



Ten Lifestyle Group plc Admission Document

Dining



Travel



Benefits



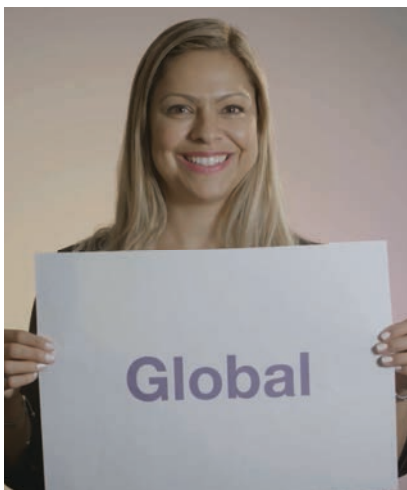
Events



Entertainment



Global



Trusted



Expert



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The Company, whose registered office appears on page 8 and the Directors, whose names appear on page 8, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (each of whom have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This document, which comprises an AIM admission document, has been drawn up in accordance with the AIM Rules for Companies. This document does not contain an offer of transferable securities to the public within the meaning of section 85 and 102B of FSMA and is not a prospectus for the purposes of the Prospectus Rules. Accordingly, this document has not been prepared in accordance with the Prospectus Rules, nor has it been approved by the FCA pursuant to section 85 of FSMA and a copy has not been delivered to the FCA under regulation 3.2 of the Prospectus Rules.

Application will be made for the Enlarged Share Capital to be admitted to trading on AIM. Conditional dealings in the Ordinary Shares are expected to commence on AIM at 8.00 a.m. (London time) on 24 November 2017. It is expected that Admission will become effective and that unconditional dealings will commence in the Ordinary Shares on AIM at 8.00 a.m. on 29 November 2017. **All dealings in Ordinary Shares prior to the commencement of unconditional dealings will be on a “when issued” basis and of no effect if Admission does not take place and will be at the sole risk of the parties concerned. No application has been, or is currently intended to be, made for the Ordinary Shares to be admitted to listing or trading on any other stock exchange.**

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document. The AIM Rules for Companies are less demanding than those which apply to companies whose shares are listed on the Official List. It is emphasised that no application is being made for admission of the Enlarged Share Capital to the Official List or any other recognised investment exchange.

Your attention is drawn to the discussion of risks and other factors which should be considered in connection with an investment in the Placing Shares set out in Part II (Risk Factors) of this document. All statements regarding the Company and the Group’s future business should be viewed in light of these risk factors. NOTWITHSTANDING THIS, PROSPECTIVE INVESTORS IN THE COMPANY SHOULD READ THE WHOLE TEXT OF THIS DOCUMENT.

TEN LIFESTYLE GROUP PLC

(incorporated in England & Wales under the Company’s Act 2006 with registered number 08259177)

PROPOSED PLACING OF 24,022,588 ORDINARY SHARES AT 134 PENCE PER SHARE

ADMISSION OF THE ENLARGED SHARE CAPITAL TO TRADING ON AIM

Nominated Adviser and Broker

Jefferies

Jefferies International Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company as its nominated advisor and broker in connection with the proposed Placing and Admission and is not acting for any other person or otherwise responsible to any other person (in each case, whether or not a recipient of this document) for providing the protections afforded to customers of Jefferies or for advising any other person in respect of the proposed Placing and Admission. Jefferies’ responsibilities as the Company’s nominated advisor and broker under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of such person’s decision to acquire shares in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by Jefferies as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued) and Jefferies has not authorised the contents of any part of this document and accepts no liability whatsoever for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document for which the Company and the Directors are solely responsible.

The whole of this document should be read. Your attention is drawn, in particular, to Part II: (Risk Factors) for a more complete discussion of the factors that could affect the Company's future performance and the industry in which it will operate.

Copies of this document will be available free of charge during normal business hours on any day (except Saturdays, Sundays and public holidays) at the registered office of the Company from the date of this document until the date which is one month from the date of Admission. Additionally, an electronic version of this document will be available on the Company's website: www.tengroup.com.

This document does not constitute an offer to issue or sell, or the solicitation of any offer to subscribe for or buy, Ordinary Shares in any jurisdiction where it may be unlawful to make such offer or solicitation. The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any such distribution could result in a violation of the laws of such jurisdictions. In particular, this document is not for distribution in or into the United States, Canada, Australia, Japan or South Africa and is not for distribution directly or indirectly to any US Person. The Ordinary Shares have not been and will not be registered under the US Securities Act, or under the securities legislation of, or with any securities regulatory authority of, any state or other jurisdiction of the United States or under the applicable securities laws of any province or territory of Canada or under the securities laws of Australia, Japan or South Africa.

United States securities law

The Ordinary Shares have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Ordinary Shares are only being offered and sold outside the United States in "offshore transactions" within the meaning of and pursuant to Regulation S. There will be no public offer of Ordinary Shares in the United States.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission or by any US state securities commission or authority, nor has any such US authority reviewed, approved or confirmed on the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence.

An investment in the Company carries risk. Prospective investors should read the whole of this document and should carefully consider whether an investment in Ordinary Shares is suitable for them in light of their circumstances and financial resources. Your attention is particularly drawn to Part II (Risk Factors) of this document which sets out certain risk factors relating to any investment in the Company. All statements regarding the Company's business, financial position and prospects should be viewed in the light of the risk factors set out in Part II (Risk Factors) of this document. The contents of the Company's website, including any websites available from hyperlinks on the Company's website, do not form part of this document.

IMPORTANT NOTICE

The attention of prospective investors is drawn to the Risk Factors set out in Part II (Risk Factors) of this document.

Investment in the Company will involve certain risks and special considerations. Prospective investors should be able and willing to withstand the loss of their entire investment.

The price of the Ordinary Shares can go up as well as down.

The Ordinary Shares are suitable only for investors who understand or who have been advised of, the potential risk of capital loss from an investment in the Ordinary Shares and for whom an investment in the Ordinary Shares is part of a diversified investment portfolio and who fully understand and are willing to assume the risks involved with an individual investment in such a portfolio. There may be limited liquidity in the Ordinary Shares.

General

No broker, dealer or other person has been authorised by the Company, its Directors or Jefferies to issue any advertisement or to give any information or make any representation in connection with the offering or sale of any Ordinary Shares (including the Placing Shares) other than those contained in this document and if issued, given or made, that advertisement, information or representation must not be relied upon as having been authorised by the Company, its Directors or Jefferies.

Prospective investors should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, repurchase or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, repurchase or other disposal of Ordinary Shares which they might encounter; and (c) the income or other taxation consequences which may apply in their own countries as a result of the purchase, holding transfer, repurchase or other disposal of Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants as to legal, taxation, investment and other related matters concerning the Company and an investment therein.

Statements made in this document are based on the law and practice currently in force in England and Wales and are subject to change therein.

Forward-looking statements

Certain statements in this document are “forward-looking statements” including, without limitation, statements containing the words “believes”, “anticipate”, “expect”, “target”, “estimate”, “will”, “may”, “should”, “would”, “plan”, “goal”, “could”, “intend” and similar expressions. These forward-looking statements are not based on historical facts but rather on the expectations of the Directors regarding the Company’s future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), planned expansion and business prospects and opportunities. Such forward-looking statements reflect the Directors’ current beliefs and assumptions and are based on information currently available to the Directors. Forward-looking statements involve significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including risks associated with vulnerability to general economic market and business conditions, competition, environmental and other regulatory changes or actions by governmental authorities, the availability of capital, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. Although the forward-looking statements contained in this document are based upon what the Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements.

These forward-looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations (including under the AIM Rules for Companies), the Company expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in

expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

Third party information

The data, statistics and information and other statements in this document regarding the markets in which the Company operates, or its market position therein, is based upon the Company's records or are taken or derived from statistical data and information derived from the third-party sources described in this document.

In relation to these third-party sources, such information has been accurately reproduced from the identified information, and, so far as the Directors are aware and are able to ascertain from the information provided by the suppliers of this information, no facts have been omitted which would render such information inaccurate or misleading.

Time Zone

All times referred to in this document are, unless otherwise stated, references to London time.

Presentation of Financial Information

Various figures and percentages in tables in this document have been rounded and accordingly may not total. Certain financial data has also been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

Currencies

Unless otherwise indicated, all references in this document to: (a) “**GBP**”, “**£**”, “**pounds sterling**”, “**pounds**”, “**sterling**”, “**pence**” or “**p**” are to the lawful currency of the United Kingdom; (b) “**US\$**”, “**US Dollar**”, are to the lawful currency of the United States of America; and (c) “**EUR**”, “**E**” are to the lawful currency of the European Union.

No Incorporation of Website

The contents of the Company's website (or any other website) do not form part of this document.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	24 November 2017
Commencement of conditional dealings in Ordinary Shares on AIM	8.00 a.m. on 24 November 2017
Admission becomes effective and commencement of unconditional dealings in the Enlarged Share Capital on AIM	8.00 a.m. on 29 November 2017
CREST accounts expected to be credited (where applicable) in respect of Placing Shares	as soon as practicable after 8.00 a.m. on 29 November 2017
Latest date definitive share certificates expected to be despatched in respect of the Placing Shares (where applicable)	13 December 2017

Each of the times and dates in the above timetable is subject to change without further notice. All references are to London time unless otherwise stated. Temporary documents of title will not be issued.

All dealings in the Ordinary Shares prior to the commencement of unconditional dealings will be on a “when issued” basis, will be of no effect if Admission does not take place and will be at the sole risk of the parties concerned.

PLACING STATISTICS

Placing Price per Placing Share	134 pence
Number of Existing Ordinary Shares ⁽¹⁾	64,807,189
Number of New Shares to be issued by the Company pursuant to the Placing	13,432,836
Number of Sale Shares being sold by the Selling Shareholders pursuant to the Placing	10,589,752
Enlarged Share Capital immediately following Admission	78,240,025
Number of Options outstanding immediately following Admission	4,533,880
Number of Options outstanding immediately following the exercise of Options by Andrew Long on the day after Admission ⁽²⁾	2,123,856
Percentage of the Enlarged Share Capital represented by the Placing Shares	30.7 per cent.
Percentage of the Enlarged Share Capital represented by the New Shares	17.2 per cent.
Percentage of the Enlarged Share Capital represented by the Sale Shares	13.5 per cent.
Percentage of the Enlarged Share Capital held by the Directors at Admission ⁽³⁾	20.3 per cent.
Percentage of Enlarged Share Capital represented by Options outstanding at Admission ⁽⁴⁾	5.8 per cent.
Gross proceeds of the Placing, before expenses	£32.2 million
Gross proceeds of the Placing receivable by the Company, before expenses	£18.0 million
Estimated net proceeds of the Placing receivable by the Company, after expenses	£16.0 million
Gross proceeds of the Placing receivable by the Selling Shareholders, before expenses	£14.2 million
Estimated net proceeds of the Placing receivable by the Selling Shareholders, after expenses	£13.8 million
Market capitalisation on Admission at the Placing Price	£104.8 million
AIM symbol	TENG
ISIN	GB00BF188X60
SEDOL	BF188X6

Notes

- (1) Following the issue of 14,282,333 Ordinary Shares immediately prior to Admission pursuant to the Exercise and Conversion.
- (2) The Company has received an irrevocable notice of exercise in respect of 2,410,024 Options held by Andrew Long which will, subject to Admission occurring, be exercised on the day after Admission.
- (3) Not including 2,410,024 Ordinary Shares which will, subject to Admission occurring, be issued to Andrew Long on the day after Admission.
- (4) Including 2,410,024 Options which will be exercised by Andrew Long on the day after Admission further details of which are outlined in paragraph 10.2 of Part V (Additional Information) of this document.

DIRECTORS, SECRETARY AND ADVISERS

Directors:	Bruce Weatherill (<i>Independent Non-Executive Chairman</i>) Alex Cheatle (<i>CEO (Group) and Co-Founder</i>) Andrew Long (<i>CEO (Asia) and Co-Founder</i>) Sean Hegarty (<i>Chief Financial Officer</i>) Sarah Hornbuckle (<i>Client Services Director</i>) Julian ("Jules") Pancholi (<i>Independent Non-Executive Director</i>) Gillian Davies (<i>Independent Non-Executive Director</i>)
Company Secretary:	Sean Hegarty
Registered office:	Floor 2, 355 Euston Road, London, England NW1 3AL Company No: 08259177
Nominated Adviser and Broker:	Jefferies International Limited Vintners Place 68 Upper Thames Street London EC4V 3BJ
Solicitors to the Company:	Memery Crystal LLP 44 Southampton Buildings London WC2A 1AP
Solicitors to the Nominated Adviser and Broker:	Ashurst LLP Broadwalk House 5 Appold Street London EC2A 2HA
Auditors and Reporting Accountants to the Company:	BDO LLP 55 Baker St London W1U 7EU
Financial PR:	Tavistock Communications Limited 1 Cornhill London EC3V 3ND
Registrar:	Equiniti Limited Aspect House Spencer Road Lancing BN99 6DA
Company's website:	www.tengroup.com

PART I

INFORMATION ON THE COMPANY

1. Introduction

Ten, founded in 1998, is a leading technology-enabled lifestyle and travel platform providing trusted concierge services to the world's wealthy, from the mass affluent through to HNWIs. Ten's business focuses predominantly on a corporate client model that includes private banks, retail banks, premium payment cards providers and luxury brands that provide Ten's services to segments of their premium individual customers, who then become Ten members.

Ten assists its members to discover, organise and book travel, dining and live entertainment, seeking to save them both time and money. Through Ten's service proposition, members can achieve superior access, experiences and outcomes, more cost-effectively and conveniently, than they could have achieved on their own. Ten's service is delivered through a combination of Ten's proprietary technology platform and the expertise of its Lifestyle Managers. As a result of making arrangements on behalf of its combined membership base of wealthy individuals, Ten has access to better rates and/or enhanced benefits from its suppliers compared to other existing service providers, both online and offline.

The majority of the Group's revenue derives from service fees that are paid by its corporate clients, under contracts typically of a multi-year duration of three years or more. Ten does not typically take a margin on the goods and services it delivers to its members; this provides a competitive pricing advantage over traditional service providers, such as ticket sellers or travel agents, who do typically add or make a margin. The Directors believe that member satisfaction and the resulting impact of improving those members' brand affinity for Ten's corporate clients, drives Ten's long-term success.

The Directors consider there is significant market potential to support a large and growing number of the world's wealthy in their lifestyle and travel requirements. The population of HNWIs globally has risen from 10.0 million in 2006 to 13.6 million in 2016 and is expected to reach 18.7 million by 2026¹. The value of the luxury travel sector is expected to grow from US\$795 billion in 2016 to US\$1,154 billion in 2022². The Directors also believe that the live entertainment and premium dining markets will grow significantly.

Ten is a growing, global business that has increased net revenue at a compound annual growth rate of 29 per cent. over the last three years. In the last reported financial year to 31 August 2017, the Group's net revenue increased by 37 per cent. to £33.2 million. The Group has demonstrated strong profitability in its more mature EMEA business achieving an EBITA margin of 23 per cent. in FY17. Ten is currently expanding its international presence and investing in other regions, including The Americas and Asia. In these newer markets, Ten is developing its corporate client and supplier base and operational infrastructure, to build scale and drive efficiencies with the objective of achieving margins similar to those currently achieved in the more mature EMEA business. The Directors believe that, as Ten grows its scale and global service offering, underpinned by improvements in, and increased adoption of its technology-enabled platform, the unit cost of delivery will be reduced whilst enhancing service standards and personalisation.

The Group employs over 650 staff across 20 offices globally and benefits from an experienced executive management team with a strong background in digital media, technology and premium service delivery. Underpinned by investments in technology, this team has successfully developed and expanded the Group's business and is well-positioned to continue to pursue Ten's growth strategy.

The Directors believe Ten's model produces a powerful competitive advantage that will drive the Group's objective of becoming the most trusted and pre-eminent provider of global lifestyle and travel concierge services to the world's wealthy. In addition, the Directors envisage the market for the Group's services will increase in breadth and scope as more of the world's wealthy and mass affluent use concierge services for their lifestyle and travel needs.

¹ Knight Frank – The Wealth Report 2017 (11th Edition)

² Allied Market Research – Luxury Travel Market – Global Opportunity Analysis and Industry Forecast 2014-2022

3. Business and Operations

Global Operations

Experienced global management team

Ten's senior executive team includes:

- Alex Cheatle (CEO), Sean Hegarty (CFO), Andrew Long (Group COO and CEO Asia), Sarah Hornbuckle (Global Head of Client Services), Toby Gauvain (Global Head of Business Development), Craig Le Grice (Chief Product Officer).
- Three regional COOs who lead and manage the Group's activities in each of EMEA, The Americas and Asia. Within these regions, they are responsible for service quality and quality assurance, training and regional support functions.
- The Global Commercial Director, who is responsible for Ten's supplier relationships, notably in the travel space, and the Head of Client Services in The Americas who is responsible for creating strong and commercially successful relationships with Ten's corporate clients in that region.

As part of Ten's business development and growth strategy, Ten has recruited managers, especially internationally, with expertise in leading complex service businesses. For example, Tracy Geldert, the COO in The Americas, joined Ten in April 2015 and was previously CEO of Francis Ford Coppola's premium hospitality business. The Directors believe this investment in experienced management has helped to operationally de-risk Ten's international expansion to date and will continue to do so as the Group grows further.

Collectively, the senior executive team are responsible for the management of Ten and the implementation of its business development and growth strategy. This team has on average nine years' experience working for Ten.

Product and Lifestyle Management Teams

Ten's two largest employee teams are the Product Team, which builds and manages the member-facing and internal technology, and the Lifestyle Managers Team, which services members' needs.

Product Team

The Product Team works on an integrated and collaborative basis to deliver a single member profile across the Group. The Product Team comprises over 85 in house developers, Product Managers, user experience designers, user interface designers, quality assurance testers, database administrators, and content creators. It operates globally, from a London base, with over 30 colleagues internationally including in San Francisco, Las Vegas, Mexico, Cape Town, and Mumbai.

The Product Team addresses four functional areas:

- *Ten Platform*

The Ten Platform is an end-to-end fully transactional platform for concierge and is Ten's digital interface with members.

Members can use desktop computers, tablets, and smartphones to access the Ten Platform on a self-serve basis, at all times. Members can choose from five core modules: Travel, Dining, Entertainment, Events, and Benefits. These modules feature content, Ten-procured inventory and – varying by market – API integrations with suppliers and providers (airlines in Travel, or ticketing providers in Entertainment, for example). The result is a data-rich, end-to-end transactional platform that mirrors the service level, access, and proposition of the Lifestyle Manager led service.

The underlying technology is bespoke and proprietary, having been created by Ten's internal technology development team, and the Directors believe this proposition provides a unique point of differentiation for the Group. The development team responsible for ongoing product innovation is based in London and Cape Town and comprises Product Managers, UX (User Experience) designers, UI (User Interface) designers, front end developers, back end developers, and QA (Quality Assurance) managers.

- *Ten MAID (Management and Information Delivery)*

Ten MAID is the repository of the Group's knowledge base, booking system, workflow, performance management, CRM and Management Information Reporting infrastructure. The Group has a permanent team of developers in London and Mumbai working to improve its Ten MAID platform with frequent releases of new functionality and enhancements.

- *Ten Data*

Ten Data is a dedicated team based in London and Mumbai focused on leveraging technology and data to better serve members, corporate clients and the Group. The team delivers reporting, analytics, insights, and predictive modelling to stakeholders within and outside the business. Comprising business intelligence analysts and data scientists, the team works collaboratively across the Group, regularly liaising with other members of the Product Team as well as Client Services, Finance, and Operations. The team is responsible for building products that aid corporate planning and CRM within the Group and within clients' businesses.

- *Ten Content*

Ten Content is the editorial and personalised/targeted communications power behind Ten. The team works collaboratively with Ten Data to leverage analysis and insights to plan, distribute, and measure the performance of this content. The Ten Platform, Ten Data's 'productisation of data' strategy, and Ten Content's use of IBM's Watson products allows it to analyse, interpret and manage data to further develop its personalisation functionality to predict member needs and desires, and to deliver relevant content to them.

The Product Team also has a fifth non-technical team, Ten Product Support, which provides helpdesk support on a 24/7/365 basis.

Lifestyle Managers Team

Ten's Lifestyle Managers Team comprises over 465 Lifestyle Managers distributed across its 20 global locations speaking more than 27 languages. Ten believes its Lifestyle Managers are a key competitive advantage. Ten aims to recruit and develop industry and domain experts who deliver better service than members could organise for themselves and at a higher rate of efficiency than a call centre generalist.

Ten Suppliers

Ten has created a deep and extensive network of supplier relationships built over many years and during the course of managing millions of requests. These include direct relationships with thousands of the world's most in-demand restaurants, direct relationships with over 1,450 of the world's top hotels and indirect relationships with over 100,000 other hotels, and direct contracts with a majority of the world's leading airlines and leading car hire companies. Ten also benefits from direct contracts and relationships with some of the leading event ticket box offices including Ticketmaster, See Tickets, Eventim and AXS. Ten's supplier base expands as member demand grows, because this stimulates the creation of more and deeper relationships. Supplier details are added to the database of contacts and knowledge on Ten MAID and, as appropriate, to the Ten Platform. This information helps improve the quality, efficiency and scalability of the service. For example, having the direct contact information for the head of reservations of a popular restaurant, rather than a public number, saves time for the Lifestyle Manager and the member on every request; having hotels pre-loaded onto Ten's systems, with appropriate pricing details, allows for rapid search and service delivery.

Request Database

Ten also leverages the information that is created by Lifestyle Managers previous requests. This too can often improve efficiencies and service quality. For instance, a member may want to know how best to go 'cage diving with sharks' in South Africa or how to transpose an old film to a digital format in the UK. The Lifestyle Manager who works on that request can search previous requests and use previous knowledge and contacts captured on Ten MAID as the starting point for their research. There are more than 20 previous requests for both these examples in the searchable Ten database of over 4 million requests.

Editorial Content

Ten members have access to articles written by the Group's globally-distributed in-house editorial team. Members use these to stay informed, follow trends, and be inspired. All content carefully incorporates calls to action, encouraging and driving engagement.

