Tarsus Group plc

Final results for year ended 31 December 2018

Strong performance in first year of QTP 2 Strategy

Tarsus Group plc (LSE: TRS, "Tarsus" or "the Group"), the international business-to-business media group, announces its results for the year ended 31 December 2018.

The Group launched the second phase of its “Quickening the Pace” strategy in January 2018. This focuses on further building the scale and momentum of the Group, driving the organic growth of existing businesses, replicating Tarsus brands and acquiring new platforms for growth.

This new phase has begun well with the Group delivering like-for-like revenue growth of 9% over the year (at constant exchange rates) and an increase in buyers across the portfolio of 10% on a like-for-like basis.

Financial results

	2018	**2017**	**2016**
Revenue (£m)	99.7	117.7	68.4
Like-for-like* revenue growth	9%	7%	8%
Adjusted EBITDA* (£m)	33.0	44.9	22.0
Operating profit (£m)	24.9	33.6	14.7
Adjusted profit before tax* (£m)	27.9	40.2	19.2
Profit before tax (£m)	16.5	27.9	8.6
Adjusted EPS* (pence)	17.5	27.7	15.2
Basic EPS (pence)	9.4	21.5	6.9
Dividend (pence)	11.0	10.0	9.1
Net debt (£m)	78.8	84.8	69.5

* See glossary at end of this announcement for definitions of terms

Financial highlights

· Revenue of £99.7m up 46% against 2016

· Group like-for-like revenues* up 9%

· Adjusted profit before tax of £27.9m up 45% against 2016 (statutory profit before tax £16.5m up 93%)

· Adjusted earnings per share of 17.5p up 15% against 2016 (statutory earnings per share 9.4p up 36%)

· Proposed final dividend of 7.7p per share - total for year up 10% to 11.0p

· £150m refinancing completed with new five year revolving credit facility of £120m and £30m by way of a seven year bond

· Net debt at £78.8m, with gearing back at target range

Operational highlights

· Buyer/visitor growth across the portfolio of 10%, at the top end of the Group's KPI target of 5-10%

· Strong performances from leading events

· 19 brand replications launched, including 6 new Connect events

· Outstanding first edition of Labelexpo South East Asia with a strong rebook for 2020

· The Group announced six acquisitions in the year with the largest being the acquisition of the remaining 50% its joint venture with EJ Krause in Mexico

Current trading and outlook

· Trading off to a good start in 2019

· Forward bookings for 2019 on a like-for-like basis currently up 10%

· Well positioned to deliver another strong performance in 2019

Douglas Emslie, Group Managing Director of Tarsus, commented:

"2018 saw the launch of the latest phase of our Quickening the Pace strategy and we are delivering against that strategy with another good year of progress both operationally and strategically.

“Our buyer/visitor growth of 10% was especially pleasing and results from the Group's focus on deepening our presence in higher-growth markets, maximising the scale of our events and constantly seeking to deliver high-quality buyers.

“Trading has got off to a good start for the first two months of 2019. Bookings for our larger biennial events, including the Dubai Airshow and Labelexpo Europe, are promising. We are pleased with the strong recovery in bookings for our shows in Turkey and bookings across the portfolio are at the top end of the Group's target range demonstrating the importance of a diversified portfolio. In addition, our programme of brand replications is steadily augmenting our growth.

2019 - the larger of the years in our biennial cycle - is shaping up to be another successful one for the Group. Our confidence in the future is reflected in the Board's recommended 10% full year dividend increase.”

For further information contact:

Tarsus Group plc:

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Dan O'Brien, Group Finance Director

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The Group will be hosting a presentation to analysts at 11.00am today at the offices of Deutsche Bank plc, Winchester House, 1 Great Winchester St, London EC2N 2DB. A webcast of the presentation will be available on Tarsus's website (www.tarsus.com) from 9.30am on 28 February 2019.

Strategic overview

2018 saw the launch of the next phase of the Quickening the Pace strategy – "QTP2: driving scale and momentum". In this phase, the Group will deepen its presence in higher growth markets; look to maximise the scale of existing events; and acquire new platforms for growth. A key part of this will be continued investment in the Tarsus replication programme, which spreads the success of the Group's leading brands around the world.

First launched in 2013, the initial QTP strategy had one over-riding ambition: to accelerate the pace of financial returns to shareholders through two initiatives. First, by driving organic growth from the existing portfolio through replicating those events and by increasing buyer attendance. Second, by making strategic acquisitions in selected high-growth geographies.

To execute this strategy Tarsus re-shaped its portfolio significantly and moved into fast-growing economies. In addition to the US and China – the world's largest exhibition markets – the Group's selected territories now comprise Mexico, South East Asia and the Middle East. Tarsus targets not only high-growth geographies but also high-growth industries where technological innovation or substantial investment is driving growth. The strategy drove a fundamental shift in the shape of Tarsus' business, in terms of where it operates, the business verticals that it serves and the overall scale of the Group. The number of events held grew from 65 to 153 over the five-year period, through a combination of acquisition and new launches.

Between 2013 and 2017, the first phase of the QTP strategy delivered average like-for-like revenue growth of 9% per annum, average buyer growth of 8% per annum and average adjusted earnings per share growth of 9% per annum. Total shareholder return over the period was 111%, approximately 50% better than our peer group.

The ability to deliver the strategy successfully is dependent on a number of factors, but two in particular are key:

First, the Group will continue to take an entrepreneurial approach towards developing its portfolio. Around the world, exhibition markets are consolidating, with high-quality assets in great demand. In this context, Tarsus' flexibility and willingness to work in partnership with vendors is increasingly seen by the Group as a point of differentiation from our competitors. Rather than seeking to impose a blue-print from above, we look for dynamic entrepreneurs to partner with in order to build a business together. This gives the Group an edge in acquiring the most promising new assets, which will contribute to the future growth of the Group.

Second, the Group will continue to focus relentlessly on improving the experiences of its exhibitors and buyers. For Tarsus, everything depends on the user experience; the front line leads directly to the bottom line. Therefore attracting high-quality buyers will continue to be a priority – and with an industry-leading record in delivering buyer growth, the Group is confident it can continue to drive up volumes as it has done again in 2018.

