing the exposure to fluctuations in interest rates. All borrowings are secured by a guarantee between a number of Group companies.

Fees of £1.3m capitalised in relation to the previous facility have been written off in the six months to 31 March 2020.
As at 31 March 2020 there are capitalised fees of £2.6m in relation to the Group's current debt facility.

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15. Derivative financial instruments

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

	31 March 2020 Unaudited		**31 March 2019 Unaudited**		**30 September 2019 Audited**	
	Notional £000	**Fair value £000**	**Notional £000**	**Fair value £000**	**Notional £000**	**Fair value £000**
Current assets						
Foreign currency forward contracts	-	-	1,928	23	-	-
	-	-	1,928	23	-	-
Current liabilities						
Interest rate swaps	**-**	**-**	-	-	-	-
Equity options	**8,601**	**8,455**	14,034	11,342	14,937	12,955
	8,601	**8,455**	14,034	11,342	14,937	12,955
Non-current liabilities						
Equity options	**-**	**-**	175	152	-	-
Interest rate swaps	**445**	**445**	52	52	110	110
	445	**445**	227	204	110	110

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

For the Group's Level 3 equity options, these are valued based on a multiple as contractually agreed of forecast future EBITDA for each relevant option. The key unobservable inputs relate to the EBITDA multiple (ranging from 8.75x to 12.5x) and forecast future EBITDA for each entity. A movement in the forecast EBITDA results for the relevant period could have a significant impact on the equity option valuation.

The Group has conducted a sensitivity analysis taking into consideration the impact of a movement in forecast EBITDA for each equity option liability. A 10% increase in forecast EBITDA for the relevant period would increase the value of the equity option liabilities by £0.8m/10%.

15. Derivative financial instruments (continued)

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

	Total Unaudited £000
At 1 October 2019	**12,955**
Impact of discounting	-
Revaluation	**(4,525)**
Exchange differences recognised in other comprehensive income	**25**
At 31 March 2020	**8,455**

The revaluation of equity option liabilities in the period relates to the Group's option over the remaining 40% interest in ABEC, the 2015 acquisition of the Indian exhibitions company. The equity option liability declined in value during the period as a result of reduced EBITDA by the ABEC business in the relevant period for assessment.

The Group utilises foreign currency forward contracts to hedge future euro denominated sales made from the UK. The Group is party to foreign currency forward contracts in the management of its exchange rate exposures. The instruments purchased are denominated in euros which represents the Group's primary billing currency. Under the forward contracts, the Group has an obligation to sell euros for sterling at specified rates at specified dates.

The foreign currency forward contracts as at 31 March 2020 cover exchange exposures over the next 15 months. These instruments have been designated in hedging relationships, with any changes in their fair value being recorded in equity and reclassified subsequently to the income statement.

16. Share capital

	31 March 2020 Unaudited £000	31 March 2019 Unaudited £000	30 September 2019 Audited £000
Allotted and fully-paid			
815,780,256 ordinary shares of 1 penny each (31 March 2019: 741,618,456; 30 September 2019: 741,618,456)	**8,158**	7,416	7,416

	31 March 2020 Unaudited Number of shares	31 March 2019 Unaudited Number of shares	30 September 2019 Audited Number of shares
At 1 October	**741,618,456**	741,618,456	741,618,456
Share placement	**74,161,800**	-	-
At 31 March	**815,780,256**	741,618,456	741,618,456

On 18 December 2019, the Group announced a fully underwritten non pre-emptive placing of up to 59,584,541 new ordinary shares alongside a subscription of 14,577,259 new ordinary shares by the founders and certain other management shareholders of Shoptalk and Groceryshop following the acquisition.

During the period, no ordinary shares of 1p each (2019: nil) were allotted pursuant to the exercise of share options. The Company has one class of ordinary shares which carry no right to fixed income.

17. Net debt

	At 1 October 2019 £000	Transition to IFRS 16 £000	Acquired leases £000	Cash flow £000	Interest £000	Foreign exchange £000	At 31 March 2020 £000
Cash	33,027	-	-	**56,340**		**580**	**89,947**
Debt due within one year	(17,500)	-	-	**-**		**-**	**(17,500)**
Debt due after one year	(127,205)			**(102,461)**		**(13)**	**(229,679)**
Lease liabilities	-	**(17,037)**	**(4,935)**	**1,941**	**(327)**	**(30)**	**(20,388)**
Net debt	(111,678)	**(17,037)**	**(4,935)**	**(44,180)**	**(327)**	**537**	**(177,620)**
Lease liabilities							20,388
Adjusted net debt							**(157,232)**

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

Adjusted net debt is net debt excluding lease liabilities.

Capitalised refinancing fees of £2.6m are included in the debt balances disclosed above.

18. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions with key management personnel will be disclosed in the Group's Annual Report for the year ended 30 September 2020. Transactions between the Group and its associates, where relevant, are disclosed below.

Trading transactions with associates

During the period ended 31 March 2020 the Group charged management fees of £0.1m (2019: £0.1m) to Sinostar ITE, the Group's joint venture operation in Hong Kong and China.

19. Post balance sheet events

On 7 May 2020 the Group announced an underwritten rights issue to raise gross proceeds of £126.6m, with full details of that transaction set out in the separate rights issue announcement. In addition, the Group has secured an extra £35m of liquidity from its our lenders through the deferral of scheduled term loan repayments of £17.5m each in November 2020 and November 2021, until maturity in December 2023, and obtained covenant waivers until June 2022, contingent on the rights issue.

Independent review report to Hyve Group plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2020 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of financial position, the condensed consolidated cash flow statement and the related notes 1 to 19.

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

Directors' responsibilities

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

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, ''Interim Financial Reporting'', as adopted by the European Union.

Our responsibility

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

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2020 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the European Union, and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Use of our report

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

BDO LLP
Chartered Accountants
55 Baker Street, London, W1U 7EU
7 May 2020

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

Directors and professional advisers

Directors	Richard Last, non-executive Chairman Mark Shashoua, Chief Executive Officer Andrew Beach, Chief Financial Officer Nicholas Backhouse, non-executive Director Sharon Baylay, non-executive Director Stephen Puckett, non-executive Director
Company Secretary	Jared Cranney (appointed 25 November 2019)
Registered office	Hyve Group plc, 2 Kingdom Street, London, W2 6JG
Registration number	01927339
Auditor	BDO LLP, 55 Baker St., London, W1U 7EU
Solicitors	DLA Piper UK LLP, 160 Aldersgate Street, London, EC1A 4HT
Principal Bankers	Barclays Bank PLC, 1 Churchill Place, London, E14 5HP HSBC Bank plc, 60 Queen Victoria Street, London, EC4N 4TR Commerzbank AG, 30 Gresham St, London, ECV2 7PG Citibank, 33 Canada Square, London, E14 5BL
Company Brokers	Numis Securities Limited, The London Stock Exchange Building, 10 Paternoster Square, London, EC4M 7LT
Registrars	Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
Public Relations	FTI Consulting Limited, 200 Aldersgate Street, London, EC1A 4HD
Website	www.hyve.group

Financial calendar

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