Services to Members

Ten manages requests received from members on two principle basis: 'high touch', where a Lifestyle Manager leads the service fulfilment; or 'low touch', where members fulfil their own requests via the Ten Platform. Ten's global service requests can be categorised under three main headings: Travel (32 per cent. of requests for FY17); Dining (24 per cent. of requests for FY17); and Event Ticketing (17 per cent. of requests for FY17). Others include Retail (14 per cent. of requests for FY17), which is emerging as the Group's fourth largest category. Ten's Lifestyle Managers are evaluated and rewarded, in part, based on member satisfaction and efficiency of service delivery.

Ten aims to recruit and train expert Lifestyle Managers from the sectors in which they operate – including dining, live entertainment, travel and retail – so that these experts can manage member requirements on a peer-to-peer basis and add to the Ten knowledge base. Whenever a member contacts Ten, the aim is that they will be speaking to a knowledgeable and technically well-equipped individual who quickly understands and responds to the request. When a member uses the self-serve Ten Platform, the Group aims to make the expertise of its Lifestyle Managers and additional content available to them through the platform.

- For dining out, Ten can recommend the suitable restaurants to fit member preferences and Ten can often secure better access, which it negotiates from the Group's industry contacts.
- For live entertainment, Ten can secure tickets for music, theatre or sport events. Ten can leverage the combined buying power of its membership, use its own access to tickets and benefit from the fact that unlike many ticket sellers or travel agents, they do not typically take a margin from the ticket provider.
- In organising hotels, flights and holidays, Ten can buy direct from the hotel group, airline or through intermediary buying groups and because of its service fee revenue model it does not need to make a margin, allowing Ten to choose to pass on the best rates they can negotiate to its members whenever possible. Ten's revenue model is different to the 'supplier revenue led' models in the travel sector, notably the traditional or online travel agency. For its travel suppliers, Ten generates a meaningful volume of high value business in the 'premium leisure' segment.
- In organising retail offers, Ten can use the attractive value of its membership to negotiate benefits including special prices, access and complimentary events.

Revenue Model

Ten's services are generally made available to members through Ten's corporate clients who pay for Ten's services on their individual customers' behalf. Over 85 per cent. of Ten's corporate clients are financial services institutions who offer Ten's services as part of their ancillary benefits package which are complementary to their products such as premium credit cards or premium banking services.

Ten typically charges its corporate clients on a 'per request' basis – whether high touch (which involve a Lifestyle Manager) or low touch (which are completely or largely fulfilled through the Ten Platform). A request is typically an instruction received from a member to research, advise or arrange something on their behalf. Requests principally relate to travel, dining and live entertainment but can extend to more general lifestyle support services. This revenue stream, along with other service related revenue, accounts for around 89 per cent. of Ten's net revenues. Other service related revenue generating activities paid for by Ten's corporate clients include negotiating special offers or benefits with suppliers and creating bespoke editorial content.

Ten also earns revenue from its supplier base, such as hotels, airlines and event promoters who sometimes pay commission to Ten. This constitutes the remaining 11 per cent. of net revenues.

Technology

Ten's technology strategy is to provide members with the most relevant personalised information, through their preferred channel, in an efficient and powerful way. Accordingly, Ten has developed a proprietary technology-enabled platform that reduces cost to serve and increases speed of service. Increasingly,

individual members are showing a preference for technology-enabled service, with the number of digital requests increasing from 8,333 in FY16 to 30,180 in FY17, a greater than 3x increase.

The Ten Platform – The Interface with members

The Ten Platform puts Ten's expertise and functionality at the fingertips of its members. It is a platform that is designed to add value to members who are able to secure prices, access and benefits which are not freely available to the general public. Ten's technology-enabled platform is designed to deliver parity-of-experience, whether members use smartphones, tablets, or desktop computers.

Ten launched the Ten Platform in the UK with a leading UK private bank in 2015 with the digital roll-out of the Ten Platform continuing throughout 2016. The response to the Ten Platform in the UK has been positive. For instance, in the last 12 months 36 per cent. of active members through that private bank have engaged Ten's services via the Ten Platform.

Ten also launched the Ten Platform with one of the largest UK retail banks in 2016 and one of the largest UK credit card issuers in 2017. Ten intends to implement the Ten Platform in other major markets during 2018, with planned launches based largely on contracts that Ten has already agreed and signed. Ten expects to continue to add extra functionality and benefits to the Ten Platform as it grows. Ten intends that this new functionality will involve new supplier integration, location based services, data processing, artificial intelligence (AI), and an increasing level of personalisation based on member profile, stated preference and their use of the service.

Ten has set out an innovation roadmap for the Ten Platform through to June 2018, with the goal of overall functionality increases, enhancements, and code base growth.

Benefits of the Technology Platform

The Directors believe that the Ten technology ecosystem supports the business in three main ways.

1. *The technology-enabled platform makes services more scalable.* The Ten Platform is not intended to replace all access to an expert Lifestyle Manager. Personal contact may sometimes be the best way to manage a request, especially a complex one or one that requires human judgment. Ten believes that having 'human interaction' as an option for the affluent consumer adds value to the service. From launch, the Ten Platform automated simple, transactional requests for dining, events tickets and travel which aims to make them more efficient for Ten, faster for the member and is intended to enable Ten to include more elements to its service capabilities with little initial cost. Over time, Ten intends to move quickly to incorporate functionality that allows it to include new services, often delivered by a supplier or group of suppliers. Ten believes that this will be helped by the wave of new APIs and SDKs (Software Development Kits) from companies who want to service members. Ten's experience to date is that suppliers have been keen to provide it with value or cost benefits, given the value of its membership base and that it is a 'closed user group', meaning the offer to Ten's members is not available to the general public.
2. *The service quality is enhanced.* Overall feedback from members has been positive. Ten believes that its target audience enjoys the benefits of the digital platform, as evidenced by high NPS scores and strong repeat use.
3. *A digital offering helps Ten win new corporate contracts.* Ten has had a positive response from corporate clients who recognise all the benefits of the Ten Platform for their businesses. Ten expects an increasing number of large corporate clients to specify that providers have a digital offering capability in their tender requirements.

4. Key strengths

The Directors believe the Group's key strengths are as follows:

Addressing a large and growing market

The population of HNWIs globally has risen from 10.0 million in 2006 to 13.6 million in 2016 and is expected to reach 18.7 million by 2026³. The total addressable market for Ten is significantly larger than this, as the Group also addresses the larger 'mass affluent' segment.

The market for supporting wealthy and affluent individuals on their lifestyle and travel decisions is large and growing. For example, the value of the global luxury travel sector is expected to grow from US\$795 billion in 2016 to US\$1,154 billion in 2022⁴ and the Directors believe that the live entertainment and premium dining markets are also expected to grow significantly.

Trusted and deep long-term relationships with corporate clients and individual members

Ten believes it offers an exceptional consumer proposition, supported by long-term investments in technology and content that drives service quality and efficiency. As category experts, with differentiated, pre-prepared content, Ten is able to leverage the Ten Platform to build and retain a global corporate client base. Ten seeks to differentiate itself from competitors who offer basic 'call centre' concierge or branded concierge services with less sophisticated in-house digital platforms. In addition, the Directors believe that this provides Ten with a significant competitive advantage in the markets in which it operates.

Ten believes it has developed an outstanding reputation for execution by consistently delivering on the needs of both corporate clients and individual members. The Company prides itself on executing on its three values – "Trustworthy", "Member-Led" and "Innovative". The positive results of this are evidenced by success in tenders for corporate business. It is also sustained over time, as seen by the high retention and loyalty that Ten enjoys from its corporate client base which includes private banks, retail banks and premium payment card companies.

Ten's NPS in the UK ranged above 50 in recent surveys (June to August 2017). This puts it on a comparable level with some of the UK's most valuable brands.

Proven market share growth to become a market leader in the UK – now replicating internationally

Ten's proprietary global technology platform allows it to offer its members a powerful breadth and depth of personalised service. As a result, Ten has established itself as a market leader in service quality in the UK, which Ten considers the most competitive concierge market globally. In the UK, Ten has won all of the competitive million pound plus corporate tenders or re-tenders in which it has taken part since 2015.

Ten has made strong market share gains in the UK financial services market with UK financial services concierge requests managed by Ten increasing from approximately 1,200 in 2004 to over 225,000 in 2017. This has been supported by securing contracts with significant corporate clients which includes private banks, three other retail banking brands, a wealth management brand and several premium card propositions.

International markets (those outside the UK) represent an opportunity approximately 17 times the size of the UK market. In the majority of the largest 10 markets globally by GDP and in all of the top three countries (USA, China, Japan), Ten is already established and operating, which the Directors believe reduces executional risk. Ten's global footprint allows local as well as integrated global service delivery, which its Directors believe differentiates Ten from its competitors.

Outside of the UK, Ten has now been awarded 18 of the last 22 international financial services contracts for which the Group has tendered or retendered since 2015, delivering services to members in The Americas, elsewhere in the EMEA, and Asia. The Directors believe this international success enables Ten to expand into new regions, leveraging its know-how, technology platform and global content.

³ Knight Frank – The Wealth Report 2017 (11th Edition)

⁴ Allied Market Research – Luxury Travel Market – Global Opportunity Analysis and Industry Forecast 2014-2022

Strong track record of revenue growth with a high degree of visibility and strong profitability in the mature EMEA market

Ten has a strong track record of growth with net revenue increasing from £20.0 million FY15 to £33.2 million FY17, a compound annual growth rate of 29 per cent. Steady growth in its established EMEA business has been enhanced by growth in The Americas and Asia with 48 per cent. of FY17 net revenue derived outside the EMEA region, up from 45 per cent. of net revenue in FY15. Established geographies have generated strong margins with EMEA achieving an EBITA margin of 23 per cent. in FY17.

Revenues are principally derived from Ten's corporate clients under multi-year contracts of typically between three and five years' duration. Net revenue from existing contracts at the end of FY16 represented 83 per cent. of net revenue in FY17 and delivered 26 per cent. of the overall net revenue growth between FY16 and FY17. Ten has significant new contracts already won, negotiated and signed that will be rolled out during the remainder of 2017 and into 2018. Ten also has a robust pipeline of target opportunities across all its target regions.

Ten believes that the Group's track record of revenue growth with a high degree of revenue visibility and strong profitability in the mature EMEA market provides the Group with a strong foundation to pursue its future strategy and to grow further its business.

Operational efficiency and service standards driven by investment in the technology-enabled platform and content

In EMEA, Ten has been able to deliver high margins whilst improving service standards by focusing on utilising effectively its technology and content platforms. Significant capital investment in Ten's technology-enabled platform, replicable content and business infrastructure helps to enable the Company's future growth and operational efficiency, with a total of £22.9 million investment spend over FY15, FY16 and FY17.

Proprietary technology has been crucial in scaling the business by automating simple transactional requests and, the Directors believe, is a key competitive differentiator. Technology enables Ten to provide members with the most relevant personalised information, through their preferred channel, at a low cost; Ten's self-serve tech-enabled platform reduces cost to serve and increases speed of service. Increasingly, individual members are showing a preference for tech-enabled service, with the number of digital requests increasing from 8,333 in FY16 to 30,180 in FY17, a greater than 3x increase.

International expansion delivers a 'network effect' which increases the quality and quantity of Ten's service offering for the benefit of local members as well as any members traveling internationally. In addition, employees become increasingly efficient at handling requests as a business matures in each market, which results in lower costs of handling requests.

Technology-enabled service is expected to increase as a percentage of requests with high touch availability remaining an important differentiator for the Ten Group.

High barriers to entry underpinned by strong customer relationships and technology-enabled platform

Ten's 'intelligent support' model (the combination of its proprietary technology-enabled platform and the expertise of its Lifestyle Managers), global reach and established scale help to maintain and grow its market share and presents a challenge for competitors looking to establish a comparable alternative at scale in Ten's target markets. The Directors believe that existing competitors without a comparable technology-enabled platform would need to undergo fundamental redesign and material investment to compete. New entrants would need to build systems, supplier contacts, credibility and expert personnel across multiple categories and multiple markets to establish a global service platform, whilst simultaneously developing a committed client base.

The Directors believe that the member-focused approach at Ten, supported by its recruitment practices and management systems, training and performance management and reporting, developed over the last two decades, makes it extremely difficult for a competitor to replicate Ten's success without significant and long-term investment of capital and resources.

Strong culture and experienced management team dedicated to delivering high quality customer service

The Group benefits from an experienced executive management team with a strong background in digital media, technology and premium service delivery. This team has successfully developed and expanded the Group's business as it continues to pursue its strategy of organic growth and technology development. Alex Cheatle, the Company's CEO, and Andrew Long, the Group COO and CEO Asia, co-founded the business in 1998 and Sean Hegarty, the Company's CFO joined in 2012. They are part of a global leadership team with an average tenure at Ten of more than nine years. Ten believes the Group has an innovative, service driven culture which, coupled with the business' successful growth and development, has been a key factor in allowing it to attract and retain high quality personnel.

5. Market Overview

Ten's objective is to become the most trusted and pre-eminent provider of global lifestyle and travel concierge services to the world's wealthy, fulfilling its members travel, dining, live entertainment and retail requirements. The Directors believe that this represents a substantial market opportunity with significant growth potential.

The population of HNWI's is large and growing. Globally this population has risen from 10.0 million in 2006 to 13.6 million in 2016 and is expected to reach 18.7 million by 2026⁵. Ten's proposition also addresses the mass affluent segment, which the Directors believe is significantly larger than the HNWI's segment.

The market for fulfilling these wealthy and affluent individuals' lifestyle and travel requirements is also large and growing. For example, the value of the luxury travel sector is expected to grow from US\$795 billion in 2016 to US\$1,154 billion in 2022⁶ and the Directors believe that the live entertainment and premium dining markets are also expected to grow significantly. Ten accesses the HNWI and mass affluent segments principally through its corporate clients, approximately 85 per cent. of which are financial institutions.

Since the financial crisis, banks and other financial services institutions have been increasingly focussed on developing businesses with less volatile revenue streams, including wealth management and private banking. This has driven an increased demand from these financial institutions to provide differentiated offerings to their customers, including the provision of concierge services which are intended to enhance their customers' satisfaction and improve brand affinity.

Consequently, the demand for the provision of concierge services to the financial services industry has increased substantially since 2008. The Directors believe that this under-penetrated and under-served market represents a significant opportunity for Ten, underpinned by increased competition within the financial services industry to attract and retain their wealthy clientele. For example, in the UK financial services market, which was an early adopter of concierge services, Ten managed approximately 1,200 requests for customers of UK-based financial service groups in 2004, approximately 54,000 requests in 2008 and over 225,000 requests in 2017.

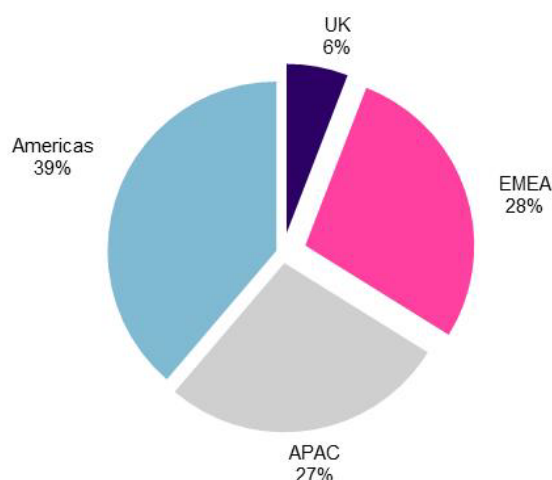
The UK, which is currently Ten's largest and most developed market, only accounted for 6 per cent. of the world's HNWI's in 2016. The population of HNWI's outside of the UK was approximately 17 times that of the UK in 2016⁷.

⁵ Knight Frank – The Wealth Report 2017 (11th Edition)

⁶ Allied Market Research – Luxury Travel Market – Global Opportunity Analysis and Industry Forecast 2014-2022

⁷ Knight Frank – The Wealth Report 2017 (11th Edition)

Global share of HNWIs by number¹



(1) Source Data – Knight Frank – The Wealth Report 2017 (11th Edition)

The Directors believe that there is significant potential to increase its position internationally, where the provision of concierge services is at varying stages of development. Outside of the UK, Ten has been awarded 18 of the last 22 international financial services contracts for which it has tendered or re-tendered since 2015, including elsewhere in EMEA, The Americas and Asia.

The Directors believe that the global financial services industry is currently the largest procurer of concierge services. Customer satisfaction and brand affinity, however, are common objectives for other verticals, such as luxury brands and premium automobile manufacturers, and the Directors believe that these will provide further opportunities for the provision of concierge services.

As the market for concierge services evolves, the Directors believe that HNWIs and the mass affluent will increasingly recognise the benefits of fulfilling their requirements through concierge services enhanced by technology. The buying power afforded by fulfilling these requirements at scale should allow the provider of concierge services to deliver superior rates and enhanced benefits compared with those that an individual could achieve directly through traditional providers of travel, live entertainment, dining solutions and premium retail both online and offline. The Directors believe that this will further increase the attractiveness of concierge services. In addition, current concierge services are primarily fulfilled through individuals responding to requests typically made by telephone or email. The Directors believe that the rate of adoption of concierge services will be significantly increased by the ability to self-serve via technology enabled platforms offering a higher level of personalisation and convenience.

6. Competitive landscape

The Directors believe that the majority of the Group's current competitors for the provision of concierge services are businesses that developed from pre-existing 24/7 call centre support platforms such as Axa Assistance, which is owned by Axa Insurance. These call centre platforms would typically have supported activities such as roadside assistance, outbound customer activation and management of insurance claims. The Directors believe that, as the market for concierge services began to develop, contract awards were based significantly on 24/7 support capability. As the market evolved, broader service capability and content delivery have become more important; Ten has a strong track record of winning contracts from such incumbent providers, having won 10 of the last 13 such contracts over the last three years for which it has tendered.

In addition, the Directors believe that there are two other principle competitors:

- Quintessentially is a branded membership organisation that provides concierge services; it has also offered a variety of Quintessentially branded extensions in areas such as flowers, event planning, singles introductions, PR and publishing. Quintessentially provides its concierge services from wholly owned operators in some instances and, in many parts of the world, on a franchise basis.

- American Express manages a significant proportion of its travel and lifestyle concierge services for its Platinum and Centurion Card customers principally on an in-house basis, leveraging its well-known travel heritage and expertise. In recent years, Ten has been awarded contracts to deliver support to some American Express branded products outside of the UK.

The Directors believe that Ten's key competitive differentiators include:

- *Proprietary technology platform* – Sophisticated member-facing proprietary technology-enabled platform which enhances member experience.
- *Member driven ethos* – Service proposition developed around superior and cost effective delivery of service and content for the benefit of members.
- *Expert Lifestyle Managers* – Expert Lifestyle Managers with deep domain knowledge.
- *Integrated global infrastructure* – Wholly-owned local operations capable of leveraging the global platform to deliver a seamless service to corporate clients and members worldwide.
- *Dedicated focus* – Ten is exclusively focused on the provision of lifestyle and travel concierge services to its corporate clients and members.

7. Business development and growth strategy

Ten has a structured approach to the development and growth of its corporate client base and its associated contract base. Ten's business development capability comprises a sales function, which seeks to develop new client relationships, and a client service function, which manages the ongoing client relationship, including commercial launches and the development of volume growth over the life of each contract.

The global sales function is based in London supported by sales resources in Hong Kong, Tokyo, Singapore and New York from which individual markets and clients are addressed locally. The client service function is managed and delivered locally with dedicated service managers supporting corporate clients.

For certain larger global corporate clients, the overall relationship may be established under a master service agreement through which individual contracts are awarded and managed. Accordingly, new contracts may be awarded under existing master service agreements or directly with new or existing corporate clients.

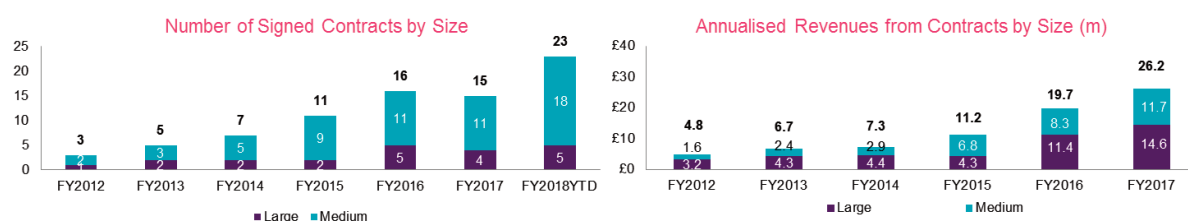
The provision of concierge services is becoming an increasingly important customer offering within the financial services industry, as well as within other verticals. It typically takes between six and 18 months from initial discussion through to operational commencement of a contract depending on the depth of Ten's existing relationship, the size and scope of the contract and whether the corporate client already offers a concierge service to its customers. In some instances, Ten will replace an incumbent provider of concierge services, whilst in other instances, Ten will establish an entirely new concierge service offering for the corporate client.

Ten categorises its key corporate client contracts based on the annualised value paid, or expected to be paid, by the corporate client for the provision of concierge and related services by Ten as follows: Large contracts (over £2 million), Medium contracts (between £250,000 and £2 million) and Small contracts (below £250,000). This does not include the revenue generated from suppliers through the provision of concierge services.

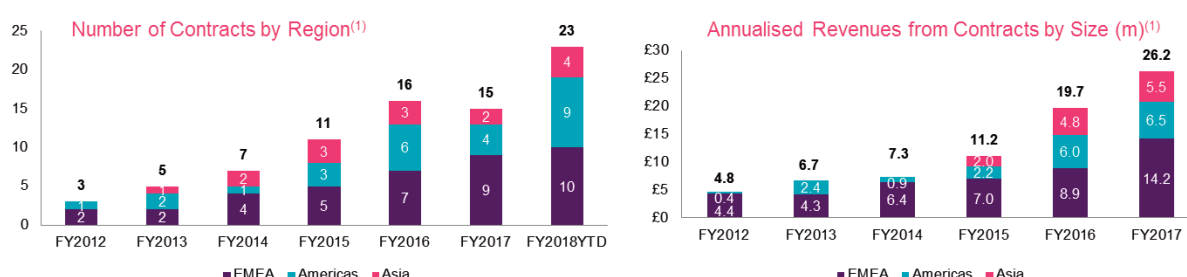
As at 31 August 2017, Ten had 47 corporate clients across the Group comprising four Large contracts, 11 Medium contracts and over 30 Small contracts. In FY17, Large and Medium contracts represented 95 per cent. of Ten's corporate concierge revenue, and 81 per cent. of its net revenue. Large and Medium contracts are typically of a multi-year duration of three years or more. Only one of Ten's Large contracts and none of its Medium contracts are due for renewal in the next 12 months. Only one of the Group's corporate clients accounted for more than 10 per cent. of total net revenue in FY17 and this client is contracted until 31 December 2020.