To measure the success of this next phase of its QTP strategy through to 2021, the Group has set itself three Key Performance Indicators: 5% to 10% growth per annum in like-for-like revenues, buyers and earnings per share.

Financial Results

The financial results for the year ended 31 December 2018 were in line with the Board's expectations. Group revenues for the full year were £99.7m (2017: £117.7m), up 46% on a biennial basis (2016: £68.4m). Like-for-like revenues increased by 9%.

Group adjusted profit before tax was £27.9m (2017: £40.2m), up 45% on a biennial basis (2016: £19.2m). Net interest expense of £4.5m (2017: £4.2m). Statutory profit before tax was £16.5m (2017: £27.9m).

The Group incurred an amortisation charge of £9.5m (2017: £8.4m).

The adjusted tax charge of £4.5m (2017: £6.3m) represents 16% (2017: 16%) of the Group's adjusted profit before tax. The statutory tax charge is £2.5m (2017: £1.1m).

Adjusted earnings per share were 17.5p (2017: 27.7p), 15% up on a biennial basis (2016: 15.2p). Basic earnings per share for 2018 were 9.4p (2017: 21.5p).

The Group continued to deliver strong operating cash conversion, with £28.6m of cash generated from operations during the year, substantially ahead of 2016 (2017: £36.5m and 2016: £15.8m). The Group's net debt as at 31 December 2018 was £78.8m (2017: £84.8m) the decrease driven principally by the strong operating cash flow of the business. This represents net debt to EBITDA of 2.0x which is in line with the Group’s medium term target of 1.5x – 2.0x geared.

Reflecting the strong financial performance during 2018 and given our confidence in the outlook, the Tarsus Board is proposing a final dividend of 7.7p per share, bringing the total for the year to 11.0p per share (2017: 10.0p per share), an increase of 10%. This proposed rise is the eighth consecutive year of increases to the dividend and represents a compound annual growth rate of 8%.

The final dividend will be paid, subject to shareholder approval, on 5 July 2019 to shareholders on the Register of Members on 24 May 2019. A scrip dividend will continue to be offered to Shareholders as an alternative.

Corporate activity

Six acquisitions were announced during the year, including buying in minority interests in three of the Group’s businesses, as follows:

eTourism Summit: Tarsus’ US business Connect acquired 80% of this business which links travel destination marketing executives with the latest products and services in digital marketing. The travel industry is one of the largest consumers of digital media.

EJ Krause: The Group acquired the remaining 50% of its joint venture with EJ Krause to consolidate its position in the fast-growing Mexican marketplace, where it is now the largest international exhibition company.

Expo Restaurantes: Tarsus and EJ Krause jointly acquired 60% of the leading restaurant show in Mexico which successfully ran its first event under our ownership in June.

Streamline: Tarsus entered into a strategic partnership in the UAE with Streamline Marketing Group resulting in the acquisition of 100% of the Global Space Congress, the Global Aerospace Summit and the World Aviation Safety Summit, representing a good bolt-on to the Group's existing aerospace portfolio in Dubai. This acquisition completed in January 2019.

SIUF: The Group purchased an additional 25% stake - taking its holding to 75% - of Asia's largest fair for intimate apparel.

AMB: The Group acquired an additional 25% in AMB in Southeast Asia, taking its holding to 75%.

Operating Review

Americas

(£m)	**2018**	**2017**	**2016**
Biennial revenue	7.1	-	6.8
Annual revenue	53.4	46.2	31.3
Total revenue	60.5	46.2	38.1
Adjusted profit before tax	24.0	20.0	17.1
Statutory profit before tax	24.0	20.0	17.1

Connect again performed well and made further good progress in terms of both expansion into new verticals and new launches. A total of 23 events were held, including 6 new events and the main event, Connect marketplace (held in Salt Lake City this year) produced a strong result.

Medical - The Medical division made further progress in 2018. The established anti-aging events again performed well with an excellent showing at the Las Vegas event in December. PAINWeek had another solid year and expanded the number of its regional conferences from 27 to 32. South Beach Symposium (oncology) also achieved good results. The Cardiometabolic Health Congress had a strong performance in 2018 and also benefited from the launch of CMHC West in the first half.

Labelexpo Americas was the largest to date with 487 exhibitors and is already 83% rebooked for 2020.

Offprice - The two Las Vegas events produced solid performances in 2018 in a difficult retail environment in the US.

Mexico - There was a strong performance from Expo Manufactura (manufacturing) and the other events in the Group's Mexican portfolio all performed in line with expectations.

EMEA

(£m)	**2018**	**2017**	**2016**
Biennial revenue	3.0	35.5	3.7
Annual revenue	9.8	12.6	13.7
Total revenue	12.8	48.1	17.4
Adjusted profit before tax	0.5	17.2	2.1
Statutory profit before tax	0.5	17.2	2.1

Dubai - GESS, AIME and MRO achieved good performances. MEBAA had a solid performance in a slow regional market for business aviation. New launches included the Gulf Print and Pack Summit and the Global Air Traffic Management exhibition.

Turkey - The pattern of trade was similar to 2017 with a number of first-half events seeing weaker revenues but the larger events in the second half – including Zuchex - performing in line with expectations. The devaluation of the Lira in Turkey also held back the performance of the division.

Asia

(£m)	**2018**	**2017**	**2016**
Biennial revenue	2.1	2.4	1.0
Annual revenue	24.4	21.0	11.8
Total revenue	26.5	23.4	12.8
Adjusted profit before tax	10.5	9.8	4.8
Statutory profit before tax	10.5	9.8	4.8

In China, the Shenzhen based shows performed well, especially Hometex. CES in Shanghai recorded strong buyer growth as it continued to consolidate its position as a market leader in the region. SIUF again made progress and the Group has increased its stake to 75%.

In Southeast Asia, the inaugural Labelexpo Southeast Asia in Bangkok was the Group's most successful launch to date. Labelexpo India, in its sixth edition, saw a strong rise in buyers. Wofex, Philippines' biggest food show, had a good edition. In Indonesia, the fourth edition of GESS and the inaugural editions of Intertraffic Indonesia and the Indonesia Fintech Show were both encouraging.

Central costs

(£m)	**2018**	**2017**	**2016**
Central costs (before interest and tax)	2.6	2.5	2.4
Interest	4.5	4.2	2.4

Central costs have remained flat as the Group retains tight controls.

Outlook

Trading has got off to a good start for the first two months of 2019. Bookings for our larger biennial events, including the Dubai Airshow and Labelexpo Europe, are promising. We are pleased with the strong recovery in bookings for our shows in Turkey and bookings across the portfolio are at the top end of the Group's target range demonstrating the importance of a diversified portfolio. In addition, our programme of brand replications is steadily augmenting our growth.

2019 is the larger of the years in our biennial cycle and is shaping up to be another very successful one for the Group. Our confidence in the future is reflected in the proposed 10% dividend increase for 2018.

Neville Buch, Chairman

Douglas Emslie, Group Managing Director

26 February 2019

Glossary*

1. Like-for-like revenue:

Pro-forma revenue at constant exchange rates adjusted for biennial events, adjusting for acquisitions impacting for the first time in 2018, prior year disposals and non-recurring products and items.

2. Adjusted EBITDA:

Calculated using adjusted profit before interest, tax, depreciation and amortisation charges arising from business combinations.

3. Adjusted profit before tax:

Profit before tax adjusted for share option charges, amortisation of intangible assets arising from business combinations, taxation on joint venture profits, unwinding of discount charges, changes in fair value of contingent consideration and put/call liabilities, corporate transactions, profit on disposal of joint venture and restructuring costs, along with the associated tax impact.

4. Adjusted EPS:

Calculated on profit after tax attributable to ordinary shareholders adjusted for share option charges, amortisation of intangible assets arising from business combinations, unwinding of discount charges, changes in fair value of contingent consideration and put/call liabilities, corporate transactions, profit on disposal of joint venture and restructuring costs and the related taxation impact along with the abnormal impact of tax legislative changes, and the diluted weighted average number of ordinary shares in issue during the period.

5. Buyer/Visitor Growth:

Buyers/visitors adjusted for biennial events, prior year disposals and non-recurring products and items.

Average metrics are an arithmetic average of the defined metrics over a specified period of time.

CONSOLIDATED INCOME STATEMENT

	Note	Year to 31 December 2018 Adjusted £000	Adjusting items * £000	Statutory £000	Year to 31 December 2017 Adjusted £000	Adjusting items * £000	Statutory £000
Group revenue	2	**99,726**	**-**	**99,726**	117,660	-	117,660
Operating costs		**(69,965)**	**(6,916)**	**(76,881)**	(78,981)	(9,178)	(88,159)
Share of profit of joint ventures		**2,693**	**(676)**	**2,017**	5,723	(1,647)	4,076
Group operating profit		**32,454**	**(7,592)**	**24,862**	44,402	(10,825)	33,577
Net finance costs		**(4,548)**	**(3,783)**	**(8,331)**	(4,234)	(1,441)	(5,675)
Profit before taxation		**27,906**	**(11,375)**	**16,531**	40,168	(12,266)	27,902
Taxation expense	4	**(4,471)**	**2,007**	**(2,464)**	(6,331)	5,247	(1,084)
Profit for the financial year from continuing operations		**23,435**	**(9,368)**	**14,067**	33,837	(7,019)	26,818
Attributable to:							
Profit/(loss) for the financial period attributable to equity shareholders of the parent company		**20,168**	**(9,368)**	**10,800**	31,184	(7,019)	24,165
Profit for the financial period attributable to non-controlling operations		**3,267**	**-**	**3,267**	2,653	-	2,653
		23,435	**(9,368)**	**14,067**	33,837	(7,019)	26,818

	Note	Adjusted	Statutory	Adjusted	Statutory
Earnings per share (pence)	6				
- basic		**17.5**	**9.4**	27.7	21.5
- diluted		**17.3**	**9.3**	27.6	21.4

	Note	£000	£000
Dividends	5		
Equity - ordinary			
Final 2017/2016 dividend paid		7,904	7,199
Interim 2017/2016 dividend paid		3,372	2,749
Minority dividend paid		2,609	793
		13,885	10,741

*see note 3 for adjusting items analysis and definition

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year to 31 December 2018 £000	Year to 31 December 2017 £000
Profit for the financial year	14,067	26,818
Other comprehensive expense/(income):		
Cost of hedging reserve - movement in fair value	1,167	810
Foreign exchange translation differences	869	(14,756)
Other comprehensive income/(expense)	2,036	(13,946)
Total comprehensive income for the year	16,103	12,872
Attributable to:		
Equity shareholders of the parent company	12,029	10,082
Non-controlling interests	4,074	2,790
Total comprehensive income for the year	16,103	12,872

Other comprehensive income relating to foreign exchange translation differences, fair value movements in cash flow hedges and the tax effects thereon may all subsequently be reclassified to profit and loss if certain conditions are met.

The amounts above are presented net of tax.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2018 £000	As at 31 December 2017 Restated* £000
NON-CURRENT ASSETS			
Property, plant and equipment		1,363	1,082
Intangible assets		229,862	188,344
Investment in Joint Ventures		23,412	38,490
Deferred tax assets		5,330	3,003
		259,967	230,919
CURRENT ASSETS			
Trade and other receivables		39,826	28,909
Cash and cash equivalents	7	26,845	22,373
		66,671	51,282
CURRENT LIABILITIES			
Trade and other payables		(49,155)	(36,457)
Deferred income		(40,365)	(22,450)
Provisions		(76)	(120)
Liabilities for current tax		(3,252)	(3,155)
		(92,848)	(62,182)
NET CURRENT LIABILITIES		(26,177)	(10,900)
TOTAL ASSETS LESS CURRENT LIABILITIES		233,790	220,019
NON-CURRENT LIABILITIES			
Other payables		(11,920)	(27,981)
Deferred tax liabilities		(12,767)	(10,059)
Interest bearing loans and borrowings	7	(107,241)	(106,239)
		(131,928)	(144,279)
NET ASSETS		101,862	75,740
EQUITY			
Share capital		6,131	5,654
Share premium account		97,303	73,303
Other reserves		(18,472)	(19,701)
Retained profit		10,172	11,914
Issued capital and reserves attributable to equity shareholders of the parent		95,134	71,170
NON-CONTROLLING INTERESTS		6,728	4,570
TOTAL EQUITY		101,862	75,740

*2017 has been restated for the impact of IFRS15 implementation.