The number of Large and Medium contracts has increased steadily over the last five years through a combination of successful competitive contract tenders to replace an incumbent provider, as well as new 'white space' contracts, where lifestyle and travel concierge services have been provided to a customer group for the first time. Overall, as at 31 August 2017, the Group's contracts covered over 10 million eligible

members, of which more than 1.6 million were registered members and more than 120,000 were active members (being members who have made at least one request in the past 12 months).



Ten has also expanded its international presence. Whilst currently, EMEA generates the largest proportion of Group revenue, an increasing share of revenue is being generated from the Group's newer markets in The Americas and Asia reflecting contract wins within these regions. The Directors believe that each contract win helps to create scale, which drives efficiency and service quality. This in turn helps drive profitability and future growth in these regions.



(1) Medium & large contracts only – FYE 31 August

The Group aims to secure further customers and contracts globally. The Group has made significant investment in its global operations over the last three years in order to support its strategy for growth; accordingly, the Directors believe that the Group can significantly leverage its existing management and its technology and content platforms in its major growth markets.

In EMEA, Ten won its first Large contract in 2009 and over the last three years has won eight out of eight Medium or Large contracts in the financial services sector for which it has tendered or re-tendered. As at 31 August 2017, Ten had 28 corporate clients in EMEA, including two Large contracts and seven Medium contracts, covering over 780,000 registered members, of which 49,000 were active members. Ten has established itself as a market leader in the UK. Elsewhere in EMEA, the Group has successfully expanded its business, including establishing operations in Belgium and Switzerland, where it won its first multi-million pound contract with a Swiss financial services company in 2015 that launched in March 2016. As of 30 September 2017, Ten employed 332 people across the EMEA regions.

Ten has a pipeline of further client and contract opportunities in its existing EMEA markets. In addition, Ten intends to invest in new markets within EMEA; it plans to establish new operations in France and Germany over the course of 2018 and 2019 underpinned by new contract wins.

In North America, Ten won its first Medium contract in 2011 and over the last three years has won seven out of the nine contracts for which it has tendered. In Latin America, over the last three years, Ten has won three out of the three contracts for which it has tendered. As at 31 August 2017, Ten had 11 corporate clients in The Americas as a whole, including four Medium contracts, covering over 750,000 registered members, of which 38,000 were active members. As of 30 September 2017, Ten employed 256 people across The Americas.

Ten will invest further in the development of its supplier base, content and operational infrastructure in The Americas to support the roll out and growth of existing and new client contracts. Ten has already established a meaningful presence in The Americas from which the Directors believe the Group can grow over the short to medium term as it continues to win new corporate clients and contracts. The Company would consider establishing new regional offices where justified by significant corporate client contract wins.

In Asia, Ten won its first Large contract in 2012 and over the last three years has won four out of the five contracts for which it has tendered. As at 31 August 2017, Ten had eight corporate clients in Asia, including two Large contracts, covering over 120,000 registered members, of which 35,000 were active members. As of 30 September 2017, Ten employed 87 people across the Asia regions.

Ten has also established a meaningful position in Asia from which the Directors believe the Group can grow over the short to medium term as it continues to win new corporate clients and contracts. The Directors also believe there is high growth potential in certain new regions within Asia, including South Korea and Australia, which the Group will consider developing.

Across its operations in EMEA, The Americas and Asia, Ten intends to increase member usage under its existing client contracts and grow operational efficiencies further through an increase in the number of requests handled by Lifestyle Managers per day and through the increased adoption of the Ten Platform.

New Contract Wins and Pipeline

Ten intends to continue to focus on financial services customers, which it expects to be the Group's primary driver of growth in 2018 and 2019. The Directors believe that Ten's continued growth will be achieved through a greater penetration of existing client servicing opportunities as well as securing new contracts which have been won or are expected to be won across all regions globally. Many of these new contracts have been won or will be won from incumbent providers where the contracts will have an established run-rate which can provide good visibility over the associated contract revenues.

Ten has significant new contracts already won, negotiated and signed that are being rolled out during FY18 of which one is expected to be a Large contract and seven are expected to be Medium contracts. These new contracts reflect Ten's global growth strategy and the significant development of its international business, with one Large contract being rolled out in The Americas and, of the Medium contracts, one is being rolled out in EMEA, four in The Americas, and two in Asia. Ten is also in well-developed discussions under existing master service agreements regarding two Large contracts and eight Medium contracts for award and commencement during FY18. Of the Large contracts, one is in EMEA and one is in The Americas, and of the Medium contracts, three are in EMEA, four are in The Americas and one is in Asia.

In addition, Ten has a significant pipeline of identified opportunities which are being actively pursued. These opportunities range from early-stage request for proposals to very well-advanced negotiations and are broadly spread across Ten's regions and by contract size.

Overall, the Directors believe that Ten has a strong pipeline of business which affords the Group significant visibility over its revenue growth during FY18 and beyond. Furthermore, the Directors believe that the growing market for concierge services will continue to offer significant client and contract opportunity in the future.

New verticals

In addition to the substantial growth opportunities in financial services, the Directors also believe there are meaningful growth opportunities in other verticals including, but not limited to, luxury brands, employee benefits and private membership.

Luxury Brands

Luxury brands have also begun to provide concierge services to their customers as they seek to enhance their general satisfaction levels and brand affinity with their top customers who provide an over-sized proportion of their revenues. Ten has already secured contracts with luxury brands including in the high-end retail and premium automobile manufacturers. Ten continues to develop its offering in this area.

Employee Benefits

Leading employers are interested in providing lifestyle management support to their valued employees to save time and increase staff productivity, retention and morale.

Private Membership

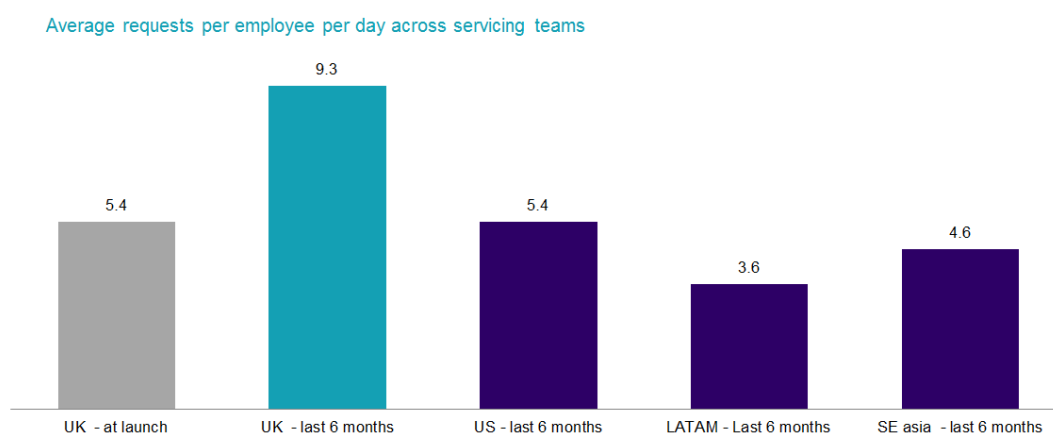
Ten has a small private membership base which enjoyed member retention of 94 per cent. in FY17. Historically private membership has not been a focus for the Group, however the Directors intend to make a small investment in this area during 2018 to test its potential.

Acquisitions

Ten intends to consider bolt-on acquisitions to support the Group's organic growth strategy targeting new geographies, verticals or service capabilities.

Business Scalability, Efficiency and Service Quality

The Directors believe that Ten is well-positioned to grow its client base, its contract portfolio and, hence, its revenues significantly. Ten has invested materially in its business and technology platforms over the last three years and will continue this investment in the coming years to support the Group's rapid development across the world.



The number of requests handled per employee per day increases within a region over time. The Directors believe that, as Ten grows, it will generate benefits of scale from reducing the cost to serve per request, increasing self-service usage via Ten's technology platform and through the leveraging of the Group's operational platforms regionally.

In addition, the Directors believe that the benefits of scale will also drive service quality metrics through improved terms with suppliers, generation of enhanced content, and improved user experience through increased digitalisation, which in turn will drive increased member usage.

8. Financial Information and Prospects

Summary Historic Financial Information

The following financial information has been derived from the financial information contained in Part III (Accountants' Report And Historical Financial Information On The Group) and should be read in conjunction with the full text of this document. Investors should not rely solely on the summarised information set out below.

<i>FYE 31 August (£m)</i>	<i>FY2015</i>	<i>FY2016</i>	<i>FY2017</i>	<i>FY15-17 CAGR</i>
Total Net Revenue⁽¹⁾	<u>20.0</u>	<u>24.3</u>	<u>33.2</u>	<u>29%</u>
Growth – %		22%	37%	
Adjusted EBITA	(1.0)	(0.8)	1.7	
Margin – %	–5%	–3%	5%	
Amortisation	(1.5)	(1.9)	(2.3)	–24%
One off & non-recurring items	<u>–</u>	<u>–</u>	<u>(1.1)</u>	
EBIT	(2.5)	(2.8)	(1.7)	19%
Margin – %	–13%	–11%	–5%	
Interest	<u>–</u>	<u>(0.3)</u>	<u>(0.5)</u>	
PBT	<u>(2.5)</u>	<u>(3.0)</u>	<u>(2.2)</u>	7%
Margin – %	–13%	–12%	–7%	
Group Headcount	465	523	648	
Contracts				
<i>FYE 31 August (£m)</i>	<i>FY2015</i>	<i>FY2016</i>	<i>FY2017</i>	
EMEA – Large	2	3	2	
EMEA – Medium	<u>3</u>	<u>4</u>	<u>7</u>	
EMEA	<u>5</u>	<u>7</u>	<u>9</u>	
Americas – Large	–	–	–	
Americas – Medium	<u>3</u>	<u>6</u>	<u>4</u>	
Americas	<u>3</u>	<u>6</u>	<u>4</u>	
Asia – Large	1	2	2	
Asia – Medium	<u>2</u>	<u>1</u>	<u>–</u>	
Asia	<u>3</u>	<u>3</u>	<u>2</u>	
Group	<u>11</u>	<u>16</u>	<u>15</u>	

As at 31 August 2017, Ten had 47 corporate clients across the Group including four Large contracts, 11 Medium contracts and over 30 Small contracts. The number of Large and Medium contracts has increased steadily over the last three years through a combination of successful competitive contract tenders to replace an incumbent provider, as well as new 'white space' contracts.

In EMEA, Ten won its first Large contract in 2009 and, as at 31 August 2017, had 28 corporate clients including two Large contracts and seven Medium contracts. Over the last three years Ten has won eight out of the eight Medium or Large contracts in the financial services sector for which it has tendered or re-tendered in the region. During 2016 Ten won a Large contract in Switzerland following a competitive tender process. Ten also won two Medium contracts during 2016 and one Medium contract was reclassified as a Small contract (this Small contract was subsequently reclassified as a Medium contract during 2017 as described below). During 2017 one Large contract was reclassified as a Medium contract due to a corporate client merging two of its overlapping customer groups. The balance of two Medium contracts in 2017 resulted from the growth in size of existing Small contracts during 2017. In EMEA, since 31 August 2017, Ten has won one new contract which is expected to be a Medium contract.

In The Americas, Ten won its first Medium contract in 2011 and, as at 31 August 2017, had 11 corporate clients including four Medium contracts. Over the last three years Ten has won 10 contracts out of the 12

for which it has tendered in the region. During 2016, Ten won two Medium contracts following competitive tender processes. The reduction in two Medium contracts in 2017 was due to the loss of one corporate client as a result of a tender process where Ten was not prepared to compete on pricing. In The Americas, since 31 August 2017, Ten has won five new contracts, of which one is expected to be a Large contract and four are expected to be Medium contracts.

In Asia, Ten won its first Large contract in 2012 and, as at 31 August 2017, had 11 corporate clients including two Large contacts. In Asia, over the last three years Ten has won four contracts out of the five for which it has tendered in the region. During 2016, one Medium contract was reclassified as a Large contract. During 2017, the reduction in one Medium contract was due to the loss of the same corporate client referenced above. In Asia, since 31 August 2017, Ten has won two new contracts which are expected to be Medium contracts.

As at the date of this document, the Group has five Large contracts and 17 Medium contracts. Of the Large contracts, two are in EMEA, one is in The Americas and two are in Asia. Of the Medium contracts, eight are in EMEA, seven are in The Americas and four are in Asia.

For FY17, Large and Medium contracts represented approximately 95 per cent. of Ten's corporate client concierge revenue. Only one of the Group's corporate clients accounted for more than 10 per cent. of total net revenue in FY17 and this customer is contracted until 31 December 2020.

Net Revenue

<i>FYE 31 August (£m)</i>	<i>FY2015</i>	<i>FY2016</i>	<i>FY2017</i>	<i>FY15-17 CAGR</i>
EMEA	11.0	13.1	17.4	26%
Americas	4.0	6.0	9.8	56%
Asia	5.0	5.2	6.0	9%
Total Net Revenue	<u>20.0</u>	<u>24.3</u>	<u>33.2</u>	29%
Growth – %	–	22%	37%	

Ten's revenue is predominantly derived from fees paid by Ten's corporate clients for services delivered by Ten to their individual customers. This revenue stream accounted for approximately 89 per cent. of net revenue in FY17. Ten also earns revenue from its supplier base, such as hotels, airlines and event promoters from whom Ten sometimes receives commissions. This represented approximately 11 per cent. of net revenue in FY17.

The Group's net revenue has increased significantly over the last three years with growth of 22 per cent. and 37 per cent. in FY16 and FY17, respectively, driven by new contract wins and growth of existing contracts. For existing contracts, revenue has increased as member usage has risen and as increasing numbers of eligible members have adopted Ten's services. Net revenue from existing contracts at the end of FY16 represented 83 per cent. of net revenue in FY17 and delivered 26 per cent. of the overall 37 per cent. net revenue growth between FY16 and FY17.

The Group has an established international business with 48 per cent. of FY17 net revenue generated in The Americas and Asia, up from 45 per cent. of net revenue in FY15.

Adjusted EBITA

<i>FYE 31 August (£m)</i>	<i>FY2015</i>	<i>FY2016</i>	<i>FY2017</i>	<i>FY15-17 CAGR</i>
EMEA	2.1	1.8	3.9	37%
Margin – %	19%	14%	23%	
Americas	(2.0)	(1.7)	(1.5)	13%
Asia	<u>(1.1)</u>	<u>(0.9)</u>	<u>(0.7)</u>	19%
Adjusted EBITA	<u>(1.0)</u>	<u>(0.8)</u>	<u>1.7</u>	
Amortisation	(1.5)	(1.9)	(2.3)	
One off & non-recurring items	–	–	(1.1)	
EBIT	<u>(2.5)</u>	<u>(2.8)</u>	<u>(1.7)</u>	
Margin – %	–13%	–11%	–5%	
Interest	<u>–</u>	<u>(0.3)</u>	<u>(0.5)</u>	
PBT	<u><u>(2.5)</u></u>	<u><u>(3.0)</u></u>	<u><u>(2.2)</u></u>	

Group EBITA over the last three years has been broadly breakeven. This reflects significant investment to support Ten's technology platform, replicable content and business infrastructure as well as investing in its global operations to support the growth strategy, particularly in the Group's newer markets in The Americas and Asia.

The Group has demonstrated strong profitability in its more mature EMEA business, achieving EBITA margins of 19 per cent., 14 per cent. and 23 per cent. over FY15, FY16 and FY17, respectively. The FY16 EMEA margin was impacted by new market launches in Switzerland and the Middle East. The EMEA region also bears most of the cost associated with the development of the Group's technology-enabled platform, senior management and investments into new verticals.

Each region accounts for the costs of entering a new market locally and profitability in The Americas and Asia over the last three years reflects the investment in developing Ten's corporate client and supplier base and investing in its operational infrastructure and content.

Capitalised technology infrastructure and content spend is amortised over a period of 5 years and is expensed on a Group basis.

Headcount

<i>As at 31 August</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>
EMEA	252	290	324
Americas	117	167	236
Asia	96	66	88
Group	465	523	648

The majority of the Group's operating costs are related to headcount. Ten has established the personnel at a management level required for the ongoing implementation of the Group's business development and growth strategy. It has an experienced global management team as well as regional directors in each of EMEA, The Americas and Asia.

When entering a new region, Ten invests in management teams and support infrastructure that it considers appropriate for the larger, scaled business reflecting the opportunity in each market. In each of EMEA, The Americas and Asia, Ten has established teams responsible for client services, service quality and quality assurance, training and regional support functions.

Operating costs are typically higher during the launch of a new region as capacity utilisation is lower for Lifestyle Managers. This is because Ten will seek to ensure the business is adequately staffed as it grows and develops, by investing in additional capacity to ensure high member satisfaction rates. As a region matures, Lifestyle Managers are able to develop more specific vertical and specialty focuses as the volume of requests increase, which makes responses more rapid and efficient. This is equally true of new sub-regions within existing markets, such as entering a new country.

Overall, profitability in a market improves over time as both the unit variable cost reduces and the fixed costs are spread across a larger revenue base. Other factors affecting cost in a particular market include the local cost of labour and the blend of types of requests received.

In FY17, headcount costs accounted for 69 per cent. of administrative expenses with the balance predominantly made up of rental lease payments, technology operating expenses and depreciation expense.

Technology Investment

<i>FYE 31 August (£m)</i>	<i>FY2015</i>	<i>FY2016</i>	<i>FY2017</i>
Technology & Infrastructure	2.4	2.8	3.5
Content	1.8	2.3	0.4
Opex – Tech Investment	4.2	5.1	3.9
Technology & Infrastructure	1.9	1.8	1.9
Content	1.2	1.4	1.5
Capex – Tech Investment	3.1	3.2	3.4
Total Technology Spend	7.3	8.3	7.3
Depreciation	0.7	0.8	0.9
Amortisation	1.5	1.9	2.3
Total D&A	2.2	2.7	3.2

Over the last three years, Ten has invested significantly in developing its technology platform, content, and business infrastructure, with a total of £22.9 million spent on technology & infrastructure and content over FY15, FY16 and FY17. Prior to 2015, technology development was predominantly outsourced. Since 2015, the Company has invested significantly in its internal technology talent resource with the majority of development now conducted in-house. This provides greater cost effectiveness for maintaining and improving the technology platform and allows greater flexibility for the direction of product innovation. As of 30 September 2017, the Group had 87 full time employees focused on developing Ten's technology platform.

The Directors believe that the Group can significantly leverage its existing management and technology platforms in its major growth markets.

Digitalisation

Growth in usage of Ten's digital ecosystem across its markets has two linked financial impacts. Firstly, it removes a proportion of requests from the phone/email channel allowing Lifestyle Managers to be supplemented with Ten's scalable technology-enabled platform which significantly reduces the cost to serve. Secondly, Ten can reduce the price per request to its corporate clients whilst improving service standards allowing a broader scale roll-out of Ten's services by its corporate clients.

Cashflow

<i>FYE 31 August (£m)</i>	<i>FY2015</i>	<i>FY2016</i>	<i>FY2017</i>
Operating cash (outflow)/inflow	(1.3)	0.8	2.8
Investment in Intangible assets	(2.3)	(3.1)	(3.1)
Investment in Fixed assets	(1.1)	(0.3)	(0.3)
Investing activities	(3.4)	(3.4)	(3.4)
Equity investment	2.1	5.4	2.2
Borrowings, leases & other financing	2.1	(0.5)	3.5
Financing	4.2	4.9	5.7
Net Increase in Cash and Cash Equivalents	(0.6)	2.3	5.1
Cash at bank and in hand	1.5	3.6	8.2
Invoice financing	(1.0)	(0.8)	(0.3)
Cash and Cash Equivalents	0.5	2.8	7.9

Operating cashflow has improved across the last three years with net cash inflow from operating activities in FY 2017 of £2.8 million, up from £0.8 million in FY16. This has allowed the Group to maintain its level of investment in its technology infrastructure.

Balance Sheet

<i>FYE 31 August (£m)</i>	<i>FY2015</i>	<i>FY2016</i>	<i>FY2017</i>
Intangible assets	4.2	5.4	6.2
Property, plant & equipment	1.9	1.4	0.9
Fixed assets	6.1	6.8	7.1
Cash	1.5	3.6	8.2
Other current assets	4.8	5.0	7.1
Current asset	6.3	8.6	15.3
Borrowings	(2.0)	(1.8)	(1.4)
Other current liabilities	(4.0)	(5.6)	(7.8)
Current liabilities	(6.0)	(7.4)	(9.2)
Borrowings	(2.1)	(1.9)	(6.0)
Other non-current liabilities	(0.4)	(0.3)	(0.2)
Non-current liabilities	(2.5)	(2.2)	(6.2)
Net assets	3.9	5.8	7.0
Capital	2.1	7.5	9.7
Reserves	1.8	(1.7)	(2.7)
Total equity	3.9	5.8	7.0

Additional loan financing in the year, raised from its existing shareholder base, has resulted in the Group's balance sheet improving its overall net asset position to £7.0 million in FY17 (FY16: £5.8 million) with a stronger cash position of £7.9 million in FY17 (FY16: £2.8 million) as it looks forward to another year of growth. Borrowings include £3.15 million Convertible Notes.

Operating Margin Development Objectives

The Directors believe that over the medium term the Group can achieve margins similar to those currently being achieved in EMEA and potentially exceed these margins, depending on the rate of digital adoption by members in fulfilling service requests.

The Directors expect underlying margins in the existing EMEA business to increase modestly over the medium term. Overall, margins in the region will be impacted by the intended investment required to enter the French and German markets during 2018 and 2019 as well as the establishment of new vertical market capabilities and incremental technology spend.

The Directors expect The Americas to continue to be significantly loss-making in 2018 as the region grows its client base, its contract portfolio and its revenues whilst at the same time investing in the development of its supplier base, content and operational infrastructure. The Directors believe that The Americas will break even in 2019 and achieve profitability in 2020 and are targeting EMEA level margins over the medium term.