The financial statements of Tarsus Group plc, registered number 101579 (Jersey), were approved by the board and authorised for issue on 26 February 2019 and signed on its behalf by:

J D Emslie
Group Managing Director

D P O'Brien
Group Finance Director

CONSOLIDATED STATEMENT OF CASH FLOWS

		Year to 31 December 2018 £000	Year to 31 December 2017 £000
Cash flows from operating activities			
Profit for the year		14,067	26,818
Adjustments for:			
Depreciation		541	511
Amortisation & Impairment		9,463	8,418
Other gains		(4,203)	(2,967)
(Profit)/loss on disposal of tangible assets		(28)	3
Profit on disposal of joint venture		(3,239)	-
Share option charge		2,436	2,598
Taxation charge	4	2,464	1,084
Finance costs		8,331	5,675
Share of joint venture profits		(2,017)	(4,076)
Dividend received from joint venture company		2,425	4,295
Operating cash flow before changes in working capital		30,240	42,359
Decrease/(increase) in trade and other receivables		1,307	(11,283)
(Decrease)/increase in trade and other payables		(2,802)	5,330
(Decrease)/increase in provisions		(103)	53
Cash generated from operations		28,642	36,459
Interest paid		(5,282)	(3,991)
Income taxes paid		(3,724)	(1,184)
Net cash inflow from operating activities		19,636	31,284
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		21	36
Acquisition of property, plant & equipment		(475)	(304)
Acquisition of intangible assets		(708)	(831)
Acquisition of subsidiaries - cash paid		(11,391)	(16,378)
Acquisition of joint venture - cash paid		(635)	(5,481)
Deferred and contingent consideration paid		(6,600)	(5,800)
Put call option liability paid		(3,758)	(5,573)
Net cash outflow from investing activities		(23,546)	(34,331)
Cash flows from financing activities			
Drawdown of borrowings		11	22,546
Bank facility fees		(900)	(187)
Proceeds from the issue of share capital		24,997	-
Purchases for employee benefit trust		-	(553)
Dividends paid to shareholders in parent company		(11,122)	(9,901)
Dividends paid to non-controlling interests in subsidiaries		(2,609)	(793)
Costs of shares issued		(733)	-
Net cash inflow from financing activities		9,644	11,112

Net increase in cash and cash equivalents		5,734	8,065
Opening cash and cash equivalents		22,373	15,946
Foreign exchange movements		(1,262)	(1,638)
Closing cash and cash equivalents	7	26,845	22,373

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share Capital Account £000	Share Premium Reserve £000	Other Reserves: Reorgan-isation Reserve £000	Other Reserves: Capital Redemption Reserve £000	Other Reserves: Cost of hedging Reserve £000	Other Reserves: Foreign Exchange Reserve £000	Retained Earnings £000	Non-Controlling Interests £000	Total £000
As at 1 January 2018		5,654	73,303	6,013	(443)	(1,624)	(23,647)	11,914	4,570	75,740
Recognised foreign exchange gains for the period		-	-	-	-	-	62	-	807	869
Tax effect of foreign exchange translation differences		-	-	-	-	-	-	-	-	-
Profit for the period:										
– Attributable to equity shareholders		-	-	-	-	-	-	10,800	-	10,800
– Attributable to non-controlling interests		-	-	-	-	-	-	-	3,267	3,267
Cash flow hedge reserve		-	-	-	-	1,167	-	-	-	1,167
Total comprehensive income / (expense) for the period		-	-	-	-	1,167	62	10,800	4,074	16,103
Scrip dividend		3	151	-	-	-	-	-	-	154
New share capital subscribed		474	24,523	-	-	-	-	-	-	24,997
Cost of shares issued		-	(674)	-	-	-	-	-	-	(674)
Share option charge		-	-	-	-	-	-	2,112	-	2,112
Movement in reserves relating to deferred tax	4	-	-	-	-	-	-	(420)	-	(420)
Other movements in reserves		-	-	-	-	-	-	(1,984)	-	(1,984)
Dividend paid	5	-	-	-	-	-	-	(11,276)	-	(11,276)
Dividend paid to non-controlling interests		-	-	-	-	-	-	-	(2,609)	(2,609)
Purchase of non-controlling interests		-	-	-	-	-	-	648	(648)	-
Written Put/Call options over non-controlling interests		-	-	-	-	-	-	(1,622)	-	(1,622)
Non-controlling interests arising on acquisition		-	-	-	-	-	-	-	1,341	1,341
Net change in shareholders' funds		477	24,000	-	-	1,167	62	(1,742)	2,158	26,122
As at 31 December 2018		6,131	97,303	6,013	(443)	(457)	(23,585)	10,172	6,728	101,862

	Note	Share Capital Account £000	Share Premium Reserve £000	Other Reserves: Reorgan-isation Reserve £000	Other Reserves: Capital Redemption Reserve £000	Other Reserves: Cost of Hedging Reserve £000	Other Reserves: Foreign Exchange Reserve £000	Retained Earnings £000	Non-Controlling Interests £000	Total £000
At 1 January 2017		5,637	72,304	6,013	(443)	(2,434)	(8,754)	(3,047)	2,363	71,639
Recognised foreign exchange gains for the period		-	-	-	-	-	(14,893)	-	137	(14,756)
Profit for the period:										
– Attributable to equity shareholders		-	-	-	-	-	-	24,165	-	24,165
– Attributable to non-controlling interests		-	-	-	-	-	-	-	2,653	2,653
Cash flow hedge reserve		-	-	-	-	810	-	-	-	810
Total comprehensive income / (expense) for the period		-	-	-	-	810	(14,893)	24,165	2,790	12,872
Scrip dividend		1	49	-	-	-	-	-	-	50
New share capital subscribed		16	950	-	-	-	-	-	-	966
Share option charge		-	-	-	-	-	-	2,281	-	2,281
Movement in reserves relating to deferred tax	4	-	-	-	-	-	-	499	-	499
Other movements in reserves		-	-	-	-	-	-	(2,036)	-	(2,036)
Dividend paid	5	-	-	-	-	-	-	(9,948)	-	(9,948)
Dividend paid to non-controlling interests		-	-	-	-	-	-	-	(793)	(793)
Non-controlling interests arising on acquisition		-	-	-	-	-	-	-	210	210
Net change in shareholders' funds		17	999	-	-	810	(14,893)	14,961	2,207	4,101
As at 31 December 2017		5,654	73,303	6,013	(443)	(1,624)	(23,647)	11,914	4,570	75,740