The Directors expect Asia to remain loss-making in 2018 and 2019 as the region grows its client base, its contract portfolio and its revenues whilst at the same time making the investment required to enter South Korean and develop the Australian markets. The Directors believe that Asia will break even in 2020 and are targeting EMEA level margins over the medium term.

Current Trading and Prospects

Current trading has been strong. Existing contracts are performing well and in line with the Directors' expectations. The benefits of digitalisation are becoming evident in some of the Group's early-adopter contracts. New business activity is continuing to be robust with one Large and two Medium contracts having already commenced and the balance of four Medium signed contracts expected to commence over the

next six months. The pipeline for contracts to be won and commence in both 2018 and 2019 has also grown significantly over the last six months.

The Group continues to invest in its technology platform, Lifestyle Managers and content, particularly in The Americas.

In addition, but not included in the Directors' current expectations for FY18, the Directors expect to win, sign and commence further Large and Medium contracts over and above the eight signed and 10 expected to be signed contracts under existing master service agreements.

Key Performance Indicators

The key performance indicators regularly monitored by the Company include:

- Net revenue
- Adjusted EBITA
- Number of Large contracts
- Number of Medium contracts

These key performance indicators are monitored on a regional basis covering EMEA, The Americas and Asia, and are used to evaluate the performance of the Group's operations, to develop budgets and to measure its performance against those budgets.

9. Reasons for Admission, the Placing and use of proceeds

The Directors believe that the Placing and Admission will provide capital for Ten's next stage of development, further enhance the Group's profile and brand recognition with members, corporate clients and suppliers and assist the recruitment, retention and incentivisation of senior management and employees at all levels. The net proceeds of the Placing of New Shares receivable by the Company, expected to be approximately £16.0 million, together with the approximately £7.6 million proceeds from the exercise of options, are intended to be used for:

- **Investment in technology, content and operational infrastructure and new markets:** approximately £15 million is expected to be invested in exploiting the value of the Ten Platform, increasing its data capabilities, continuing to build on its technology infrastructure, and ensuring a rapid global rollout and in expanding Ten's presence in new country markets and adjacent vertical markets where the Group can leverage its superior service levels and replicable technology. This will provide the sales and operational support required to develop Ten's global footprint. The investment in new country markets and adjacent vertical markets will be principally made in EMEA where Ten's service is most developed.
- **General corporate purposes:** the Group intends to repay the Group's outstanding 9 per cent. unsecured loan notes and accrued interest of £3.8 million with the balance being retained by the Company for general corporate purposes. The Directors believe that the resulting cash resources will provide Ten with financial strength and flexibility. The Directors believe that it is important to maintain a robust financial position given the nature of the Group's customer base and the important services that Ten delivers on their behalf. In addition, The Directors believe that its financial position and independent stock market listing differentiates Ten further from a number of its competitors.

Admission will also enable the Selling Shareholders to realise part of their investment in the Company through the sale of 10,589,752 Sale Shares to raise £14.2 million gross proceeds.

In addition, the exercise of 11,232,312 Options on Admission and a further 2,410,024 Options which will, assuming Admission occurs, be exercised by Andrew Long on the day after Admission, is expected to raise approximately £7.6 million gross proceeds for the Company.

10. Lock-ins and orderly market arrangements

Pursuant to the Placing Agreement and/or the Deed Polls of Election, the Company, the Directors, the Selling Shareholders and certain non-Selling Shareholders have each undertaken, subject to customary exceptions, that they will be subject to certain lock-up arrangements with respect to the Ordinary Shares and related securities. Each of the Company, the relevant Shareholders and the Directors has given certain customary representations, warranties and undertakings to Jefferies in respect of the lock-up arrangements.

Further details of the terms of the lock-up arrangements are set out in paragraphs 8 and 16 of Part V (Additional Information) of this document.

11. Information on the Directors and Senior Management

Directors

Bruce Weatherill (aged 64), *Non-Executive Chairman*

Bruce Weatherill joined Ten in August 2017. Bruce has over 40 years' experience in the global financial services industry, providing a range of audit and consulting services to global financial service companies.

Until 2008, Bruce was a partner at PwC in charge of a number of Asset Management and Wealth Management clients. During his time at PwC, Bruce was global leader of PwC's Private Banking and Wealth Management practice.

Since leaving PwC, Bruce set up Weatherill Consulting and provides consulting services to Wealth Management Companies around the world.

Bruce is a non-executive director of Fidelity Holdings (UK) Limited and ComPeer Limited, and Chairman of JDX Consulting, ClearView Financial Media (WealthBriefing) and the Wisdom Council. He is also Deputy Chairman of the Chartered Institute of Securities and Investments Wealth Management Focus Group, regularly chairs Wealth Management conferences around the world.

Alex Cheatle (aged 47), *CEO (Group) and Co-Founder*

Alex Cheatle co-founded the business in 1998. Alex is responsible for the Group strategy and the focus on the ever-improving trust built with members. Prior to founding Ten, Alex was a marketing manager at Procter & Gamble. Alex has a degree in Philosophy, Politics and Economics from Oxford University. Alex is based in London.

Andrew Long (aged 42), *Group COO, CEO Asia and Co-Founder*

Andrew Long co-founded the business in 1998. Andrew is responsible for key account strategy and the development of the operational and technology infrastructure. Prior to founding Ten, he was the head of the London office, and account director, of an event management business. Andrew has been based in Singapore with particular leadership responsibilities in APAC since 2012.

Sean Hegarty (aged 47), *CFO*

Sean Hegarty joined Ten in 2012 from Reed Elsevier where he was Head of Commercial Finance. Sean has more than 16 years' experience working in the media and publishing sectors. Prior to joining Ten, Sean held a number of senior commercial and finance roles with Yahoo! Europe, MTV Networks International and BskyB plc. Sean qualified as a Chartered Accountant with Coopers & Lybrand.

Sarah Hornbuckle (aged 44), *Client Services Director*

Sarah Hornbuckle joined Ten in 2001. Sarah is responsible for the delivery of client services and member satisfaction, working on launches and the ongoing management of many corporate schemes. Prior to joining Ten, Sarah was a brand manager at Mars and Unilever Bestfoods.

Julian Pancholi (aged 47), *Non-Executive Director*

Julian ("Jules") Pancholi joined Ten in August 2017. Jules is an experienced technology and marketing services entrepreneur, which includes serving as a non-executive director of Skyscanner Limited, the travel fare comparison website until the sale to C TRIP for over £1.4 billion in 2016. Jules is Managing Director of

Nitro Digital Limited, an independent digital agency. His other ventures include Nixxie Limited (a US-focused advertising tech business), Estimo Technologies Limited (a B2B SaaS workflow solution), Nitro Property Limited (a syndicate-based property portfolio business) and a number of other ventures in Fintech and Healthtech.

Gillian Davies (aged 50), *Non-Executive Director*

Gillian Davies joined Ten in October 2017. Gillian is a chartered accountant who qualified with KPMG in Manchester. Gillian has held a number of senior financial positions in both listed and private equity backed international companies, including Zeneca plc, Avecia Limited and Georgia Pacific. More recently, Gillian spent 11 years as Group Finance Director of FTSE listed 4imprint Group plc, during which time 4imprint Group plc was extensively restructured and delivered significant growth.

Senior Management Team

Tracy Geldert, *COO Americas*

Prior to joining Ten, Tracy Geldert was CEO of Francis Ford Coppola Presents. Prior to joining Coppola, Tracy spent nearly 14 years with Gap, Inc, including implementing brand strategy across 16 states and managing territories with up to US\$400 million in annual store sales.

Tracy joined Ten to lead the rapid development of the US market.

Craig Le Grice, *Chief Product Officer*

Craig Le Grice joined Ten from Global Blue in 2016, the leading retail and travel experts, providing tax free shopping services to millions of global consumers and working with a network of more than 300,000 retailers, travel operators and banks.

Craig has 15 years' experience within the technology, digital, and product marketing functions, including working to create B2B and B2C product and platform strategies. Prior to Global Blue, he was Chief Innovation Officer at Blue Rubicon, where he led a team in building an award-winning IP and knowledge management ecosystem. Before his time at Blue Rubicon, Craig was Global Digital Lead for the P&G business within WPP plc working between the UK, US and Singapore. Key clients and partners throughout Craig's career include Apple, Virgin Atlantic, Hilton Worldwide, Selfridges & Co, Richemont, LVMH, Google, Coca-Cola, Facebook, Harrods, Paypal, McKinsey & Company, and British Airways. Craig was named as one of BIMA's top 100 people in technology in 2013, 2014, 2015, and 2016.

Toby Gauvain, *Global Head of Business Development*

Toby Gauvain joined Ten in 2010. He has 17 years' experience in international sales and marketing, primarily in the asset management industry with Newton, BNY Mellon and Santander. Toby has worked in London, New York, Geneva and Madrid and with clients throughout Europe, The Americas, the Middle East and Asia.

Toby was also a founding partner of Qudos, a boutique lifestyle management company in Spain, which he established in 2002 and sold in 2008. This experience gave Toby insider knowledge of the concierge industry which gave him the confidence to select Ten as the team to join in 2010.

12. Corporate Governance

The Board recognises its responsibility for the proper management of the Company and is committed to maintaining a high standard of corporate governance. The Directors recognise the importance of sound corporate governance commensurate with the size and nature of the Company and the interests of its Shareholders. The Corporate Governance Code does not apply to companies admitted to trading on AIM and there is no formal alternative for AIM companies. However, the Directors intend to take account of the Corporate Governance Code, to the extent they consider it appropriate and having regard to the size and resources of the Company.

The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions. The Company holds Board meetings at least four times each financial year and at other times as and when required.

The Company has established the Remuneration Committee, the Audit Committee and the Nomination Committee with formally delegated duties and responsibilities.

Audit Committee

The Audit Committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. It will receive and review reports from the Group's management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. Under its terms of reference, it is required to meet twice a year, at which the executive Directors may attend by invitation, and is responsible for keeping under review the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditors. It also has responsibility for public reporting and internal controls and arrangements whereby employees may raise matters of concern in confidence. The Audit Committee is chaired by Gillian Davies and its other member is Bruce Weatherill who are deemed to have recent and relevant financial expertise.

Remuneration Committee

The Remuneration Committee will review the performance of the executive Directors and make recommendations to the Board on matters relating to their remuneration and terms of employment. Under its terms of reference, it is required to meet twice a year and is responsible for ensuring that the executive Directors, officers and other key employees are fairly rewarded (which extends to all aspects of remuneration) for their individual contribution to the overall performance of the Group. The Remuneration Committee is chaired by Julian Pancholi and its other member is Gillian Davies.

Nomination Committee

The Nomination Committee will nominate for the approval of the Board candidates to fill Board vacancies as and when they arise. Under its terms of reference, it is required to meet as necessary. The Nomination Committee is chaired by Bruce Weatherill and its other members are Alex Cheatle and Julian Pancholi.

Share Dealing Code

The Company has adopted, with effect from Admission, a share dealing code which sets out the requirements and procedures for the Board and applicable employees' dealings in any of its AIM securities in accordance with the provisions of MAR and of the AIM Rules for Companies.

Bribery and Anti-Corruption Policy

The Company has adopted an anti-corruption and bribery policy which applies to the Board and employees of the Company and will apply to management and employees of the Group. It generally sets out their responsibilities in observing and upholding a zero tolerance position on bribery and corruption in all the jurisdictions in which the Group operates as well as providing guidance to those working for the Group on how to recognise and deal with bribery and corruption issues and the potential consequences. The Company expects all employees, suppliers, contractors and consultants to conduct their day-to-day business activities in a fair, honest and ethical manner, be aware of and refer to this policy in all of their business activities worldwide and to conduct business on the Company's behalf in compliance with it. Management at all levels are responsible for ensuring that those reporting to them, internally and externally, are made aware of and understand this policy.

13. Dividend Policy

In the mid-term, the Directors intend to re-invest the Group's earnings to facilitate plans for further growth. Accordingly, the Directors do not expect to declare any dividend in the short or medium term. Declaration of dividends will, in any event, always be subject to all applicable legal and regulatory requirements and will be at the discretion of the Directors and the Board will not exercise such discretion where it is not commercially prudent to do so taking into account the policy set out above. Whilst the Board considers dividends as the primary method of returning capital to Shareholders, it may, at its discretion, execute share repurchases, when advantageous to Shareholders and where permissible. The Company may revise its dividend policy from time to time.

14. Share Options

In order to provide suitable employee incentives and to reflect the commitment of certain employees to the Company's business to date, the Company has established the CSOP and the MIP, further details of which are set out in paragraph 10 of Part V (Additional Information) of this document.

15. Taxation

Information regarding certain taxation considerations for corporate, individual and trustee Shareholders in the United Kingdom with regard to Admission is set out in paragraph 21 of Part V (Additional Information) of this document.

16. Applicability of the City Code

The Company is a public limited company incorporated in England & Wales and the Enlarged Share Capital will be admitted to trading on AIM. Accordingly, the City Code will apply to the Company.

Under the City Code, if an acquisition of shares were to increase the aggregate holding of the acquirer and its concert parties to shares carrying 30 per cent. of more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for the shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of shares by a person holding (together with its concert parties) shares carrying between 30 and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.

Further information on the provisions of the City Code can be found in paragraph 15 of Part V (Additional Information) of this document.

17. Admission, Settlement and Dealings

Application has been made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that dealings in the Ordinary Shares on AIM will commence on a conditional basis at 8.00 a.m. on 24 November 2017. The earliest date for settlement of such dealings will be 29 November 2017. It is expected that Admission will become effective and that unconditional dealings in the Ordinary Shares on AIM will commence at 8.00 a.m. on 29 November 2017. Settlement of dealings from that date will be on a three-day rolling basis. All dealings in Ordinary Shares prior to the commencement of unconditional dealings will be on a "when issued basis", will be of no effect if Admission does not take place, and will be at the sole risk of the parties concerned. The above-mentioned dates and times may be changed without further notice.

The Ordinary Shares will be in registered form and will be capable of being held in either certificated or uncertificated form (i.e. in CREST).

18. CREST

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations.

The Placing Shares will be eligible for CREST settlement. Accordingly, following Admission, settlement of transactions in the Placing Shares may take place within the CREST system if a Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so.

19. Risk Factors and Additional Information

Your attention is drawn to the additional information set out in Parts II to V (inclusive) of this document. You are recommended to read all the information contained in this document and not just rely on the key or summarised information. In particular investors should read in full the Risk Factors set out in Part II (Risk Factors) of this document.

PART II

RISK FACTORS

An investment in the Ordinary Shares may not be suitable for all prospective investors and is subject to a number of risks. Before making an investment decision, prospective investors are advised to consider carefully the risks and uncertainties associated with any investment in the Ordinary Shares, the Group's business and the industry in which it operates, consult a professional adviser authorised under FSMA who specialises in advising on investments of the kind described in this document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

The Group's business, financial condition or results of operations may be materially and adversely affected by any or a combination of the risks described below. In such cases, the market price of the Ordinary Shares may decline and investors may lose all or part of their investment.

In addition to the other relevant information set out in this document, the Directors consider that the following risk factors, which are not set out in any particular order of priority, magnitude or probability, are of particular relevance to the Group's activities and to any investment in the Company. It should be noted that additional risks and uncertainties not presently known to the Directors or which they currently believe to be immaterial may individually or cumulatively also have a material adverse effect on the Group's operating results, financial condition and prospects. Any one or more of these risk factors could have a materially adverse impact on the value of the Company's Ordinary Shares and/or the Group's business, financial condition, results of operations or prospects and should be taken into consideration when assessing the Group.

There can be no certainty that the Group will be able to implement successfully the strategy set out in this document. No representation is or can be made as to the future performance of the Group and there can be no assurance that the Group will achieve its objectives.

It should be noted that the factors listed below are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Group is or may be exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware which may also have an adverse effect upon the Group.

If any of the risks referred to in this Part II occurs, the Group's business, financial condition, results or future operations could be materially and adversely affected. In such case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment.

RISKS RELATING TO THE GROUP AND THE INDUSTRY IN WHICH IT OPERATES

Loss of one or more key corporate clients

The Group's business is currently reliant on a limited number of key corporate clients which accounted for 81 per cent. of the Group's net revenue for FY17. The relationship of the Company with its key corporate clients could be materially and adversely affected by a number of factors, including a decision by a key corporate client to diversify or change how, or from whom, they source the services currently provided by the Group, including a decision to provide the services provided by the Group in-house or replace them with alternative loyalty offerings, an inability to agree on mutually acceptable pricing terms with any one of its key corporate clients or a significant dispute between the Group and one of its key corporate clients. If the Group's commercial relationship with any of its key corporate clients terminates for any reason, or if one of its key corporate clients significantly reduces its business with the Group and the Group is unable to enter into similar relationships with other corporate clients on a timely basis, or at all, the Group's business, its results of operations and/or its financial condition could be materially adversely affected.

Ten cannot ensure that any expansion into new jurisdictions will be successful

As part of its growth strategy the Group intends to explore opportunities in new geographical markets as well as continuing to grow in its existing markets, particularly North America, Latin America, Asia Pacific and continental Europe. Any expansion into new markets would expose the Group to a variety of risks including: different regulatory requirements; different customer preferences; managing foreign operations; exchange rate risk; and the potential for higher rates of fraud. Successful entry into new jurisdictions will also depend on Ten's ability to identify and engage appropriately with the right partners and/or hiring the right personnel.

Ten and its senior key personnel may expend working capital and management time on expansion into a new market which ultimately either proves to be unsuccessful or takes a much longer period than anticipated to become successful. Failures and/or delays in successfully launching into new markets or growing as planned in its existing markets, particularly North America, Latin America, Asia Pacific and continental Europe may have a material adverse effect on Ten's results of operations and prospects.

Ten cannot ensure that any expansion into new verticals will be successful

The Group's success is dependent on its timely anticipation of changes in consumer preferences as well as the subsequent development and effective marketing, promotion and sale of new verticals. Expansion into such new verticals, such as luxury brands and the employee benefit market, will subject the Group to various risks and challenges, including its lack of experience operating such businesses, potential difficulties in staffing and managing new products and the potential inability to meet the changing preferences and demands of the Group's members and/or corporate clients, and there is a corresponding risk that the working capital and management time invested by the Group in launching into any new vertical will not be recouped.

The Group's Lifestyle Managers and other employees may have limited relevant experience in the required field and may need extensive training in the new product areas. These factors may result in further costs and potential delays in the Group's ability to generate revenues from such offerings. Moreover, the launch and success of new verticals are inherently uncertain, especially as to their appeal to members and/or corporate clients, and there can be no assurance as to the Group's continuing ability to develop and launch successful new verticals. In addition, any inability by the Group to identify and meet the changing demands and preferences of its members and/or corporate clients may result in reduced revenues. Any such declines may have a material adverse effect on the Group's business, results of operations and financial condition.

The Group has incurred net losses in recent years and may not be profitable in the future

The Group incurred losses before income tax of £3.0 million and £2.2 million for FY16 and FY17, respectively. Although the Group's net revenue increased from £24.279 million in FY16 to £33.227 million in FY17, the Group may not be able to move to profitability in future periods as a result of a variety of factors, including increased competition and the maturation of the business, and there can be no assurance that the Group's revenue will continue to grow or that it will not decline.

The Group's operating results may fluctuate significantly in the future due to a variety of factors, many of which are outside its control. The Group may not be able to sustain its current operating results in the EMEA region and its operations outside the EMEA region may not progress as planned. The Group's cost of operations could increase without a corresponding increase in revenue. Factors leading to such an increase in the cost of operations could include but are not limited to increases in the rate of inflation, payroll expenses (particularly localised wage inflation), interest rates, unforeseen capital expenditure and insurance premiums. Such increases may not be able to be passed on to corporate client and/or members under certain contractual arrangements.

The Group expects its operating expenses to continue to increase as its operations are expanded and, therefore, to be profitable the Group will need to increase its revenue sufficiently to offset higher expenses. Historical revenue growth and operating expenses should therefore not be considered as being indicative of future performance and there can be no assurance that the Group will be profitable or when the Group may be able to achieve profitability. If revenue growth declines or operating expenses exceed expectations, the Group's financial performance will be adversely affected. Further, if the Group's future growth and operating performance fails to meet investor expectations, this could have a material adverse effect on the share price of the Ordinary Shares.

Inability to find appropriate acquisition targets and/or integrate future acquisitions

The Group may acquire other businesses if suitable opportunities become available. Any future acquisition poses integration and other risks which may significantly affect the Group's results or operations. To the extent that suitable opportunities arise, the Company may expand its business through the identification and acquisition of companies, technologies, products and services.

There can be no assurance that the Group will identify suitable acquisitions or opportunities, obtain the financing necessary to complete and support such acquisitions or acquire businesses on satisfactory terms, or that any business acquired will prove to be profitable. In addition, the acquisition and integration of independent companies is complex, costly and time-consuming process involving a number of possible problems and risks, including possible adverse effects on the Group's operating results, diversion of management's attention, failure to retain personnel, failure to maintain customer service levels, disruption to relationships with customers and other third parties, risks associated with unanticipated events or liabilities and difficulties in the assimilation of the operations, technologies, systems, services and products of the acquired companies.

No assurance can be given that the Group will be able to manage future acquisitions profitably or to integrate such acquisitions successfully without substantial costs, delays or other problems and any failure to achieve successful integration of such acquisitions could have a material adverse effect on the results of operations or financial condition of the Group. If the Group is unable to attract and retain key officers, managers and technical personnel to adequately effect any such acquisitions and integration, the Group's ability to execute its business strategy successfully and to provide quality services to its members could be materially and adversely affected.

The Group depends on key personnel and may not be able to operate and grow its business effectively if it loses the services of key personnel or is unable to attract suitable personnel in the future

The Group's success depends on its key personnel, particularly its executive directors, senior management team and products team, and its ability to retain them and hire other suitable employees. Competition for senior management personnel is intense and the Group may not be able to retain its personnel. The loss of a significant number of key personnel may have a negative effect on the Group's ability to retain its key corporate clients and to deliver its products and services in a timely manner and would, amongst other things require the remaining key personnel to divert immediate and substantial attention to seeking a replacement. In particular, as part of the Group's strategy to grow its digital offering, the Group intends to recruit and retain more IT, web developers, digital development and specialist digital sales and operations staff. The Group's ability to identify, recruit, hire, train, develop and retain suitable and effective personnel depends on numerous factors, including factors which the Group cannot control, such as competition and conditions in the local employment markets in which it operates.

In addition, the Group also operates in a highly competitive market, which is subject to high levels of employee attrition and salary inflation. A shortage of such employees, or the Group's inability to retain such employees, could have an adverse impact on the Group's productivity and costs, its ability to expand, develop and distribute new products and new digital services and its entry into new markets which could materially adversely affect the Group's business, results of operations and financial condition.

Growth and expansion of the Group into new markets may strain the Group's managerial, operational and control systems

Development of the Group and/or establishment of the Group in new markets in the future may raise unanticipated operational or control risks.

Management of growth will require, among other things:

- continued development of financial and management controls and information technology systems and their implementation in newly established or acquired assets;
- integration of business culture and adoption of policies and best practices;
- increased marketing activities; and
- identification, hiring and training of new personnel.

In view of the Group's potential growth strategy, the Directors will need to continue to monitor the Group's operational and financial systems and managerial controls and procedures to keep pace with the Group's growth. The Board will also have to maintain close coordination among the Group's accounting and finance. If the Group fails to achieve and maintain effective internal controls as the business grows, this could harm the Group's business, financial condition and results of operations, and result in the loss of investor confidence in the reliability the Group's financial statements, which in turn could impact share prices.

The Group may fail to maintain its culture, or may be unable to attract train, motivate and retain suitable personnel

Ten believes that the Group has a strong culture and that its culture has helped the Group to attract high quality personnel, maintain a high retention rate of key staff and create a work force that is dedicated to delivering high quality customer service. If the Group fails to maintain its culture, the quality of its services may deteriorate and its brands and customer loyalty may be adversely affected.

The Group is reliant on its staff for the management, operation, development maintenance, repair and upgrading of its business, operations and systems. The Group must regularly train its employees so that they have up to date knowledge of various aspects of the Group's operations and motivate its employees to meet the Group's requirement to provide members with high quality service. If the Group fails to provide adequate training to its employees, or if the Group fails to motivate its employees, this could have a materially adverse effect on the Group's reputation, business, financial condition, results of operations and prospects.

The Group's ability to attract, train, motivate and retain suitable and experienced staff is important for the Group's on going success. The Group may be unable to attract and retain sufficient personnel of the right calibre or may incur significant additional costs to attract and retain personnel, which may have a material adverse effect of the Group's business, financial condition and results of operations.

Although the Group has no history of labour unrest, there can be no assurance that labour disputes or work stoppages will not occur in the future. Any significant disagreements between the Group and its employees could disrupt the Group's operations and increase its operating costs, which could have a material adverse effect of the Group's business, financial condition and results of operations.

The Group may experience technological failure, disruption or interruption

The Group's reliance on technology exposes it to a significant risk in the event that such technology, or the Group's systems, experience damage, computer hacking, interruption or failure in some form. A malfunctioning of the Group's technology and systems, or those of key third party service providers, could result in a loss of members and/or corporate clients and/or revenue during the period of interruption and could diminish confidence in the Group's services, resulting in a consequential material adverse effect on the Group's operations and results.

Events that may heighten the vulnerability of the Group to damage or interruption from events include, but are not limited to, the following:

- fire, flood or natural disasters;
- power loss;
- telecommunication failures;
- software failures;
- hardware failures;
- computer hacking activities;
- failures to the cloud service;
- acts of war or terrorism;
- break-ins;
- sabotage; and/or
- intentional acts of vandalism and fraud by internal employees, contractors, or third-parties.

Commercially important and/or sensitive documents might be stored, and may include documents such as financial records, or compliance records such as statutory financial reports and tax returns or member details (including payment details). An interruption in the availability of the Group's website, software, support site, or telephone systems could create an interruption to the Group's business, create customer complaints and may result in legal action.

The Group's products and the software on which they are based are complex and may contain defects undetected by the Group. Such defects or problems may be discovered in existing, new or enhanced products. Such undetected defects may damage the reputation of the Group, which could result in increase to costs or decrease in revenues.

The Group will be carrying out significant technology upgrade programmes to its Ten Platform in 2017 and 2018 and to Ten MAID in 2018 and others from time to time, and such programmes carry a heightened risk of damage or interruption to or failure of the Group's technology or systems during the period of these upgrades.

The technology upgrade programmes will include both the Ten Platform and Ten MAID being cloud based platforms hosted by third party cloud service providers which may separately be vulnerable to attack.

The Group may face online security breaches and service disruptions due to hacking, viruses, fraud and malicious attack

The Group relies on encryption and authentication technology to provide the security necessary to effect the secure transmission of information from its members, such as payment details. The Group cannot guarantee absolute protection against unauthorised attempts by third parties or its current or former employees to access its IT systems, including malicious third party applications that may interfere with or exploit security flaws in its products and services. Viruses, worms and other malicious software programmes could, amongst other things, jeopardise the security of information stored in a user's computer or in the Group's computer systems or attempt to change the internet experience of users by interfering with the Group's ability to connect with its users. Hackers may also act in a coordinated manner to launch denial of service attacks or other coordinated attacks that may cause the Group's websites or other systems to experience service outages or other interruptions or result in the creation of fraudulent transactions. If any compromise in the Group's security measures were to occur, or if the Group's websites or other systems were to experience service outages or other interruptions, the Group's reputation may be harmed and its business, financial condition and results of operations may be materially adversely affected.

Employee misconduct may result in the loss of corporate client, supplier or member relationships

The Group may be unable to prevent its employees from engaging in misconduct, fraud or other improper activities that could adversely affect the Group's business and reputation. Misconduct may include the failure to comply with the Group's, corporate clients' or suppliers' policies and procedures, as well as with applicable legislation and regulation. The precautions the Group takes to prevent and detect such activity may not be effective, and the Group may be exposed to risks related to and losses caused by actions of its employees. As a result of employee misconduct, the Group may face fines and penalties, reputational damage and loss of corporate client, supplier or member relationships. If the Group's corporate clients, suppliers or members were to cancel or fail to renew their contracts and/or membership as a result of employee misconduct, the Group may experience harm to its reputation and decreases in revenue, which may have a material adverse effect on the Group's business, results of operations and financial condition.

The Group may be unable to innovate to provide functionality that members and/or corporate clients demand and keep up with rapid technological changes, including in the Group's online business offering

Generally, the market in which the Group operates is one which experiences rapid changes in technology use, customer requirements and preferences and the emergence of new industry standards and practices, which have the potential to competitively impair the Group's existing technology and products.

To successfully remain competitive, the Group must ensure continued service improvement, and the development of new markets and capabilities to maintain a pace congruent with changing technology. This commitment may stretch the Group's capital resources which may adversely impact the revenues and profitability of the Group. The Group's success is dependent on its ability to effectively respond and adapt

to technological changes and changes to customer preferences. There can be no assurance that the Group will be able to effectively anticipate future technological changes or changes in customer preferences. There is also no assurance that the Group will have sufficient financial resources to effectively respond in a timely manner if such a change is anticipated.

The Group has made, and intends to continue to make, significant investments in technology, particularly in further developing Ten MAID and the Ten Platform. The success and growth of the Group's business depends to a significant degree upon the development and further expansion of its online business and its ability to continue to adapt to technological changes, evolving industry standards and members' and/or corporate clients' changing needs and preferences in a timely manner.

Continuing to develop the Group's online business is a key component of its overall strategy for growing the business and, if the Group is unable to succeed in realising the potential of its online business, this could have a material adverse effect on its business, results of operations, financial condition and prospects.

The Group's success also depends on its ability to innovate and to provide functionality that makes its online environment user-friendly for members and to continue regularly to adapt its digital products and features. If the Group is unable to continue offering innovative products and, in particular, if the development of new versions of Ten MAID and the Ten Platform is not successful, it may be unable to attract additional members and/or corporate clients or retain its current members and/or corporate clients, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

There can be no assurance that the Group will be successful in maintaining and/or growing its digital business, or that its digital business will be profitable or successful in the future. In particular, there can be no guarantee that Ten's high-touch service members (who are typically served by Ten's Lifestyle Managers) will accept the online digital alternative. If the Group is not successful in developing and expanding its digital business, or in the development of Ten MAID and the Ten Platform, or if increased competition results in increased cost pressures, such failure or revenue reductions could have a material adverse effect on its business, results of operations and financial condition.

Ten is exposed to foreign currency exchange rate fluctuations

A substantial portion of the Group's consolidated revenue is denominated in sterling, US dollars and Swiss Francs, with the remainder of the Group's consolidated revenue denominated in a variety of local currencies in which the Group operates. Since the Group will report its financial results in sterling, fluctuations in rates of exchange between sterling and the non-sterling currencies, particularly US dollars, may have a material adverse effect on the Group's results of operations. The Group does not engage in any currency hedging transactions intended to reduce the effect of fluctuations in foreign currency exchange rates on its results of operations and does not currently propose to do so. If the Group were to determine that it was in its best interests to enter into any currency hedging transactions in the future, there can be no assurance that it will be able to do so or that such transactions, if entered into, would materially reduce the effect of fluctuations in foreign currency exchange rates on its results of operations. In addition, if, for any reason, exchange or price controls or other restrictions on the conversion of one currency into another currency were imposed, the Group's business could be adversely affected. There can be no assurance such fluctuations in the future will not have a material adverse effect on revenues from international sales and, consequently the Group's business, operating results and financial condition.

The Group may be subject to data privacy breaches and any failure to protect confidential information could harm Ten's reputation and expose Ten to litigation or other actions

The Group is subject to a number of laws relating to privacy and data protection, including the UK's Data Protection Act 1988 and the Privacy and Electronic Communications (EC Directive) Regulations 2003, as well as relevant non-EEA data protection and privacy laws. Such laws govern the Group's ability to process, including to collect, use and transfer, personal information relating to its members, as well as personal information relating to its employees.

Despite controls to protect the confidentiality and integrity of customer information, Ten may breach applicable legal restrictions or may be subject to unauthorised third party access including by attack from computer programmes who attempt to penetrate its network security and misappropriate confidential information.

If the Group or any of the third party service providers on which it relies fails to store or transmit information, including payment details, online in a secure manner, or if any unauthorised or unlawful loss, disclosure or destruction of personal data was otherwise to occur, the Group may be subject to sanctions by card merchants, claims from third parties, including in relation to the infringement of privacy rights, and/or investigative or enforcement action (including criminal proceedings and significant pecuniary penalties) by the Information Commissioner's Office in the UK or similar regulatory authorities in other jurisdictions in which Ten operates.

Whilst the Group strives to comply with all applicable laws, regulations, policies and legal obligations relating to privacy and data protection, it is possible that such requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and/or may conflict with other rules or the Group's practices. Any perceived or actual failure to protect confidential data could harm Ten's reputation and credibility, reduce its sales, reduce its ability to attract and retain members or result in litigation or other actions being brought against it or the imposition of fines and, as a result, could have a material adverse effect on its business, results of operations and financial condition.

The Group will become subject to more onerous privacy and data protection legislation, with higher on-going compliance costs

The regulatory framework for privacy and data protection issues worldwide is evolving, and various government and consumer agencies and public advocacy groups have called for new regulation and changes in industry practices. For example, a new EU data protection framework in the form of the General Data Protection Regulation (the "GDPR") will replace the existing EU data protection regime in the United Kingdom and will be directly applicable in all EU Member States including the United Kingdom, without the need for implementing national legislation, from May 2018. The GDPR will place more onerous obligations on data controllers and will regulate data processors. The Group will be required to implement new policies and procedures in order to comply with these obligations.

In particular, the GDPR will broaden the definition of personal data, strengthen the rights of data subjects, increase penalties for non-compliance and continue to restrict the transfer of personal data to countries outside the EU. The GDPR will also limit what would be considered valid consent on behalf of an individual, introduce a "right to be forgotten" (a broadened right by individuals to have their data deleted at their request) and substantially increase the enforcement powers of the European Commission.

It is likely that new laws and regulations will be adopted in other jurisdictions where the Group operates and handles or shares data, including without limitation in the United States. Existing laws and regulations may also be interpreted in new ways that could affect the Group's business. The Group may need to commit significant employee and other resources to ensure compliance with new laws and regulations relating to privacy and data protection and adopt new business practices in a manner which could reduce its revenue or compromise its ability to effectively pursue its growth strategy, which could have a material adverse effect on its business, results of operations and financial condition.

If the Group fails to comply with new privacy and data protection laws when it is required to do so by the GDPR and other applicable laws and regulations, this may result in investigative or enforcement action (including criminal proceedings and significant increased penalties) by the Information Commissioner's Office in the UK or similar regulatory authorities in other jurisdictions in which the Group operates. This in turn could damage its reputation, lead to negative publicity, result in the loss of the goodwill of its existing members and deter new members, all of which would have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is subject to risks relating to the receipt and processing of online payments

Members who place orders online may choose from a range of payment methods, including credit cards and debit cards. The Group pays fees and other charges for the processing of credit and debit card payments, which may increase over time and raise its operating costs and lower its margins. The Group relies on third parties to provide these payment processing services in relation to credit and debit card payments, and if these companies become unwilling or unable to provide these services or increase the costs of providing such services, the Group's operations may be disrupted or become unreliable and its operating costs, including payment processing fees, could increase.

The Group may fail to achieve annual renewal of its PCI DSS level 1 compliance

Ten holds a Payment Card Industry Data Security Standard Level 1 (PCI DSS) accreditation (which is renewed annually) with respect to its adherence with the technical and operational requirements set by the PCI Security Standards Council to protect card holder data. The Payment Card Industry requires compliance from all entities that store, process and/or transmit cardholder data. In addition, many of the Groups corporate client contracts specifically require Ten to hold the PCI DSS accreditation. Failure to renew its PCI DSS accreditation annually could accordingly result in the loss of existing corporate client contracts and member and affect its ability to attract new corporate client and members, which may have a material and adverse effect on the Group's operations and results.

The Group may need to comply with more onerous legislation with respect to the internet and online retail and marketing

The application or modification of existing laws or regulations relating to the internet and online retail and marketing operations more generally, or the adoption of new laws and regulations relating to these matters, could materially and adversely affect the manner in which the Group conducts its business. For example, the growth and development of the market for online retail may lead to more stringent consumer protection laws relating to card payment processing requirements (or otherwise), and this may impose additional burdens on the Group and increase its costs of business, which could have a material and adverse effect on the Company's business, financial condition, results of operations and prospects.

Protection of Intellectual Property

The technology used by the Group includes software and other code and content which has been internally developed and is owned by the Group and software that has been developed by third-parties, to which the Group has either been granted a third party licence or the Group uses an open source licence.

The Group is dependent on proprietary rights in software and other technology which relies on laws governing copyrights, trademarks and confidentiality for its protection. The Group is also dependent on contractual provisions regarding intellectual property ownership and licensing. These laws enable the Group to protect and/or enforce intellectual property rights in software, including the ability to restrict use of software to those who have obtained relevant authorisation. Failure of the Group to effectively restrict the use of software may result in another party copying or obtaining the software for unauthorised use or otherwise infringing the Group's intellectual property.

Some countries where the Group provides its service may not have adequate protection for intellectual property in their legal system, and policing unauthorised use of proprietary information internationally is both complex and costly. The Group may not be able to detect and prevent infringement of its intellectual property.

Whilst it is not uncommon for a company's technology to consist of both owned and licensed code, the Group's continuing right to use certain software is therefore dependent on the Group's relevant licensors to licence the use of that software. Any failure by the Group to comply with the terms of its licences could result in a licence being terminated by the relevant licensor, and the Group would no longer be entitled to continue its use of that software. As an additional consequence, the use outside of the terms of a software licence may provoke legal action for the infringement of the rights of the relevant licensor. The Group may not have adequate measures to ensure that it remains compliant with the terms stipulated in its licence to use that third party software.

The Group regards its copyrights, proprietary technology, domain names, trademarks, customer databases and similar intellectual property as important to its business. The Ten platform and proprietary software underpinning such platform has mostly been developed in-house by employees but has also been developed for the Group by third party contractors. The Group relies on copyright protection as well as written assignment of any intellectual property rights in the Ten Platform and software and confidentiality obligations to protect its rights. However, historically the Group has not always been able to obtain such written confirmation from contractors engaged to provide bespoke software development services. There is therefore a risk that the Group may not be able to clearly establish its intellectual property rights in respect of software developed by third parties or that it may be subject to an infringement claim, and this could adversely affect its business. Notwithstanding the above, the Group considers such software to only represent a small part of its overall Ten platform.

The above issues related to the protection of the Group's intellectual property may adversely impact the Group's operating performance and increase its costs of business, which could have a material and adverse effect on the Company's business, financial condition, results of operations and prospects.

The Group operates in a highly competitive industry and the advent of new technologies and industry practices may adversely affect the Group's business, results of operations and financial condition

The Group's main competitors are other providers of lifestyle and travel concierge services. The sector in which the Group operates is competitive and there can be no certainty that the Group will be able to increase or retain its market position. There can be no guarantee that the Group's current competitors or new entrants to the market, particularly in digital services, will not bring superior technologies, products or services to the market or equivalent products at a lower price which may have an adverse effect on the Group's business. Such companies may also have greater financial and marketing resources than the Group. Even if the Group is able to compete successfully, it may be forced to make changes in one or more of its services in order to respond to changes in members' needs which may impact negatively on the Group's financial performance.

The Group may fail to address the challenges presented by recent trends in social media, consumer adoption and use of mobile devices

In recent years, use of social media websites, such as Facebook and mobile devices including smartphones and tablets, has become increasingly prevalent. The emergence of mobile platforms has led to increasing use by consumers of standalone mobile applications or "apps" to research and book local entertainment activities. In addition, Facebook has launched enhanced search functionality for data included within its website, which may develop into alternative research resources for travellers. In addition, other social media websites may also introduce new dynamics into the competitive landscape. For example, consumers may more easily share reviews with other users of social media websites, which may ultimately be spread among a very large number of actual and potential members.

Due to the instantaneous nature of social media, the Group may have limited ability to control the dissemination of, or respond to, in particular unfavourable customer reviews, which may significantly harm the Group's reputation in the markets in which it operates. The trends in consumer adoption and use of mobile devices (i.e. smartphones and tablets) also create new challenges for the Group's business in terms of developing new platforms and optimising the customer experience across multiple devices. Furthermore, given the device sizes and technical limitations of mobile devices, mobile consumers may not be willing to download multiple apps from multiple content providers, and instead prefer to use one or a limited number of apps for their mobile travel activity. As a result, the consumer experience with mobile apps as well as brand recognition and loyalty are likely to become increasingly important.

The Directors believe that it will be increasingly important for the Group to effectively offer its products through mobile optimised websites on smartphones and tablets and to integrate and streamline the customer experience across the multiple devices that members may use to access the Group's products. As a result, the Group intends to continue to spend significant resources maintaining, developing and enhancing its websites, including its mobile optimised websites and other technology. If the Group is unable to continue to innovate rapidly and create new, user-friendly and differentiated mobile offerings and efficiently and effectively advertise and distribute on these platforms, the Group could lose market share to existing competitors or new entrants, and its future growth and results of operations could be adversely affected.

A breakdown in the relationship with any of Ten's suppliers or any of them failing to supply sufficient or acceptable quality of service could have a material adverse effect on the financial condition of the Group

The Group has supply relationships with service providers for core parts of its global service (including Ticketmaster and Expedia). The loss of such a service provider or a change in supply requirements could have a material adverse effect on the Group's business, results of operations and financial condition.

Service providers may terminate their agreements to supply services to the Group on short notice. If a major service provider or major service providers were to terminate their agreements with the Group, the Group may experience difficulty in finding a suitable replacement supplier to supply it with the relevant services at a suitable price, which could have a material adverse effect on the Group's business and/or operations.

Reduction in quality of service or product or failure to deliver service could have a negative impact on reputation

The Group has a good reputation for the quality of its service. The strength of the Ten brand and the Group's ability to deliver lifestyle and travel concierge services is fundamental to the Group's success in winning new business. The ability of the Group to deliver its service is based on numerous factors such as the availability of labour with the required expertise to deliver first class service, as well as the fulfilment of member requests by the ultimate supplier. If the Group is unable to deliver its service to the satisfaction of the customer or at all, including as a result of supplier failure, it would reflect negatively on the Group. As the Group continues to expand internationally it may become more challenging to ensure a consistent quality of product and service and the risk of delivering a service that is not of a sufficient standard may increase. Any such reduction in standard would be to the detriment of the Ten brand and may affect the Group's ability to generate revenue in the future.

The Group is subject to risks from local customs and practices

The Group is subject to local laws and regulations and local business customs and practices which will increasingly affect the business as it expands into new jurisdictions and markets. The Group's business and any expansion could be adversely affected by the interpretation and enforcement of, and changes in, local laws and regulations as well as the failure to successfully adopt local business customs and practices, which could disadvantage the Group against its local competitors.

Further risks associated with doing business in other countries where the Group operates or may operate in the future, include reduced intellectual property protection, uncertainty in enforcing contracts, challenges in obtaining legal redress, particularly against the state or state-owned entities, implementation of restrictions on imports and bribery and corruption risks, which can lead to reputational damage. Any of the foregoing could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group could become subject to future litigation

From time to time, the Group may be subject, directly or indirectly, to litigation arising out of its operations. Damages claimed under such litigation may be material or may be indeterminate, and the outcome of such litigation may materially impact the Group's business, results of operations or financial condition. While the Group assesses the merits of each lawsuit and defends itself accordingly, it may be required to incur significant expenses or devote significant resources to defending itself against such litigation. In addition, the adverse publicity surrounding such claims could have a material adverse effect on the Group's business, results of operations and financial condition.

Uninsured losses or losses in excess of the Group's insurance coverage could adversely affect the Group's business, results of operations and financial condition

While the Group maintains liability coverage at a level the Directors consider is appropriate against risks commonly insured in its industry, there is no guarantee that it will be able to obtain the desired levels of cover on acceptable terms in the future. Therefore, the Group's operations could suffer losses which may not be fully compensated by insurance. In addition, certain types of risks may be, or may become, either uninsurable, self-insured or not economically insurable or may not be currently or in the future covered by the Group's insurance policies, such as losses due to earthquakes, other natural disasters, riots, acts of war or terrorism. In addition, even if a loss is insured, the Group may be required to pay a significant deductible on any claim for recovery of such loss prior to the insurer being obliged to reimburse the Group for the loss, or the amount of the loss may exceed the Group's coverage for the loss. Any of the foregoing could have a material adverse impact on the Group's business, results of operation and financial condition.