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

Aside from the adoption of IFRS 9 and IFRS 15, which are described below, the results for the year ended 31 December 2018 have been prepared using accounting policies and methods of computation consistent with those used in the Group's annual report for the year ended 31 December 2017. The results have also been presented and prepared in a form consistent with that which will be adopted in the Group's annual report for the year ended 31 December 2018 and in accordance with the recognition and measurement requirements of International Financial Reporting Standards as adopted by the European Union.

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2018 or 2017 but is derived from those accounts. Statutory accounts for 2017 have been delivered to the Jersey Financial Services Commission Companies Registry. Those for the year ended 31 December 2018 will be delivered following the Company's Annual General Meeting on 20 June 2019.

This financial information has been extracted from the Group's Annual Report and Accounts for the year ended 31 December 2018. The auditors have reported on these accounts; their reports were unqualified, did not draw attention to any matters by the emphasis without qualifying their report and did not contain statements under s.113B(3) or (4) Companies (Jersey) Law 1991 or equivalent preceding legislation. The Group intends to publish its 2018 Annual Report and Accounts in March 2019.

IFRS 9
In the current period the Group has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRSs. IFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment for financial assets and 3) general hedge accounting. The only significant impact on the Group is in relation to the impairment of trade receivables and hedge accounting as detailed below.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model required the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

As at 1 January 2018, the directors of the Company reviewed and assessed the Group's existing trade receivables for impairment using reasonable and supportable information that is available without undue cost of effort in accordance with the requirements of IFRS 9 to determine the credit risk of the respective items at the date they were initially recognised. No material adjustments were identified.

In accordance with IFRS 9's transition provisions for hedge accounting, the Group has applied the IFRS 9 hedge accounting requirements prospectively from the date of initial application on 1 January 2018. The Group's qualifying hedging relationships in place as at 1 January 2018 also qualified for hedge accounting in accordance with IFRS 9 and were therefore regarded as continuing hedge relationships. No rebalancing of any of the hedging relationships was necessary on 1 January 2018. As the critical terms of the hedging instruments match those of their corresponding hedged items, all hedging relationships continue to be effective under IFRS 9's effectiveness assessment requirements. The Group has also not designated any hedging relationships under IFRS 9 that would not have met the qualifying hedge accounting criteria under IAS 39.

Apart from this, the application of the IFRS 9 hedge accounting requirements has had no material impact on the results and financial position of the Group at 1 January 2018 or in the current period. No accounting policy changes have been made as a result of the adoption of this standard.

IFRS 15
In the current financial year the Group has adopted IFRS 15 Revenue from Contracts with Customers. The Group has elected to restate comparative information from prior periods upon adoption of IFRS 15 and has applied the practical expedient under which contracts that began and ended in 2017 or that were completed prior to January 2017 are not restated.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under IFRS 15, deferred income and trade debtors may not both be recognised where neither the service has been performed or payment is due by the customer. As a result deferred income and trade debtors have both reduced by £15,543,000 in 2017.

2. SEGMENTAL ANALYSIS

As at 31 December 2018, the Group was organised into three main segments – EMEA, Americas, and Asia. The main activities of all segments are the production of exhibitions supported by other media activities related to those exhibitions.

The following table sets out the revenue and profit information and certain asset and liability information for the Group's reportable segments:

31 December 2018

Revenue by sector	**Americas £000**	**Asia £000**	**EMEA £000**	**Central Costs £000**	**Group £000**
Group revenue from continuing operations	60,481	26,457	12,788	-	99,726
Profit/(loss) from operating activities	24,033	10,508	459	(10,138)	24,862
Net financing costs	-	-	-	(8,331)	(8,331)
Profit/(loss) before taxation	24,033	10,508	459	(18,469)	16,531
Total adjusting items - note 3	-	-	-	11,375	11,375
Adjusted profit/(loss) before tax *	24,033	10,508	459	(7,094)	27,906
Segment non-current assets	140,101	72,307	42,229	-	254,637
Segment current assets	22,401	24,703	19,567	-	66,671
	162,502	97,010	61,796	-	321,308
Deferred tax assets					5,330
Total assets					326,638
Segment liabilities	(58,669)	(23,548)	(126,540)	-	(208,757)
Liabilities for current tax					(3,252)
Deferred tax liabilities					(12,767)
Total liabilities					(224,776)

* Includes joint venture profit before tax of £377,000 in Americas and £2,317,000 in Asia.

31 December 2017 - RESTATED

Revenue by sector	**Americas £000**	**Asia £000**	**EMEA £000**	**Central Costs £000**	**Group £000**
Total Revenue	46,247	23,357	48,056	-	117,660
Profit/(loss) from operating activities	19,989	9,757	17,154	(13,323)	33,577
Net financing costs	-	-	-	(5,675)	(5,675)
Profit/(loss) before taxation	19,989	9,757	17,154	(18,998)	27,902
Total adjusting items - note 3	-	-	-	12,266	12,266
Adjusted profit/(loss) before tax *	19,989	9,757	17,154	(6,732)	40,168
Segment non-current assets	114,630	71,266	42,020	-	227,916
Segment current assets	15,967	20,229	15,086	-	51,282
	130,597	91,495	57,106	-	279,198

Deferred tax assets					3,003
Total assets					282,201
Segment liabilities	(37,898)	(25,863)	(129,486)	-	(193,247)
Liabilities for current tax					(3,155)
Deferred tax liabilities					(10,059)
Total liabilities					(206,460)

* Includes joint venture profit before tax of £2,160,000 in Americas and £3,564,000 in Asia.
Segment assets and liabilities have been restated for impact of IFRS15 – see note 1.