The Group could become subject to adverse economic conditions

Any economic downturn, either globally or locally in any area in which the Group operates, may have an adverse effect on the demand for the Group's services. A more prolonged economic downturn may lead to an overall decline in the volume of the Group's sales, restricting the Group's ability to realise a profit. In particular, the Group conducts a significant proportion of its operations in the United Kingdom and the United States and the trading performance of the Group's business may therefore be adversely affected by a worsening of general economic conditions in the United Kingdom and/or the United States, whether in isolation or as a consequence of economic conditions, or disruptions to European and/or global financial markets. Conditions which result in inflation, high levels of unemployment and low levels of consumer

confidence, and other factors that may be particularly prevalent during periods of economic downturn, affect the disposable income of members as well as their spending habits, which may, in turn, negatively affect sales of the Group's services and its ability to generate revenue in the markets in which the Group operates. Other factors which may affect the spending habits of members include, but are not limited to, acts of terrorism (which could affect the willingness of members to continue existing spending habits and use of free time). To the extent that the current economic environment does not continue to improve, improves at varying rates or improves more slowly than is currently anticipated, the Group's business, results of operations and financial condition may be materially and adversely affected.

The Group's business could be adversely affected by the occurrence of events affecting travel safety, such as natural disasters, terrorism and political and social instability, which are outside its control

The travel industry is sensitive to safety concerns. The Group's business could be adversely affected by the occurrence of travel-related accidents, such as airplane crashes (whether caused by human or technical defaults or otherwise), incidents of actual or threatened terrorism, political instability or conflict or other events whereby travellers become concerned about safety issues, including as a result of unusual weather patterns or natural disasters (such as hurricanes, tsunamis, earthquakes or volcanic ash clouds), potential outbreaks of epidemics or pandemics (such as influenza, H1N1 virus, Avian Flu or Severe Acute Respiratory Syndrome outbreaks) or other human or natural disasters (such as those that may result in exposure to radiation). For example, the volcanic ash cloud over Iceland in April 2010 had a very significant short term adverse effect on the travel industry. In addition, political and social instability in Africa, the Middle East and Europe, such as in Turkey, Libya, Egypt and Syria since late 2010, the ongoing hostilities in Ukraine, the terrorist attacks in London in 2017 and fears that such instability could deepen or spread, could have a material adverse effect on the Group's business, financial performance and results of the Group's operations. Such concerns, or concerns arising from similar events in the future, are outside the Group's control and could result in a significant decrease in demand for the Group's services. Any such decrease in demand, depending on its scope and duration, together with any other issues affecting travel safety, could materially and adversely affect the Group's business and financial performance over the short and long term. The occurrence of such events could result in a decrease in Group members' appetite to travel and adversely affect the Group's business, financial condition and results of operations.

The Group is required to hold certain licenses or accreditations that are critical to its travel business

In some jurisdictions in which the Group operates, it is required to hold various travel agency and other licenses and accreditations and pay certain license fees. Regulatory authorities have a relatively broad discretion whether to grant, renew and revoke licenses and approvals and to implement regulations. Accordingly, regulatory authorities could prevent or temporarily suspend the Group from carrying on some or all of its travel activities or otherwise penalise the Group if its practices are found not to comply with the then current regulatory or licensing requirements or any interpretation of such requirements by the regulatory authority. For instance, in order for the Group to sell air travel (which forms part of its packaged holidays) it must either hold a "Flight Plus" ATOL or be a member of an ATOL accredited body. If the Group failed to retain its ATOL licence, it could deter members from booking their holiday with the Group, as they will not have the peace of mind that their money (including any deposit) is protected by the ATOL scheme and that they can get home if their travel company collapses. This could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

A UK exit from the European Union could impact the Group's results

The determination by the United Kingdom to exit its relationship with the European Union could have an impact on the Company's business, financial condition and results of operations. It is uncertain when such an exit will take place and it is not clear what impact this will have on the conduct of cross-border business. It is also not clear of the impact on the UK economy and on the pound sterling exchange rate in the long term. This could have a material adverse effect on the Group's business and results.

Following the UK voting in favour of leaving the EU in a referendum held on 23 June 2016 ("**Brexit**"), the UK government has notified the EU of Britain's intention to withdraw, triggering two years of negotiations that will end with Brexit in 2019. Brexit could have a significant impact on the Group. The extent of the impact would depend in part on the nature of the arrangements that are put in place between the UK and the EU following Brexit and the extent to which the UK continues to apply laws that are based on EU legislation.

In addition, the macroeconomic effect of Brexit on the Group business and that of its members is unknown and it is possible that it could result in high net worth members leaving jurisdictions in which the Group operates. As such, it is not possible to state the impact that Brexit would have on the Group. It could also potentially make it more difficult for the Group to operate its business in the EU. This could restrict the Group's future prospects and financial condition. In addition, a UK exit from the EU could result in restrictions on the movement of capital and the mobility of personnel and on the ability of the Group to retain and recruit personnel in London. Any of these risks could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group may face certain risks with respect to taxation in various jurisdictions

Any change in the Company's or its subsidiaries tax status or a change in taxation legislation could affect the Company's ability to provide returns to Shareholders. Statements in this document concerning the taxation of investors in Ordinary Shares are based on current tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

The Group's business is subject to complex tax regimes in the jurisdictions in which it currently operates. Changes in taxation rates or laws, or misinterpretation of laws or any failure to manage tax risks adequately could result in increased charges, financial loss, including penalties, and reputational damage, which may have an adverse effect on the Group's business, prospects and financial condition. The Group's tax returns are subject to regular review and examination. The Group cannot guarantee that any tax audit or any tax dispute, to which it may be subject in the future, will result in a favourable outcome for the Group. There is a risk that any such tax dispute could result in additional taxes payable by the Group as well as negative publicity and reputational damage. In any such case, substantial additional tax liabilities and ancillary charges could be imposed on the Group, which could increase the Group's effective tax rate.

The costs of compliance with AIM corporate governance and accounting requirements are significant

In becoming a public company, the Company will be subject to enhanced requirements in relation to disclosure controls and procedures and internal control over financial reporting. The Company may incur significant costs associated with its public company reporting requirements, including costs associated with applicable AIM corporate governance requirements. The Company expects to incur significant legal and financial compliance costs as a result of these rules and regulations and if the Group does not comply with all applicable legal and regulatory requirements, this may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

GENERAL RISKS

General risks of investing in shares traded on AIM

Application has been made for the Ordinary Shares to be admitted to trading on AIM, a market designated primarily for emerging or smaller companies. The AIM Rules are less onerous than those of the Official List and an investment in shares that are traded on AIM is likely to carry a higher risk than an investment in shares listed on the Official List. Further, neither the London Stock Exchange nor the FCA (in its capacity as the UK Listing Authority) has examined or approved the contents of this document. The shares will not be listed on the Official List and although the shares will be traded on AIM, this should not be taken as implying that there will always be a liquid market in the Ordinary Shares.

It may be more difficult for investors to realise their investment on AIM than to realise an investment in a company whose shares are quoted on the Official List. The market for shares in smaller public companies is less liquid than for larger public companies. The share price of publicly traded early stage companies can be highly volatile. The price at which the Ordinary Shares will be traded and the price at which investors may realise these investments will be influenced by a large number of factors, some not specific to the Group and its operations. Furthermore, there is no guarantee that the market price of an Ordinary Share will accurately reflect its underlying value.

AIM has been in existence since 1995 but its future success and liquidity in the market for the Ordinary Shares cannot be guaranteed. Investors should be aware that the value of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore not recover their original investment.

An investment in the Company may not be suitable for all recipients of this document. Accordingly, investors are strongly advised to consult an independent financial adviser authorised for the purposes of FSMA.

The Company may not pay dividends and so investors may not receive any return on their investment

As stated in paragraph 13 (Dividend policy) of Part I, it is not the intention of the Directors to declare and pay any dividends in the near to medium term. The Company currently intends to retain all of its future earnings to finance the growth and development of the Group's business and focus on capital growth for Shareholders. The declaration and payment of dividends (including special dividends) is restricted under English law and a company can only pay cash dividends if it has sufficient distributable reserves available to do so. The Company will not pay dividends to the extent it will not be lawful to do so, and the Directors will determine whether any dividends should be declared or paid in the future based on a variety of factors, including the results of operations, financial condition, cash requirements and future prospects of the Enlarged Group, as well as other factors deemed by Directors to be relevant at the time. Any of the foregoing could limit the payment of dividends to Shareholders or, if the Company does pay dividends, the amount of such dividends.

Future issues of Ordinary Shares may result in dilution of existing shareholders

The Company may decide to issue additional Ordinary Shares in the future in subsequent public offerings or private placements to fund the future funding requirements of the Group and may also issue additional Ordinary Shares in connection with future acquisitions if the Directors consider it appropriate to do so. In the case of pre-emptive offerings, if existing Shareholders do not subscribe for additional Ordinary Shares on a *pro rata* basis in accordance with their existing shareholdings, this will dilute their existing interests in the Company and, in the case of any non-pre-emptive offering, existing interests of Shareholders will be diluted by the issuance of new Ordinary Shares. Furthermore, the issue of additional Ordinary Shares may be on more favourable terms than the Issue Shares. In addition, the issue of additional shares by the Company, or the possibility of such issue, may cause the market price of the Ordinary Shares to decline and may make it more difficult for Shareholders to sell Ordinary Shares at a desirable time or price.

Substantial sales of Ordinary Shares by significant Shareholders could depress the price of the Ordinary Shares

Subsequent sales by key Shareholders of a substantial number of Ordinary Shares may significantly reduce the price of the Ordinary Shares. The Company, the Directors, the Selling Shareholders and certain non-Selling Shareholders have agreed to certain restrictions on their ability to sell, transfer and otherwise deal in their Ordinary Shares from the date of Admission. The Directors have also agreed to comply with certain requirements designed to maintain an orderly market in the Ordinary Shares. Nevertheless, the Group is unable to predict whether substantial amounts of Ordinary Shares will be sold in the open market following the termination of the lock-up and orderly market arrangements. Any sales of substantial amounts of Ordinary Shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the Ordinary Shares.

Share price volatility

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a range of events and factors, such as variations in operating results, announcements of technological innovations or new products and services by the Group or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Group, the general market perception of utility services companies, news reports relating to trends in the Group's markets, legislative changes in the Group's sector and other factors outside of the Group's control. Such events and factors may adversely affect the trading price of the Ordinary Shares, regardless of the performance of the Group. Prospective investors should be aware that the value of the Ordinary Shares could go down as well as up and investors may therefore not recover their original investment especially as the market in the Ordinary Shares may have limited liquidity.

Concentration of ownership

As at the date of Admission the Concert Party Group will be interested in approximately 29.4 per cent. of the Enlarged Share Capital¹. This means that the Concert Party Group has the power to exercise significant influence over all matters requiring Shareholder approval, including the election and removal of the Directors, amendment to the Articles, approval of dividends and share buybacks, compromises and schemes of arrangement and mergers. This could have the effect of preventing the Company from entering into transactions that could be beneficial to it or its other Shareholders.

Forward-looking statements

Historical facts, information gained from historic performance, present facts, circumstances and information and assumptions from all or any of these are not a guide to the future. Statements as to the Group's aims, targets, plans and intentions and any other forward-looking statement referred to or contained herein are no more than that and do not comprise forecasts. Any such forward-looking statements are based on assumptions and estimates and involve risks, uncertainties and other factors which may cause the actual results, outcome, financial condition, performance, achievements or findings of the Group to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements.

¹ Assuming the issue and allotment of 2,410,024 Ordinary Shares to Andrew Long on the day after Admission pursuant to an irrevocable notice of exercise of Options received from Andrew Long.

PART III

ACCOUNTANTS' REPORT AND HISTORICAL FINANCIAL INFORMATION ON THE GROUP



BDO LLP
55 Baker Street
London
W1U 7EU

The Directors
Ten Lifestyle Group Plc
Floor 2
355 Euston Road
London
NW1 3AL

24 November 2017

Jefferies International Limited
Vintners Place
68 Upper Thames Street
London
EC4V 3BJ

Dear Sirs

Ten Lifestyle Group Plc (the “Company”) and its subsidiary undertakings (together, the “Group”)

Introduction

We report on the financial information set out in Part III of the Admission Document (“the Financial Information”). This Financial Information has been prepared for inclusion in the admission document dated 24 November 2017 of Ten Lifestyle Group Plc (the “Admission Document”) on the basis of the accounting policies set out in note 1 to the Financial Information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The directors of the Company are responsible for preparing the Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the Financial Information and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the Financial Information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the Financial Information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Group as at 31 August 2015, 2016 and 2017 and of its results, cash flows and changes in equity for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

BDO LLP
Chartered Accountants

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

Consolidated statement of comprehensive income

		Year ended 31 August 2015 £000	Year ended 31 August 2016 £000	Year ended 31 August 2017 £000
	Notes			
Billings	1	28,929	36,272	48,849
Revenue	1,4	20,384	25,714	34,853
Air ticket cost of sales		(419)	(1,435)	(1,626)
Net revenue	4	19,965	24,279	33,227
Other cost of sales		(962)	(307)	(577)
Gross profit		19,003	23,972	32,650
Administrative expenses		(21,508)	(26,730)	(34,302)
Operating loss	5	(2,505)	(2,758)	(1,652)
Finance income		181	4	8
Finance expense	9	(194)	(254)	(522)
Loss before taxation		(2,518)	(3,008)	(2,166)
Taxation	10	(171)	(300)	532
Loss for the year		(2,689)	(3,308)	(1,634)
Other comprehensive income:				
Foreign currency translation differences		(108)	(284)	14
Total other comprehensive income/(loss) for the year		(108)	(284)	14
Total comprehensive loss for the year		(2,797)	(3,592)	(1,620)
Total comprehensive loss attributable to equity shareholders of the Group		(2,797)	(3,592)	(1,620)
Basic and diluted loss per ordinary share	11	(7.8)p	(7.7)p	(3.4)p

Consolidated statement of financial position

		31 August 2015 £000	31 August 2016 £000	31 August 2017 £000
	Notes			
Non-current assets				
Intangible assets	12	4,199	5,388	6,160
Property, plant and equipment	13	1,884	1,396	918
Total non-current assets		<u>6,083</u>	<u>6,784</u>	<u>7,078</u>
Current assets				
Inventories		50	51	43
Trade and other receivables	15	4,793	5,019	7,123
Cash and cash equivalents	17	1,493	3,574	8,193
Total current assets		<u>6,336</u>	<u>8,644</u>	<u>15,359</u>
Total assets		<u>12,419</u>	<u>15,428</u>	<u>22,437</u>
Current liabilities				
Trade and other payables	18	3,693	5,172	7,336
Obligations under finance leases	21	213	186	74
Borrowings	20	2,002	1,809	1,441
Provisions	19	95	255	346
Total current liabilities		<u>6,003</u>	<u>7,422</u>	<u>9,197</u>
Net current assets		<u>333</u>	<u>1,222</u>	<u>6,162</u>
Non-current liabilities				
Borrowings	20	2,104	1,979	5,993
Deferred tax liabilities	22	190	200	200
Obligations under finance leases	21	187	74	47
Total non-current liabilities		<u>2,481</u>	<u>2,253</u>	<u>6,240</u>
Total liabilities		<u>8,484</u>	<u>9,675</u>	<u>15,437</u>
Net assets		<u>3,935</u>	<u>5,753</u>	<u>7,000</u>

Consolidated statement of financial position

		31 August 2015 £000	31 August 2016 £000	31 August 2017 £000
	Note			
Equity				
Called up share capital	23	5	6	6
Share premium account		2,123	7,532	9,743
Merger relief reserve		1,993	1,993	1,993
Treasury reserve		–	–	(84)
Foreign exchange reserve		(118)	(402)	(388)
Retained deficit		(68)	(3,376)	(4,270)
Total equity		<u>3,935</u>	<u>5,753</u>	<u>7,000</u>

Consolidated statement of changes in equity

	Notes	Share capital £000	Share premium account £000	Merger relief reserve £000	Foreign exchange reserve £000	Treasury reserve £000	Retained deficit £000	Total £000
Balance at 1 September 2014		4	–	1,993	(10)	–	2,621	4,608
Year ended 31 August 2015:								
Loss for the year		–	–	–	–	–	(2,689)	(2,689)
Other comprehensive income		–	–	–	(108)	–	–	(108)
Total comprehensive income for the year		–	–	–	(108)	–	(2,689)	(2,797)
Issue of share capital	23	1	2,123	–	–	–	–	2,124
Balance at 31 August 2015		1	2,123	–	–	–	–	2,124
Balance at 1 September 2015		5	2,123	1,993	(118)	–	(68)	3,935
Year ended 31 August 2016:								
Loss for the year		–	–	–	–	–	(3,308)	(3,308)
Other comprehensive income		–	–	–	(284)	–	–	(284)
Total comprehensive income for the year		–	–	–	(284)	–	(3,308)	(3,592)
Issue of share capital	23	1	5,409	–	–	–	–	5,410
Balance at 31 August 2016		6	7,532	1,993	(402)	–	(3,376)	5,753
Year ended 31 August 2017:								
Loss for the year		–	–	–	–	–	(1,634)	(1,634)
Other comprehensive income		–	–	–	14	–	–	14
Total comprehensive income for the year		–	–	–	14	–	(1,634)	(1,620)
Issue of share capital	23	–	2,211	–	–	–	–	2,211
Shares allocated to EBT		–	–	–	–	(84)	–	(84)
Equity settled share-based payments		–	–	–	–	–	740	740
Balance at 31 August 2017		6	9,743	1,993	(388)	(84)	(4,270)	7,000

Consolidated statement of cash flows

		Year ended 31 August		Year ended 31 August		Year ended 31 August	
		2015	2015	2016	2016	2017	2017
	Note	£000	£000	£000	£000	£000	£000
Cash flows from operating activities							
Cash generated from operations	32		(1,315)		814		1,892
Tax received/(paid)			(33)		(38)		957
Net cash inflow from operating activities			(1,348)		776		2,849
Investing activities							
Purchase of intangible assets		(2,267)		(3,117)		(3,059)	
Purchase of property, plant and equipment		(1,337)		(286)		(379)	
Proceeds on disposal of property, plant and equipment		–		6		2	
Finance income		181		4		8	
Net cash used in investing activities			(3,423)		(3,393)		(3,428)
Financing activities							
Proceeds from issue of shares		2,124		5,410		2,211	
New secured loans received		100		–		–	
Repayment of secured loans		–		(8)		–	
Proceeds from other loans		2,112		–		4,142	
Repayment of other loans		–		(64)		(92)	
Payment of finance leases obligations		–		(140)		(137)	
Interest paid		(141)		(214)		(395)	
New finance leases received		20		–		–	
Finance lease interest paid		(53)		(40)		(48)	
Net cash generated from financing activities			4,162		4,944		5,681
Net increase in cash and cash equivalents			(609)		2,327		5,102
Cash and cash equivalents at beginning of year			1,066		457		2,784
Cash and cash equivalents at end of year			457		2,784		7,886
Cash and cash equivalent at the year-end comprise:							
Cash at bank and in hand			1,493		3,574		8,193
Invoice financing facility			(1,036)		(790)		(307)
Cash and cash equivalents			457		2,784		7,886

Notes to the financial information

1. Accounting policies

Company information

Ten Lifestyle Group plc is a public limited company incorporated in England and Wales. The registered office is Floor 2 355 Euston Road, London, NW1 3AL.

1.1 Accounting convention

The financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to Companies reporting under IFRS (except as otherwise stated).

The financial information has been prepared on the historical cost basis except that the derivative financial instruments are stated at their fair value.

The financial information is prepared in sterling, which is the functional currency of the Company. Monetary amounts in this financial information are rounded to the nearest £000.

The Group applied all standards and interpretations issued by the IASB that were effective as of 1 September 2016. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in this financial information.

1.2 First time adoption of IFRS

The financial information, for the period ended 31 August 2017, was prepared in accordance with IFRS. For periods up to and including the year ended 31 August 2016, the Company prepared its financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP). The transition date to IFRS is 1 September 2015.

1.3 Basis of consolidation

The financial information represents the consolidated financial information of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group Companies are therefore eliminated in full. The results of subsidiary undertakings are included in the consolidated statement of comprehensive income from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

In financial year ended 31 August 2013 Ten Lifestyle Holdings Limited (subsequently renamed Ten Lifestyle Group plc), a Company under common control of the Ten Lifestyle Management Limited shareholders, acquired Ten Lifestyle Management Limited from its shareholders in return for an issue of shares.

As a combination of entities under common control, the transaction falls outside the scope of the standard IFRS3 Business Combinations.

Paragraph 10 of IAS8 Accounting Policies, Changes in Accounting Estimates and Errors requires management to use its judgement in developing and applying a policy that is relevant, reliable, represents faithfully the transaction, reflects the economic substance of the transaction, is neutral, is prudent and is complete in all material respects when selecting the appropriate methodology for consolidation accounting.

1. Accounting policies (continued)

1.3 Basis of consolidation (continued)

In the absence of IFRS guidance, the Group has applied merger accounting in accordance with “FRS102: Section 19 Business Combinations and Goodwill”, as the business combination meets the requirements set out in paragraph 27, namely:

- the use of the merger accounting method is not prohibited by Company law or other relevant legislation;
- the ultimate equity holders remain the same, and the rights of each equity holder, relative to the others, are unchanged; and
- no non-controlling interest in the net assets of the Group is altered by the transfer.

In accordance with merger accounting, consolidated financial information has been prepared for the reconstructed Group as if it had always been in existence. The carrying value of assets and liabilities have not been adjusted to fair value. The difference between the nominal value of the shares issued and the nominal value of the shares received has been recorded in the merger reserve.

The cost of the Company’s shares held by the Employee Benefit Trust (“EBT”) is deducted from the shareholders’ funds in the Group Statement of Financial Position. Any cash received by the EBT on disposal of the shares it holds is also recognised directly in shareholders’ funds. Other assets and liabilities of the EBT are recognised as assets and liabilities of the Group other than when they relate to other Group Companies and are therefore eliminated.

1.4 Going concern

The directors have at the time of approving the Group’s financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The directors have plans and forecasts that show the Group will be able to continue as a going concern for at least a period of 12 months from the date of balance sheet approval regardless of receipts of funds from investor transactions. Thus they continue to adopt the going concern basis of accounting in preparing the financial information.

1.5 Revenue

Billings comprise the gross amounts billed to clients in respect of transactions where the Group is either an agent or a principal in the transaction and is a non GAAP measurement.

Revenue comprises commissions received on agent transactions and fees earned where the Group is the principal. Both billings and revenue are stated exclusive of VAT, sales tax and trade discounts.

Revenue is recognised when the significant risks and rewards of ownership have passed to the buyer, when the goods or services are delivered.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The following specific recognition criteria is applied to each revenue stream:

Service fees and Offers income

Service fees and offers income is recognised over the period to which the fees or offer period relates. Where invoiced in advance, the fees and offer income is deferred and released over the period of the service fee with the balance recorded within deferred income in the statement of financial position.

1. Accounting policies (continued)

1.5 Revenue (continued)

Travel and Experience income

Travel and Experience income is recognised on the date of travel, stay or receiving the experience. Where invoiced in advance, the income is deferred and released on the date of travel, stay or receiving the experience with the balance recorded within deferred income in the statement of financial position.

Membership income

Membership income is recognised over the period to which the membership relates. Where membership income is invoiced in advance, the income is deferred and released over the period of membership with the balance recorded within deferred income in the statement of financial position.

Commission income

Commission income is recognised on receipt from the supplier of the commission statement or notification of usage and commission earned.

Expenses

Direct expenses relating to inclusive tours arranged by the Group's leisure travel providers are taken to the income statement on holiday departure or over the period to which they relate as appropriate. Indirect expenses are recognised in the income statement over the period to which goods and services are received by the Group.

1.6 Intangible assets

Research expenditure is expensed to the income statement in the year in which it is incurred, expenditure on internal projects is capitalised if it can be demonstrated that:

- it is technically and commercially feasible to develop the asset for future economic benefit;
- adequate resources are available to maintain and complete the development;
- is the intention to complete and develop the asset for future economic benefit;
- the Group is able to use the asset;
- use of the asset will generate future economic benefit; and
- expenditure on the development of the asset can be measured reliably.

Other development expenditure is recognised in the income statement as an expense as incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Trademarks	10 per cent. straight line
Capitalised development costs	20 per cent. straight line

Amortisation charges are included within administrative expenses in the Consolidated Statement of Comprehensive Income.

The basis for choosing these useful lives is with reference to the period over which they can continue to generate value for the Group.

The Group reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

1. Accounting policies (continued)

1.7 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis:

Leasehold improvements	Over the term of the lease
Fixtures and fittings	20 per cent. straight line
Office equipment	20 per cent. to 33 per cent. straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.8 Non-current investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.9 Impairment of tangible and intangible assets

At each reporting end date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.10 Financial assets

Financial assets are recognised in the Group and Company's statement of financial position when the Group and Company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

1. Accounting policies (continued)

1.10 Financial assets (continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts and invoice financing facility. Bank overdrafts and invoice financing facility are shown within borrowings in current liabilities.

Derivatives

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss. Derivative financial instruments are recognised at fair value. The Group has an embedded derivative within the convertible loan notes issued in June 2017 (see note 20) which is recorded as a liability within non-current liabilities. The convertible loan notes convert at a 20 per cent. discount to the share price at listing. The financial derivative is valued by calculating the inherent increase in the capital value of the loan notes arising from the application of the 20 per cent. discount to the share price at listing. The resulting valuation is then discounted by management's assessment of the percentage probability of a successful initial public offering. The gain or loss on re-measurement to fair value is recognised immediately in finance expense in profit or loss.

Loans and receivables

Trade receivables and other receivables that have fixed or determinable payments and are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets, other than those at fair value through profit and loss (FVTPL), are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

1.11 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities are stated at fair value with differences taken to the consolidated income statement. This includes the movement on the fair value of the derivative embedded within the convertible loan note.

Interest paid on the financial liability is included in the finance costs line item in the statement of comprehensive income.

Invoice financing

The Group has invoice financing facilities in place over trade receivables arising in the UK. The Group retains the credit risk on these receivables, and presents these receivables gross within the reported current assets and the liability arising from the invoice financing with as borrowings within current liabilities.

1. Accounting policies (continued)

1.11 Financial liabilities (continued)

Trade and other payables

Trade and other payables are not interest bearing and are stated at their fair value on initial recognition. For disclosure purposes, the fair values of trade and other payables are estimated at the present value of future cashflows, discounted at the market rate of interest at the reporting date. As trade and other payables are short term in nature as at the reporting date, the carrying value is considered to be a reasonable approximation of fair value.

Other financial liabilities

Other financial liabilities, including borrowings except the convertible loan notes, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Convertible loan note policy

When convertible loan notes are issued the underlying terms are assessed to determine whether an equity or financial derivative exists within the arrangement. If a financial derivative exists it is identified and recognised in terms of the derivatives accounting policy note. The remaining portion of the convertible loan notes is recognised in accordance with the treatment of borrowings as per the other financial liabilities accounting policy note.

1.12 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Any tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Research and development tax credit

Companies within the Group may be entitled to claim special tax allowances in relation to qualifying research and development expenditure (e.g. R&D tax credits). The Group accounts for such allowances as tax credits, which means that they are recognised when it is probable that the benefit will flow to the Group and that benefit can be reliably measured. R&D tax credits are measured on a cash basis due to the uncertainty over the amount and timing of receipt. R&D tax credits reduce current tax expense and, to the extent the amounts due in respect of them are not settled by the balance sheet date, reduce current tax payable.

1. Accounting policies (continued)

1.13 Taxation (continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to 'other comprehensive income', in which case the deferred tax is also dealt with in 'other comprehensive income'. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the Group obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

A termination benefit liability is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense when employees have rendered the service entitling them to the contributions.

1. Accounting policies (continued)

1.17 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using appropriate pricing models. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The Group scheme, which awards shares in the parent entity, includes recipients who are employees in certain subsidiaries. In the consolidated financial information, the transaction is treated as an equity-settled share-based payment, as the Group has received services in consideration for the Group's equity instruments. An expense is recognised in the Group income statement for the grant date fair value of the share-based payment over the vesting period, with a credit recognised in equity.

1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. All other leases are classified as operating leases.

Rentals payable under operating leases, less any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.19 Foreign Currency

Transactions in foreign currencies are translated at the exchange rate ruling at the date of transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the statement of financial position date. Any gain or loss arising from a change in the exchange rates subsequent to the date of the transaction is included as a gain or loss in the consolidated statement of comprehensive income.

The statements of financial position of the foreign subsidiaries are translated into sterling at the rate ruling the year end. The results of the foreign subsidiaries are translated into sterling at the average rate of exchange during the financial year. Exchange differences which arise from the translation of opening net assets of the foreign subsidiary undertakings at included in the consolidated statement of comprehensive income.

1.20 Descriptions of nature of each component of equity

The components of the Group's equity can be described as follows:

- Share capital – The amount for the nominal value of shares issued, comprising Ordinary and Ordinary C shares.
- Share premium – The amount subscribed for share capital in excess of nominal value.
- Foreign exchange reserve – This reserve relates to exchange differences arising on the translation of the balance sheet of the Group's foreign operations at the closing rate and the translation of the income statement of those operations at the average rate.
- Merger reserve – Under the provisions of s612 of the Companies Act 2006, the merger reserve represents the difference between the consideration paid and the book value of the net assets acquired, as part of a legacy Group reconstruction, detailed in note 1.3.
- Treasury reserve – The reserve relates to shares held in the Group's employee benefit trust scheme.
- Retained deficit – The retained earnings reserve contains the net gains and losses recognised in the Consolidated Income.

2. Adoption of new and revised standards

At the date of authorisation of this financial information, the following standards and interpretations which have not been applied were in issue but not yet effective (and in some cases had not yet been endorsed by the EU):

IFRS 15 – ‘Revenue from contracts with customers’

This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial information about the nature, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and this has the ability to direct the use and obtain the benefits from the good or service.

The standard replaces IAS 18 ‘Revenue’ and IAS 11 ‘Construction contracts’ and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group is assessing the impact of IFRS 15.

IFRS 9 – ‘Financial Instruments’

This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group is assessing the impact of IFRS 9.

In addition to the above, the following IFRS standards, interpretations and amendments have been issued but not yet endorsed by the EU:

IFRS 16 – ‘Leases’

IFRS 16 “Leases” is effective for annual periods beginning on or after 1 January 2019 subject to endorsement by the EU. IFRS 16 provides a single lessee accounting model, requiring lessees to recognise right of use assets and lease liabilities for all applicable leases.

The leasing standard is not expected to have a material impact on net debt, gross assets, profit from operations and interest. The Group await the result of ongoing HMRC consultation to understand the impact on taxes.

A number of other new standards, amendments and interpretations are effective for periods beginning on or after 1 January 2017 and have not been applied in preparing the financial information of the Group.

The impact of these are being assessed by audit committee, with a particular focus on amendments to IAS 7 – ‘Cash Flow Statements’ (effective for annual periods beginning on or after 1 January 2017) and amendments to IFRS 2 – ‘Share-based payments’ (effective for annual periods beginning on or after 1 January 2018).

The directors do not believe they will have a material impact on the Group.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Share based payments

The Company has granted share options to certain employees and directors of the Group. The share options granted become exercisable at varying future dates. If certain conditions are met, following the vesting period, the employee will be eligible to exercise their option at an exercise price determined on the date the share options are granted.

The share based payment charge is recognised in the statement of comprehensive income and is calculated based on the Company's estimate of the number of share options that will eventually vest.

Assumptions regarding the probability of vesting are taken into account when measuring the value of share-based payments for employees, which are required to be accounted for as equity-settled share-based payment transactions pursuant to IFRS 2. The resulting staff costs are recognised pro rata in the statement of comprehensive income to reflect the services rendered as consideration during the vesting period.

Capitalisation of development costs

Development costs are capitalised based on an assessment on whether they meet the criteria laid down in IAS38 for capitalisation. Capitalised development costs are amortised over their useful life. The useful life is based on management estimates of the period that the asset will generate revenue, and is periodically reviewed for appropriateness

Impairment of intangible assets

The carrying amounts of the Group's intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised where the recoverable amount is less than the carrying value of the asset. Any impairment losses are recognised in the income statement. The requirement for impairment is based on management's estimate of the assets value in use which is based on forecast information which may not materialise in full despite it being the best current estimate.

4. Segmental information

The total revenue for the Group has been derived from its principal activity; the provision of concierge services.

The Group has three reportable segments: Europe, the Middle East and Africa ("EMEA"), North and South America ("Americas") and Asia. Each segment is a strategic business unit and includes businesses with similar operating characteristics. They are managed separately in order to Group activities in similar time zones and to reflect the geographical management structure.

The Group's statutory revenue from external customers is generated from commercial relationships entered into by various group companies, which, given the global nature of the group's service delivery model, may not reflect the location where the services are delivered, as reflected in the net revenue segmentation noted above. The group's statutory revenue split by contracting country is as laid out below.

Net revenue is a non GAAP company measure that excludes the direct cost of sales relating to member transactions managed by the Group, such as the cost of airline tickets sold under the group's ATOL licences. Net revenue is the measure of the group's income on which segmental performance is measured.

4. Segmental information (continued)

Adjusted EBITA is a Company specific measure which excludes interest, taxation, amortisation, share-based payment charge and costs relating to the initial public offering ("IPO"), the latter two items being expenses which are considered to be one-off and non-recurring in nature. This is the main measure of performance used by the Company's Chief Executive Officer, who is considered to be the chief operating decision maker. Adjusted EBITA is the principal profit measure for a segment. Adjusted EBITA is a non-GAAP measure.

	2015 £000	2016 £000	2017 £000
Segment revenue			
EMEA	20,311	24,089	31,047
Americas	4	1,493	3,525
Asia	69	132	281
	<u>20,384</u>	<u>25,714</u>	<u>34,853</u>
Segment net revenue			
EMEA	10,943	13,056	17,433
Americas	3,985	6,004	9,757
Asia	5,037	5,219	6,037
	<u>19,965</u>	<u>24,279</u>	<u>33,227</u>
Segment Adjusted EBITA			
EMEA	2,108	1,781	3,933
Americas	(2,030)	(1,703)	(1,520)
Asia	(1,086)	(909)	(718)
	<u>(1,008)</u>	<u>(831)</u>	<u>1,695</u>
Adjusted EBITA	(1,008)	(831)	1,695
Amortisation	(1,497)	(1,927)	(2,287)
Share based payment expense	–	–	(740)
Costs relating to IPO	–	–	(320)
	<u>(2,505)</u>	<u>(2,758)</u>	<u>(1,652)</u>
Operating loss	(2,505)	(2,758)	(1,652)
Finance income	181	4	8
Finance expense	(194)	(254)	(522)
	<u>(2,518)</u>	<u>(3,008)</u>	<u>(2,166)</u>
Loss before taxation	(2,518)	(3,008)	(2,166)

The statement of financial position is not analysed between reporting segment. Management and the chief operating decision-maker consider the Group statement of financial position as a whole.

One customer generated more than 10 per cent. of total revenue during the year ended 31 August 2017. The total revenue received from this customer was £5,352,000 (2016: £2,697,000, 2015 £2,659,000) and is reported in the EMEA segment.

4. Segmental information (continued)

	2015 £000	2016 £000	2017 £000
Revenue			
UK	19,888	21,003	23,049
USA	422	1,327	2,978
Switzerland	–	2,976	7,836
Brazil	–	160	530
Rest of the world	74	248	460
	<u>20,384</u>	<u>25,714</u>	<u>34,853</u>

5. Operating loss

	2015 £000	2016 £000	2017 £000
Operating loss for the year is stated after charging/(crediting):			
Exchange losses/(gains)	7	(1,116)	79
Research and development costs	1,207	1,345	736
Depreciation of property, plant and equipment	716	767	855
Amortisation of intangible assets	1,497	1,928	2,287
Operating lease payments	2,064	2,880	3,242
	<u>2,064</u>	<u>2,880</u>	<u>3,242</u>

6. Auditors' remuneration

	2015 £000	2016 £000	2017 £000
Fees payable to the Group's auditors and associates:			
For audit services			
Audit of the financial statements of the Company	31	40	85
Audit of the financial statements of the Company's subsidiaries	–	–	–
	<u>31</u>	<u>40</u>	<u>85</u>
For other services			
Tax services for the Company	2	2	12
Tax services for the Company's subsidiaries	–	–	–
	<u>2</u>	<u>12</u>	<u>12</u>
	2015 £000	2016 £000	2017 £000
Fees payable to other auditors other than the Group's auditors and associates:			
For audit services			
Audit of the financial statements of the Company	–	–	–
Audit of the financial statements of the Company's subsidiaries	14	17	17
	<u>14</u>	<u>17</u>	<u>17</u>
For other services			
Tax services for the Company	–	–	–
Tax services for the Company's subsidiaries	15	18	18
	<u>15</u>	<u>18</u>	<u>18</u>

7. Employees

The average monthly number of persons (including directors) employed by the Company during the year was:

	2015 Number	2016 Number	2017 Number
Group:			
UK	206	197	195
International	220	295	355
	<u>426</u>	<u>492</u>	<u>550</u>

Their aggregate remuneration comprised:

	2015 £000	2016 £000	2017 £000
Group:			
Wages and salaries	13,574	17,686	20,335
Social security costs	1,177	1,567	2,218
Pension costs	61	184	279
Share-based payments	–	–	740
	<u>14,812</u>	<u>19,437</u>	<u>23,572</u>

8. Directors' remuneration

	2015 £000	2016 £000	2017 £000
Remuneration for qualifying services	601	638	682
Pension contributions to defined contribution schemes	2	2	8
Share-based payments	–	–	116
	<u>603</u>	<u>640</u>	<u>806</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2016: 3, 2015: 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2015 £000	2016 £000	2017 £000
Remuneration for qualifying services	261	268	314
Share-based payments	–	–	15
	<u>–</u>	<u>–</u>	<u>15</u>

9. Finance expense

	2015 £000	2016 £000	2017 £000
Interest on bank overdrafts and loans	–	–	7
Interest on loan notes	141	214	387
Interest on obligations under finance leases	53	40	48
Change in value of financial derivative (see note 20)	–	–	79
Total finance expense	<u>194</u>	<u>254</u>	<u>522</u>

10. Income tax expense

	2015 £000	2016 £000	2017 £000
Current tax			
Foreign taxes	47	290	511
Prior period foreign tax charge	81	–	–
Prior period research and development tax credits	–	–	(1,043)
	<u>128</u>	<u>290</u>	<u>(532)</u>
Deferred tax			
Origination and reversal of temporary differences	<u>43</u>	<u>10</u>	<u>–</u>
Total tax (credit)/charge	<u>171</u>	<u>300</u>	<u>(532)</u>

The charge/(credit) for the year can be reconciled to the loss per the income statement as follows:

	2015 £000	2016 £000	2017 £000
Loss before taxation	<u>(2,518)</u>	<u>(3,008)</u>	<u>(2,166)</u>
Expected tax credit based on a corporation tax rate of 19.58 per cent. (2016: 20 per cent.; 2015: 21 per cent.)	(529)	(602)	(424)
Effect of expenses not deductible in determining taxable profit	39	106	60
Movement in deferred tax not recognised	533	594	330
Adjustment in respect of prior years	81	–	(1,043)
Overseas tax rate differences	33	42	454
Overseas tax due to transfer pricing adjustments	<u>14</u>	<u>160</u>	<u>91</u>
Taxation (credit)/charge for the year	<u>171</u>	<u>300</u>	<u>(532)</u>

The Group has tax losses carried forward at 31 August 2017 of £4,855,715 (£4,033,304 as at 31 August 2016, £1,721,819, as at 31 August 2015).

The Group has a potential deferred tax asset of approximately £400,000 in respect of possible future tax deductions from the exercise of Company share options. No deferred tax asset has been recognised in respect of the losses or the exercise of the share options due to the Company not currently forecasting to generate sufficient taxable profits to realise the asset in the foreseeable future.

Changes in the applicable tax rates

A reduction in the UK corporation tax rate from 20 per cent. to 19 per cent. (effective from 1 April 2017) was substantively enacted on 26 October 2015. An additional reduction to 17 per cent. (effective 1 April 2020) was substantively enacted on 6 September 2016.

11. Earnings per share

On 19 October 2017, the Company re-designated the Ordinary C shares as ordinary shares and made a bonus issue of Ordinary shares on the basis of seven Ordinary shares for each Ordinary share then held.

Basic loss per ordinary share

Basic loss per Ordinary share is calculated by dividing the net result for the period attributable to shareholders by the weighted number of ordinary shares outstanding during the period, as adjusted to reflect the re-designation of Ordinary C shares and the subsequent bonus issue of Ordinary shares which occurred post period end but ahead of the financial information being approved.

	2015 £000	2016 £000	2017 £000
Loss attributable to equity shareholders of the parent	<u>(2,689)</u>	<u>(3,308)</u>	<u>(1,634)</u>
	2015	2016	2017
Weighted average number of ordinary shares in issue	4,283,412	5,365,059	6,086,223
Impact of bonus issue	<u>29,983,890</u>	<u>37,555,410</u>	<u>42,603,557</u>
Adjusted weighted average number of ordinary shares in issue	<u>34,267,302</u>	<u>42,920,469</u>	<u>48,689,780</u>
Basic loss per share (pence)	<u>(7.8)p</u>	<u>(7.7)p</u>	<u>(3.4)p</u>

Diluted loss per ordinary share

Where the Group has incurred a loss in the period, the diluted earnings per share is the same as the basic loss per share as the loss has an anti-dilutive effect. Therefore, basic and diluted loss per share for the years ended 31 August 2015, 31 August 2016 and 31 August 2017 are the same amount.

12. Intangible assets

	<i>Capitalised development costs £000</i>	<i>Trademarks £000</i>	<i>Total £000</i>
Cost			
As at 1 September 2014	10,379	55	10,434
Additions	2,266	–	2,266
As at 31 August 2015	12,645	55	12,700
Additions	3,117	–	3,117
As at 31 August 2016	15,762	55	15,817
Additions	3,059	–	3,059
At 31 August 2017	18,821	55	18,876
Amortisation			
As at 1 September 2014	6,955	49	7,004
Charge for the year	1,491	6	1,497
As at 31 August 2015	8,446	55	8,501
Charge for the year	1,928	–	1,928
As at 31 August 2016	10,374	55	10,429
Charge for the year	2,287	–	2,287
At 31 August 2017	12,661	55	12,716
Carrying amount			
At 1 September 2014	3,424	6	3,430
As at 31 August 2015	4,199	–	4,199
As at 31 August 2016	5,388	–	5,388
At 31 August 2017	6,160	–	6,160

All additions relate to internal expenditure. The useful economic life of the Ten MAID platform, which is the material element of capitalised development costs, is assessed to be 5 years.

13. Property, plant and equipment

	<i>Leasehold improvements £000</i>	<i>Fixtures and fittings £000</i>	<i>Office equipment £000</i>	<i>Total £000</i>
Cost				
As at 1 September 2014	400	276	2,580	3,257
Additions	187	124	1,027	1,337
At 31 August 2015	587	400	3,607	4,594
Additions	–	45	241	286
Disposals	(106)	(133)	(681)	(920)
At 31 August 2016	481	312	3,167	3,960
Additions	–	9	370	379
Disposals	(2)	–	–	(2)
At 31 August 2017	479	321	3,537	4,337
Accumulated depreciation				
As at 1 September 2014	123	132	1,739	1,994
Charge for the year	86	49	581	716
As at 31 August 2015	209	181	2,320	2,710
Charge for the year	60	58	649	767
Eliminations on disposal	(106)	(133)	(674)	(913)
As at 31 August 2016	163	106	2,295	2,564
Charge for the year	102	65	688	855
At 31 August 2017	265	171	2,983	3,419
Carrying amount				
As 1 September 2014	154	268	841	1,263
As at 31 August 2015	378	219	1,287	1,884
As at 31 August 2016	318	206	872	1,396
At 31 August 2017	214	150	554	918

The net carrying value of tangible fixed assets includes £111,640 (2016: £266,640, 2015: £450,239) in respect of assets held under finance leases or hire purchase contracts. All of the assets held under finance leases or hire purchases contracts are included in office equipment. The value of the additions of such assets in the year was £62,000, (2016: £77,000, 2015: £173,999). The depreciation charge in respect of such assets amounted to £217,000 (2016: £128,000, 2015: £197,594) for the year.

The Group's obligations under finance leases are secured by the lessors' title to the leased assets.