3. ADJUSTING ITEMS

The following analysis details the adjusting items in the consolidated income statement. The directors believe that adjusted profit provides an additional useful indication of overall financial performance to complement statutory measures, and reflects how the business is managed and measured on a day to day basis due to the nature, materiality or frequency of certain items. This preparation is consistent with the way management measure financial performance and with how it is reported to the Board. 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.

Adjusted profit excludes certain recurring charges which in monitoring the business are excluded as they do not relate to the performance of our events. These include charges relating to share options, amortisation of intangible assets arising from business combinations, unwinding of discount on long term liabilities, changes in fair value of contingent consideration and put/ call liabilities, with the related taxation impact. It also excludes costs which, based on our judgement, we consider to be one-off in nature. These include costs associated with restructuring, corporate transaction costs (which include costs associated with acquisitions and minority purchases, the refinancing that took place during the year and costs relating to legal claims) and profit on disposal of joint venture, along with the associated taxation impact.

	2018 **£000**	**2017** **£000**
Operating items:		
Operating costs:		
Corporate transactions	2,538	2,009
Restructuring	882	-
Changes in fair value of put/call and contingent consideration	(3,444)	(2,225)
Share option charge	2,436	2,598
Other	(28)	2
Amortisation charge (excluding amounts charged to costs of sale)	7,771	6,794
Profit on disposal of joint venture	(3,239)	-
Total adjusting items in operating costs	6,916	9,178
Tax on joint venture profits	676	1,647
Total adjusting items in operating profit	7,592	10,825
Finance item - Unwinding of discount	3,783	1,441
Adjusting items before tax	11,375	12,266
Taxation:		
Tax on joint venture profits	(676)	(1,648)
Tax relating to adjusting items	(1,331)	(1,161)
Impact of tax law changes (see note 4)	-	(2,438)
	(2,007)	(5,247)
Total adjusting items	9,368	7,019

4. INCOME TAX EXPENSE

	2018 £000	2017 £000
Corporation tax:		
Overseas tax on profits for the period	3,709	2,790
Adjustments to overseas corporation tax in respect of previous periods	(139)	431
Current tax charge for the period	3,570	3,221
Deferred tax:		
Origination and reversal of timing differences	(339)	(1,725)
Adjustment in respect of previous periods (tax losses recognised)	(915)	7
Adjustments in respect of previous periods (timing difference recognised)	148	(419)
Total deferred tax	(1,106)	(2,137)
Tax charge for the year	2,464	1,084

The tax charge below differs from the tax at the effective rate on the profit for the year. The differences are explained below:

	2018 £000	2017 £000
Profit before taxation	16,531	27,902
Tax on profit on ordinary activities at 25% (2017 - 25%)	4,133	6,976
Effects of:		
Non-deductible expenses/non-taxable income	(370)	1,933
Current period losses unrecognised	349	323
Tax effect of share of results of associates	(713)	(2,100)
Impact of US tax reform rate change *	-	(2,438)
Impact of tax rate changes in Turkey	13	-
Effect of tax rates in overseas jurisdictions	172	(2,872)
Over provision in respect of prior periods	(907)	(491)
Recognition of previously unrecognised losses	-	(588)
Other items	(213)	341
Tax on profit on ordinary activities	2,464	1,084

* The impact of US tax reform rate change is created by a one off revaluation of deferred tax liabilities due to the reduction in federal tax rate from 38% to 21% partially offset by an anticipated charge on unremitted earnings of overseas subsidiaries.

Tax debit recognised directly in equity

	2018 £000	2017 £000
Deferred tax on intangible assets due to foreign exchange movements	361	44
Deferred tax on unexercised employee share options	59	455
Total tax recognised in equity	420	499

5. DIVIDENDS

	2018 £000	2017 £000
Dividend paid in cash or scrip		
2017/2016 interim dividend paid (3.0p / 2.7p per share)	3,372	2,749
2017/2016 final dividend paid (7.0p / 6.4p per share)	7,904	7,199
	11,276	9,948
Dividend paid and proposed post year end		
2018/2017 interim dividend paid (3.3p / 3.0p per share)	4,034	3,372
2018/2017 final dividend proposed (7.7p / 7.0p per share)	8,891	7,869
	12,925	11,241

An interim dividend of 3.3p per share (2017: 3.0p) was paid on 11 January 2019 to shareholders on the Register of Members of the Company as at 30 November 2018.

The directors announced the proposed final dividend for 2018, of 7.7p per share, on 27 February 2019. Subject to approval at the Annual General Meeting on 19 June 2019, the proposed date of payment is 5 July 2019 to Shareholders on the Register of Members as at 24 May 2019.

Dividends are recognised as a liability in the period in which they are appropriately authorised and are no longer at the discretion of the entity.

6. EARNINGS PER SHARE

	2018 Pence	2017 Pence
Basic earnings per share	9.4	21.5
Diluted earnings per share	9.3	21.4
Adjusted earnings per share	17.5	27.7
Adjusted diluted earnings per share	17.3	27.6

Basic earnings per share
Basic earnings per share has been calculated on profit after tax attributable to ordinary shareholders for the year (as shown on the Consolidated Income Statement) and the weighted average number of ordinary shares in issue during the period (see below table).

Diluted earnings per share
Diluted earnings per share has been calculated on profit after tax attributable to ordinary shareholders for the year (as shown on the Consolidated Income Statement) and the diluted weighted average number of ordinary shares in issue during the period (see below table).

Adjusted earnings per share
Adjusted earnings per share is calculated using adjusted profit after tax as reconciled in note 3 and the weighted average number of ordinary shares (as above) in issue in the year.

Adjusted diluted earnings per share
Adjusted diluted earnings per share is calculated using adjusted profit after tax as reconciled in note 3 and the weighted average number of diluted ordinary shares (as above) in issue in the year.

Weighted average number of ordinary shares (diluted):

	2018 Number	2017 Number
Weighted average number of ordinary shares	115,463,414	112,410,537
Dilutive effect of share options	1,088,739	415,521
Weighted average number of ordinary shares (diluted)	116,552,153	112,826,058

Dilutive and anti-dilutive share options were determined using the average closing price for the period. The average share price used was 299.52 pence.

7. OVERDRAFTS AND OTHER INTEREST-BEARING LOANS AND BORROWINGS

	2018 £000	2017 £000
Two to five years		
Bank loans	77,241	106,239
More than five years		
Private bond	30,000	-
Total financial liabilities	107,241	106,239
Cash balances	(26,845)	(22,373)
Net financial liabilities and cash balances	80,396	83,866
Capitalised bank fees	(2,082)	(676)
Fair value of interest rate swaps	457	1,624
Net debt	78,771	84,814

	2018 £000	2017 £000
Current liabilities		
Secured bank loans	-	-
Non-current liabilities		
Secured bank loans	107,241	106,239
Total financial liabilities	107,241	106,239

8. ACQUISITION OF SUBSIDIARY

i) On 1 September 2018, the Group acquired a further 25% of the share capital of AMB Tarsus Exhibitions SDN BHD, AMB Tarsus Exhibitions (Cambodia) Pte. Ltd and AMB Tarsus Exhibitions (Myanmar) Pte. Ltd ("AMB"), an exhibition business we previously treated as a joint venture due to our 50% ownership and we now fully consolidate. Voting rights are aligned to share ownership.

The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group, in respect of this acquisition:

	Book Value £000	Adjustments £000	Fair value £000
Other intangibles	-	4,453	4,453
Net assets	373	(235)	138
Net assets acquired	373	4,218	4,591
Goodwill arising on acquisition			6,408
Notional consideration on acquisition of subsidiary			10,999
Actual consideration paid and costs incurred for 25%:			
Satisfied in cash			1,681
Contingent consideration (less than one year)			1,599
Total consideration incurred			3,280
Consideration paid in cash			1,681
Total net cash outflow			1,681

The values used in accounting for identifiable assets and liabilities and related contingent consideration of this acquisition are estimates and therefore provisional in nature 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.

Contingent consideration, relates to payments to vendors, payable after completion, that are dependent on the outcome of future events. The contingent consideration is dependent on the financial performance of the exhibitions occurring in 2018.

From the date of acquisition to 31 December 2018, the acquisition has contributed £2,653,000 of revenue to the Group. If the acquisition had occurred on 1 January 2018 it would have contributed £3,845,000 of revenue to the Group.

Goodwill of £6,408,000, recognised on this acquisition, relates to certain assets that cannot be separated and reliably measured. These items include sector knowledge, customer loyalty and the anticipated future profitability that the Group can bring to the business acquired. Consistent with other media companies, goodwill makes up a large percentage of the fair value of the acquisition.

The Group incurred transaction costs of £317,000 in respect of the acquisition, which were expensed.

The values used in accounting for the identifiable assets and liabilities and related contingent consideration of this acquisition are estimates and are therefore provisional in nature at the balance sheet date. The non-controlling interest is measured as their proportionate share of the fair value of the net assets.

Consideration paid in cash represents the initial cash payment only.

ii) On 1 September 2018, the Group acquired the remaining 50% of the share capital of E.J. Krause Tarsus Events LLC, EJKT Mexico Events LLC and EJKT Exhibitions LLC (“EJK”), an exhibition business we previously treated as a joint venture due to our 50% ownership and we now fully consolidate. Voting rights are aligned to share ownership.

The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group, in respect of this acquisition:

	Book Value £000	Adjustments £000	Fair value £000
Other intangibles	-	17,498	17,498
Net Assets	(430)	-	(430)
Net assets acquired	(430)	17,498	17,068
Goodwill arising on acquisition			12,409
Notional consideration on acquisition of subsidiary			29,477
Actual consideration paid and costs incurred for 50%:			
Satisfied in cash			8,248
Deferred consideration (less than one year)			5,878

Total consideration incurred	14,126
Consideration paid in cash	8,248
Total net cash outflow	8,248

The values used in accounting for identifiable assets and liabilities and related contingent consideration of this acquisition are estimates and therefore provisional in nature 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.

Deferred consideration, is a fixed contractual payment which is due in early 2019.

From the date of acquisition to 31 December 2018, the acquisition has contributed £2,929,000 of revenue to the Group. If the acquisition had occurred on 1 January 2018 it would have contributed £6,733,000 of revenue to the Group.

Goodwill of £12,409,000, recognised on this acquisition, relates to certain assets that cannot be separated and reliably measured. These items include sector knowledge, customer loyalty and the anticipated future profitability that the Group can bring to the business acquired. Consistent with other media companies, goodwill makes up a large percentage of the fair value of the acquisition.

The Group incurred transaction costs of £297,000 in respect of the acquisition, which were expensed.

The values used in accounting for the identifiable assets and liabilities and related contingent consideration of this acquisition are estimates and are therefore provisional in nature at the balance sheet date. The non-controlling interest is measured as their proportionate share of the fair value of the net assets.

Consideration paid in cash represents the initial cash payment only.

iii) On 28 March 2018, the Group acquired the trade and assets of eTourism (“eTourism”), an exhibition business.

The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group, in respect of this acquisition:

	Book Value £000	**Adjustments £000**	**Fair value £000**
Other intangibles	-	867	867
Net assets acquired	-	867	867
Goodwill arising on acquisition			442
			1,309
Actual consideration paid and costs incurred:			
Satisfied in cash			1,091
Contingent consideration (less than one year)			588
Total consideration incurred			1,679
Consideration paid in cash			1,679
Total net cash outflow			1,679

The values used in accounting for identifiable assets and liabilities and related contingent consideration of this acquisition are estimates and therefore provisional in nature 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.

Contingent consideration, has been fully paid in the year based on results of the 2018 edition of the acquired show.

From the date of acquisition to 31 December 2018, the acquisition has contributed £482,000 of revenue to the Group. If the acquisition had occurred on 1 January 2018 it would have contributed the same amount of revenue to the Group.

Goodwill of £442,000, recognised on this acquisition, relates to certain assets that cannot be separated and reliably measured. These items include sector knowledge, customer loyalty and the anticipated future profitability that the Group can bring to the business acquired. Consistent with other media companies, goodwill makes up a large percentage of the fair value of the acquisition.

The Group incurred transaction costs of £50,000 in respect of the acquisition, which were expensed.

The values used in accounting for the identifiable assets and liabilities and related contingent consideration of this acquisition are estimates and are therefore provisional in nature at the balance sheet date. The non-controlling interest is measured as their proportionate share of the fair value of the net assets.

Consideration paid in cash represents the initial cash payment and contingent consideration.

9. GOING CONCERN AND VIABILITY

After considering the current financial projections of the Group and taking into account the cash needs of the business and availability of funds, the Directors have a reasonable expectation that the Group has adequate resources to continue its operations for the foreseeable future. For this reason, they continue to adopt a "going concern" basis in preparing this Statement of Annual Results.

The Directors have assessed the viability of the Group over a three-year period to December 2021, taking account of the Group's current position and the potential impact of the principal risks documented in note 10. The A three-year period is considered appropriate, as it is aligned with the Board's periodic strategic review and plan. It is also used by the Remuneration Committee to set targets for the long term incentive plans.

The plan makes certain assumptions about the acceptable performance of the underlying portfolio of shows, the availability of venues and future tax and foreign exchange rates.

The Directors' assessment considered the resilience of the Group, taking account of its current position including committed financing throughout the period, forward bookings, the key risks facing the business in severe but reasonable scenarios and the effectiveness of any mitigating actions. This assessment has considered the potential impacts of these risks on the plan, including solvency and liquidity over the period – primarily through reducing revenues and cash-flows in the plan. It has also taken account of the mitigating actions including withholding dividends and reducing launch investments and capex.

Based on this assessment, the directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to December 2021.

10. PRINCIPAL RISKS AND UNCERTAINTIES

The directors have identified below the principal risks and uncertainties relating to the Group's business. The Board discusses and monitors these risks and has implemented mitigation measures against each one.

Tarsus' events and exhibitions business may be adversely affected by incidents which curtail travel, such as terrorist attacks, higher oil prices or health pandemics

Tarsus' exhibitions businesses contribute in excess of 90% of the Group's revenue. Visitors travel to these shows from around the world. Any incident that curtails travel, such as terrorist attacks, may have an impact on the running of the relevant event and may, therefore, affect reported revenues.

Expansion into new geographic regions subjects the Group to new operating risks

As a result of acquisitions and organic growth, the Group operates in many geographic regions such as China, India, the United Arab Emirates, Turkey, South East Asia and Latin America. Whilst the Group conducts its business on a global scale, growth in these regions presents logistical and management challenges due to different business cultures, laws and languages. This may result in incremental operational risks for the Group.

The ability of the Company to implement and execute its strategic plans depends on its ability to attract and retain the key management personnel required

The Group operates in a number of industry segments in which there is intense competition for experienced and highly qualified individuals. The Group cannot predict the future availability of suitably experienced and qualified people; it places significant emphasis on developing and retaining management talent. Accordingly, the Group has and will continue to implement a number of incentive schemes, to attract and motivate key senior managers. There can be no certainty that such retention policies and incentive plans will be successful in allowing the Company to attract and retain the right calibre of key management personnel.

Fluctuations in exchange rates may affect the reported results

The Group is exposed to movements in foreign exchange rates against Sterling for trading transactions and the translation of the net assets and income statements of overseas operations. The principal exposure is to the US Dollar, Chinese Renminbi and Turkish Lira exchange rates, which form the basis of pricing for the Group's customers.

Venue availability

Damage to or unavailability of a particular venue could impact specific events within the Group's portfolio. The Group also has key commercial relationships with venues which secure the Group's rights to run its exhibitions in the future.

There are inherent risks and uncertainties in connection with the Group's acquisition strategy

The Group will seek and effect appropriate acquisitions across various geographic regions, consequently exposing the Company to inherent risks and uncertainties associated with such acquisitions. The risks associated with such a strategy include the availability of suitable acquisitions, obtaining regulatory approval for any acquisition, and assimilating and integrating acquired companies into the Group. In addition, potential difficulties inherent in mergers and acquisitions may adversely affect the results of an acquisition. These include delays in implementation or unexpected costs or liabilities, as well as the risk of failing to realise operating benefits or synergies from completed transactions. In addition, there can be no certainty that the benefits of acquisitions and strategic investments, including synergies, increased cash flows and other operational benefits, will be realised.

Breaches of the Group's data security systems or other unauthorised access to its databases, intellectual property or information could adversely affect its businesses and operations

The Group has valuable databases and intellectual property and, as part of its businesses, provides its customers with access to database information such as treatises, journals and publications as well as other data. There are persons who may try to breach the Group's data security systems or gain other unauthorised access to its databases in order to misappropriate such information for potentially fraudulent purposes. Due to the rapid change in the nature of these threats to the Group's databases, intellectual property and other information, the Group may be unable to anticipate or protect against the threat of breaches of data security or other unauthorised access. Such breaches could damage the Group's reputation and expose it to a risk of loss or litigation and possible liability, as well as increase the likelihood of more extensive governmental regulation of these activities in a way that could adversely affect this aspect of the Group's business. Legal actions against the Group could have a material adverse effect on the Group's business, financial condition and results of operations.

Competition

The Group's businesses operate in competitive markets, which continue to evolve in response to technological innovations, legislative and regulatory changes, the entrance of new competitions and other factors. Whilst an event or sectors in a market could have its prospects curtailed by these factors, the breadth of the Group's portfolio, with its geographic and sector diversity, reduces the risk to Tarsus' overall business.

Brexit

The Directors have considered the potential impact of Brexit on the organisation. Given the existing long-term financing and limited operations in the EU, including in the UK, they believe the risk to the Group is minimal and already addressed in the risks set out above.

11. RESPONSIBILITY STATEMENT OF THE DIRECTORS

The responsibility statement below has been prepared in connection with the company's full annual report for the year ending 31 December 2018. Certain parts thereof are not included within this announcement.

We confirm to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and

- the strategic report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face.

This responsibility statement was approved by the board of directors for release on 26 February 2019.

The Annual General Meeting will be held at the Writers Room, Radisson BLU Hotel Dublin Airport, Dublin, Ireland on 19 June 2019 at 11.00am.

A copy of this report will also be available on the Group's website at www.tarsus.com.