14. Subsidiaries

Details of the Company's subsidiaries at 31 August 2017 are as follows:

<i>Name of undertaking</i>	<i>Country of incorporation</i>	<i>Ownership interest (%)</i>	<i>Voting power held (%)</i>	<i>Nature of business</i>
Ten Lifestyle Management Limited*	England and Wales	100	100	Concierge services
Ten Lifestyle Management (Asia) Limited	Hong Kong	100	100	Concierge services
Ten Lifestyle Management USA Inc.	USA	100	100	Concierge services
Ten Lifestyle Management (Canada) ULC	Canada	100	100	Concierge services
Ten Group Singapore PTE Limited	Singapore	100	100	Concierge services
Ten Group Japan K.K.	Japan	100	100	Concierge services
Ten Lifestyle Commercial Consulting (China)	China	100	100	Concierge services
Ten Lifestyle Management Limited S DE RL DE CV	Mexico	100	100	Concierge services
Ten Lifestyle Management Africa (Pty) Limited	South Africa	100	100	Concierge services
Ten Lifestyle Management India Private Limited	India	100	100	Concierge services
Ten Servicos de Concierge do Brasil Limited	Brazil	100	100	Concierge services
Ten Group Belgium BVBA	Belgium	100	100	Concierge services
Ten Group Australia Pty Limited	Australia	100	100	Concierge services
Ten Lifestyle Management Switzerland GmbH	Switzerland	100	100	Concierge services
Ten Latin America Limited	England and Wales	100	100	Dormant
Ten South America Limited	England and Wales	100	100	Dormant
Ten Global Services Limited	England and Wales	100	100	Dormant
Ten Travel Limited	England and Wales	100	100	Dormant
Ten Professional Services Limited	England and Wales	100	100	Dormant
Bailey Medical Support Limited	England and Wales	100	100	Dormant

* Shares held directly by Ten Lifestyle Group plc.

14. Subsidiaries (continued)

The registered offices of the Company's subsidiaries are as follows:

Ten Lifestyle Management Limited	2nd floor, Fitzroy House, 355 Euston Road, London, NW1 3AL, United Kingdom
Ten Lifestyle Management (Asia) Limited	Unit 903, Kinwick Centre, 32 Hollywood Road, Central, Hong Kong
Ten Lifestyle Management USA Inc	10th floor, 33 New Montgomery Street, Suite 1090, San Francisco CA, 94105, USA
Ten Lifestyle Management (Canada) ULC	1200 Bay Street, Suite 202, Toronto, Ontario M5R 2A5, Canada
Ten Group Singapore PTE Limited	Level 10, 55 Market Street, Singapore 048941, Singapore
Ten Group Japan K.K.	7F Sumitomo Sasazuka Taiyo Building, 1-48-3 Sasazuka, Shibuya-ku, Tokyo 151-0073, Japan
Ten Lifestyle Commercial Consulting (China)	Unit 12-06E Mumbai, Floor 12 Platinum Building, 233 Tai Cang Road, Huangpu District, Shanghai, 200020, China
Ten Lifestyle Management S DE RL DE CV	S. de R.L. de C.V., Torre Reforma Latino, Reforma 296, Piso 14, Suite 1400 Colonia Juárez, México D.F., 06600
Ten Lifestyle Management Africa (Pty) Limited	7th Floor, 19 Louis Gradner Street, Foreshore, Cape Town 8001, South Africa
Ten Lifestyle Management India Private Limited	The Ruby, South East Wing, 9th Floor, 29 Senapati Bapat Marg, Dadar(W), Mumbai 400028, Maharashtra, India
Ten Servicos de Concierge do Brasil Limited	Rua Gomes de Carvalho, No 1356, Connjunto 131, Jardim Paulista, CEP 04547-005, Sao Paulo, Brazil
Ten Group Belgium BVBA	Brussels Airport Corporate Village, Leonardo Da Vincilaan, 91935 Zaventem, Belgium
Ten Group Australia Pty Limited	HWT Tower Level 23 Suite 2401, 40 City Road, Melbourne 3006, Australia
Ten Lifestyle Management Switzerland GmbH	Bellerivestrasse 17, 8008 Zürich, Switzerland

The registered office of the dormant subsidiaries incorporated in England and Wales is 2nd floor, Fitzroy House, 355 Euston Road, London, NW1 3AL, United Kingdom.

15. Trade and other receivables

	2015 £000	2016 £000	2017 £000
<i>Group</i>			
Trade and other receivables	3,072	3,009	3,450
Provision for bad and doubtful debts	(784)	(389)	(288)
	<u>2,288</u>	<u>2,620</u>	<u>3,162</u>
Other receivables	225	1,350	1,376
Prepayments and accrued income	2,280	1,049	2,585
	<u>4,793</u>	<u>5,019</u>	<u>7,123</u>

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

The fair value of trade and other receivables above are the same as the carrying value as credit risk has been addressed as part of impairment provisioning and due to the short term nature of the amounts receivable, they are not subject to other ongoing fluctuations in market rates.

16. Trade receivables – credit risk

	2015 £000	2016 £000	2017 £000
Ageing of due and past due but not impaired receivables			
0 – 30 days	1,257	2,289	2,502
30 – 60 days	755	390	817
60 – 90 days	54	29	48
90 – 120 days	38	10	23
120+ days	968	291	60
	<u>3,072</u>	<u>3,009</u>	<u>3,450</u>
Provision for bad and doubtful debts	(784)	(389)	(288)
	<u>2,288</u>	<u>2,620</u>	<u>3,162</u>

Ageing of impaired trade receivables

The Group provides against trade receivables where there are significant doubts as to future recoverability based on prior experience, on assessment of the current economic climate and on the length of time that the receivable has been overdue.

	2015 £000	2016 £000	2017 £000
<i>Movement in the allowances for doubtful debts</i>			
Balance at 1 September	735	784	389
Additional allowance recognised	87	404	148
Amounts written off as uncollectable	(38)	(799)	(249)
Balance at 31 August	<u>784</u>	<u>389</u>	<u>288</u>

The Group has an invoice financing arrangement in place relating to trade receivables due from large corporate clients of Ten Lifestyle Management Limited that are denominated in US\$ and GBP£. The Group retains the credit risk on these receivables, and presents these receivables gross within the reported current assets and the liability arising from the invoice financing with as borrowings within current liabilities. The value of debts over which the invoice financing facility is secured is equal to the amount of cash advanced from the facility.

17. Cash and cash equivalents

	2015 £000	2016 £000	2017 £000
Cash at banks and on hand – unrestricted	1,316	3,278	7,971
Cash at banks and on hand – restricted	177	296	222
Cash and cash equivalents in the statement of financial position	1,493	3,574	8,193
Invoice financing facility	(1,036)	(790)	(307)
Cash and cash equivalents in the statement of cash flows	457	2,784	7,886

Cash at bank earns interest at floating rates based on daily bank deposit rates.

The Group holds cash in a restricted access account in respect of guarantees. These guarantees arise in the ordinary course of business and relate to the Group's travel operations. The guarantees are required under consumer protection schemes in certain markets and are provided by banks, who hold restricted cash to support the guarantee. As such, this guarantee will be required for the long term, unless local regulations are amended.

18. Trade and other payables

	2015 £000	2016 £000	2017 £000
<i>Group</i>			
Trade payables	1,355	514	1,241
Accruals and deferred income	1,309	1,470	4,468
Social security and other taxation	655	1,062	1,272
Other payables	374	2,126	355
	3,693	5,172	7,336

The fair value of trade and other payables are the same as the carrying values.

19. Provisions for liabilities

	2015 £000	2016 £000	2017 £000
Provision	95	255	346
			£000
Movements on provisions:			
At 1 September 2014			81
Additional provisions in the year			14
At 1 September 2015			95
Additional provisions in the year			160
At 1 September 2016			255
Additional provisions in the year			91
			346

The provision related to potential overseas tax liabilities. The provisions will reverse when these tax liabilities are known as overseas tax filings are completed.

20. Borrowings

	2015 £000	2016 £000	2017 £000
Current			
Invoice financing facility (secured)	1,036	790	307
Unsecured loan notes	866	927	1,134
Other loans	100	92	–
	<u>2,002</u>	<u>1,809</u>	<u>1,441</u>
Non-current			
Unsecured loan notes	2,104	1,979	2,843
Convertible loan notes	–	–	2,520
Financial derivative – convertible loan note	–	–	630
	<u>2,104</u>	<u>1,979</u>	<u>5,993</u>

The convertible loan note is convertible in the event of the Company's shares listing on a recognised investment exchange, such as AIM in the UK. As no listing is certain within 12 months of 31 August 2017, the loan is held within non-current borrowings.

The invoice financing facility is secured over the trade receivables balance of Ten Lifestyle Management Limited.

The directors consider that the carrying amount of interest-bearing loans and borrowings approximates to their fair value, except the convertible loan note which is split into borrowings and a financial derivative.

On 28 June 2017, the Group issued £3,150,000 of convertible loan note instruments due on 28 June 2022. Interest is charged at 9 per cent. per annum, with the annual accounting charge using the Company's effective interest rate of 15.74 per cent. The loan notes are convertible into ordinary shares upon a stock exchange listing of the Company's shares. The convertible loan notes automatically convert at a 20 per cent. discount to the share price at listing. The terms of the convertible loan note instrument results in an embedded derivative.

The embedded derivative has been valued by calculating the inherent increase in the capital value of the convertible loan notes (£787,500) arising from the application of the 20 per cent. discount to the share price at listing. The resulting valuation was then discounted by management's assessment of the percentage probability of a successful initial public offering. As at the date of grant of the convertible loan notes, management considered the probability of success to be 70 per cent. and at year-end 80 per cent.

The unsecured loan notes due on 28 June 2022 are reflected in non-current borrowing of £2,520,000 and a financial derivative of £630,000.

<i>Movement in financial derivative:</i>	£000
At 1 September 2014, September 2015, September 2016	–
At inception of unsecured convertible loan notes (during 2017)	551
Change in value of financial derivation recognised in finance expense (note 9)	79
At 31 August 2017	<u>630</u>

Unsecured loan notes of £700,000 were issued in the year ended 31 August 2014 and were repayable on 14 October 2015. These loans are now repayable on demand. Interest is charged at 9 per cent. per annum and is payable quarterly in arrears.

20. Borrowings (continued)

Unsecured loan notes of £2,000,000 were issued over the years ended 31 August 2014 and 31 August 2015. They are repayable at maturity on 25 August 2019. Interest is charged at 9 per cent. per annum and is payable quarterly in arrears.

Unsecured loan notes of £150,000 were issued in the year ended 31 August 2015, which were repayable at maturity on 14 October 2015. These loans are now repayable on demand. Interest is charged at 9 per cent. per annum and is payable quarterly in arrears.

Unsecured loan notes of £1,000,000 were issued during the year ended 31 August 2017 and are repayable on 25 October 2021. Interest is charged at 9 per cent. per annum and is payable quarterly in arrears.

21. Finance lease obligations

	2015 £000	2016 £000	2017 £000
Amounts payable under finance leases:			
Within one year	213	186	74
In two to five years	187	74	47
	<u>400</u>	<u>260</u>	<u>121</u>

The directors have assessed that the present value of the minimum lease payments is not materially different to the carrying value.

The Group's finance leases relate to some of the computer equipment used within its business. Such assets are classified as finance leases when the rental period amounts to the estimated useful economic life of the assets concerned and the Group has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount.

22. Deferred taxation

The movement in the deferred tax liability is shown below.

	<i>Accelerated capital allowances £</i>
Deferred tax movements in current year	
Deferred tax liability at 1 September 2014	147
Charge to profit and loss	43
Deferred tax liability at 1 September 2015	<u>190</u>
Deferred tax movements in prior year	
Charge to profit or loss	10
Deferred tax liability at 31 August 2016	<u>200</u>
Deferred tax movements in current year	
Charge to profit or loss	—
Deferred tax liability at 31 August 2017	<u><u>200</u></u>

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date and therefore these have been measured at 17 per cent. to 19 per cent.

23. Share capital

	2015 £000	2016 £000	2017 £000
Ordinary share capital Issued and fully paid			
5,268,952 Ordinary shares of £0.001 each	4	5	5
1,002,988 Ordinary C shares of £0.001 each	1	1	1
	<u>5</u>	<u>6</u>	<u>6</u>

The Ordinary C shares carry no rights to dividend.

On a return of capital on liquidation or capital reduction, the surplus assets of the Company and other proceeds available are applied in the following manner and order of priority:

- In the event that capital value is less than £14 million, the surplus assets and other proceeds shall be distributed amongst the holders of the ordinary shares in proportion to the number of ordinary shares held by them respectively; or
- In the event that capital value is £14 million or greater, the surplus assets and other proceeds shall be distributed amongst the holders of the Ordinary shares and the Ordinary C shares in proportion to the number of Ordinary shares and Ordinary C shares held by them respectively.

Under the Articles of Association dated 26 June 2016, the Company can allot relevant securities for a period of 5 years from the date of adoption of the Articles up to a maximum nominal issued equity share capital of £100,000.

Own shares held

An employee benefit trust (Ten Group Employee Benefit Trust) was established in February 2012. As at 31 August 2017, the employee benefit trust has subscribed for 34,140 Ordinary shares for total consideration of £83,585. These are treated as Treasury shares and are included in Treasury reserve in the consolidated Statement of Financial Position. The employee benefit trust also has an option to acquire 50,000 Ordinary shares at an exercise price of £7 per share, which is accounted for within the overall share based payment charge calculations for the year, as they are expected to be distributed to the employees of the Group at the trustees' discretion.

During the year ended 31 August 2015, the Company issued 471,944 ordinary shares of £0.001 each for a total consideration of £2,123,748.

During the year ended 31 August 2016, the Company issued 1,187,819 Ordinary shares of £0.001 each for a total consideration of £5,409,686.

During the year ended 31 August 2017, the Company issued 421,684 Ordinary shares of £0.001 each for a total consideration of £2,211,000. Please see Note 29 for details of equity events after the reporting date.

24. Share option schemes

The Company operates two share option schemes for directors and senior managers, a UK tax authority approved Enterprise Management Incentive (EMI) share option plan and one unapproved share option plan. With the exception of the options granted in January 2013 and October 2015 the holder must have been in continued employment of the Company for option to vest.

The directors have assessed that the fair value of the options granted in January 2013 is not material and therefore no charges are recorded in the income statement.

24. Share option schemes (continued)

Options granted in October 2015 were issued to a shareholder as part of a funding round. They are therefore not within the scope of IFRS2 and instead are within scope of IAS39. The directors have assessed that the fair value of this financial instrument is not material and therefore it is not recognised in the financial information.

All options unexercised after a period of ten years from the date of grant expire. All options only vest on an exit event, such as a sale or Initial Public Offering.

There are no cash settlement alternatives for all options.

Options are exercisable at a range of between £0.71 per share and £7 per share.

The weighted average remaining contractual life of the share options outstanding at 31 August 2017 is 7.3 years.

	<i>Number</i>	<i>Weighted average exercise price (£)</i>
At 1 September 2014	1,128,425	3.33
Forfeited in year	(3,374)	3.31
Outstanding at 31 August 2015	1,125,051	3.33
Granted in year	331,736	4.50
Forfeited in year	(8,009)	3.31
Outstanding at 31 August 2016	1,448,778	3.40
Granted in the year	711,305	6.64
Exercised in the year	–	–
Forfeited in the year	(43,141)	3.98
Number of options outstanding at 31 August 2017	2,116,942	4.58
Number of options vested that will become exercisable on listing	1,740,773	4.40

24. Share options (continued)

	<i>Number</i> 2015	<i>Number</i> 2016	<i>Number</i> 2017	<i>Exercise</i> <i>Price (£)</i>
January 2013 to January 2023	15,000	15,000	15,000	0.71
January 2013 to January 2023	327,500	327,500	327,500	1.79
January 2013 to January 2023	250,884	250,884	250,884	4.29
January 2013 to January 2023	62,795	62,795	62,795	4.64
January 2013 to January 2023	76,127	76,127	76,127	5.00
December 2015 to December 2025	–	5,000	5,000	4.50
January 2013 to January 2023	313,855	307,202	288,456	3.31
January 2013 to January 2023	45,000	45,000	45,000	5.08
May 2014 to January 2023	33,890	33,890	33,890	3.31
December 2015 to December 2025	–	325,380	312,291	4.50
August 2017 to August 2027	–	–	230,000	6.00
August 2017 to June 2018	–	–	470,000	7.00
	<u>1,125,051</u>	<u>1,448,778</u>	<u>2,116,943</u>	

The grant dates noted in the table above reflect the month of which the options were awarded.

For the share options granted during the year, the weighted average fair value of the options is £1.20.

The fair value of the outstanding options was measured using the Black-Scholes options valuation model. The inputs to that model in respect of the share options were as follows:

Year ended 31 August 2015, 2016 and 2017

Weighted average share price	£3.31	£3.31	£3.31	£4.50
Weighted average exercise price	£3.31	£3.31	£5.08	£4.50
Expected volatility	72%	58%	72%	72%
Weighted average risk free rate	1.00%	1.56%	1.02%	1.20%
Expected dividend yield	0	0	0	0
Weighted average option life (years)	5	4	5	5
Weighted average fair value at date of grant	£1.94	£1.52	£1.64	£2.65
Weighted average share price	£5.00	£6.00	£6.00	£6.00
Weighted average exercise price	£4.50	£4.50	£6.00	£7.00
Expected volatility	58%	42%	72%	21%
Weighted average risk free rate	0.51%	0.21%	0.44%	0.14%
Expected dividend yield	0.00	0.00	0.00	0.00
Weighted average option life (years)	4	3	5	–
Weighted average fair value at date of grant	£2.38	£2.36	£3.49	£0.05

The share volatility fluctuated for the different share option schemes due to different periods that apply to each of the schemes in existence.

The risk free rate is based on the average Bank of England base rate in the period.

Expected share price volatility is based on similar listed entities and varies due to the different periods that apply to each of the schemes in existence.

The total expense recognised for the year ended 31 August 2017 arising from equity-settled share-based payment transactions amounted to £740,000 (2016: £Nil, 2015: £Nil). Until the year ended 31 August 2017, it was not probable that an exit event would occur; hence no share-based payment expense was recognised for the options in previous years.

25. Operating lease commitments

Lessee

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements are as follows:

	2015 £000	2016 £000	2017 £000
Operating lease rental	<u>2,064</u>	<u>2,718</u>	<u>3,113</u>

The Group operates from various leased properties around the world. The terms of property leases vary location to location.

At the reporting end date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015 £000	2016 £000	2017 £000
Within one year	555	1,091	2,663
Between two and five years	<u>1,077</u>	<u>1,235</u>	<u>2,099</u>
	<u>1,632</u>	<u>2,326</u>	<u>4,762</u>

26. Capital commitments

At 31 August 2017 the Group had no capital commitments (2016: £Nil, 2015: £Nil).

27. Financial instruments and financial risk management

Financial instruments

The Group's principal financial liabilities comprise trade and other payables and borrowings. The primary purpose of these financial liabilities is to finance the operations. The Group has trade and other receivables and cash that derive directly from its operations.

	2015 £000	2016 £000	2017 £000
<i>Financial assets</i>			
Cash at bank and in hand – unrestricted	1,316	3,278	7,971
Cash at bank and in hand – restricted	177	296	222
Trade and other receivables	<u>2,513</u>	<u>3,970</u>	<u>4,538</u>

The directors consider that the carrying amount of all financial assets approximates to their fair value.

	2015 £000	2016 £000	2017 £000
<i>Financial liabilities</i>			
Trade and other payables	2,092	3,259	3,026
Invoice financing liability	1,036	790	307
Loan notes	2,970	2,905	3,976
Convertible loan notes	–	–	2,520
Other loans	100	92	–
Finance lease obligations	400	260	121
Financial derivative	<u>–</u>	<u>–</u>	<u>630</u>

The directors consider that the carrying amount for all financial liabilities approximates to their fair value.

27. Financial instruments and financial risk management (continued)

Financial instruments

The Company has limited financial liabilities as its primary purpose is to hold investments in other Group Companies. The Company's receivables largely relate to its funding of the operations of the Group.

	2015	2016	2017
	£000	£000	£000
<i>Financial assets</i>			
Cash at bank and in hand – unrestricted	18	86	2,737
Loan to other group companies	2,345	7,982	7,531
Trade and other receivables	–	11	12

The directors consider that the carrying amount of all financial assets approximates to their fair value.

	2015	2016	2017
	£000	£000	£000
<i>Financial liabilities</i>			
Trade and other payables	3	3	3

The directors consider that the carrying amount for all financial liabilities approximates to their fair value.

Financial risk management

The Company is exposed to market risk, which includes interest rate risk and currency risk, credit risk and liquidity risk. The senior management oversees the management of these risks and ensure that the financial risk taken is governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk appetite.

The board of directors review and agree the policies for managing each of these risks, which are summarised below:

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Foreign currency risk management

The Group is exposed to transactional and translation exchange risk. Transactional foreign exchange risk arises from sales or purchases by a group Company in a currency other than that Company's functional currency. Translation foreign exchange risk arises on the translation of profits earned in Euros, US Dollar, Swiss Francs and Japanese Yen to Sterling and the translation of Net Assets denominated in Euros, US Dollar, Swiss Francs and Japanese Yen into Sterling, the Group's functional currency.

Each of the Companies in the Group trades almost exclusively in its functional currency, minimising transactional foreign exchange risk.

27 Financial instruments and financial risk management (continued)

	<i>EUR 1</i>	<i>USD 1</i>	<i>CHF 1</i>	<i>JPY 1</i>
Year ended 31 August 2015				
Average rate	1.3396	1,5464	1.4801	182.5800
Year-end spot rate	<u>1.4016</u>	<u>1.5590</u>	<u>1.5090</u>	<u>192.1700</u>
Year ended 31 August 2016				
Average rate	1.2991	1.4433	1.4174	163.9251
Year-end spot rate	<u>1.1684</u>	<u>1.309</u>	<u>1.2716</u>	<u>132.407</u>
Year ended 31 August 2017				
Average rate	1.1531	1.2654	1.2518	139.9408
Year-end spot rate	<u>1.0978</u>	<u>1.2968</u>	<u>1.2516</u>	<u>142.3729</u>

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 5 per cent. increase or decrease in Great British Pounds against the relevant foreign currencies which the directors believe could have the most significant impact on the performance of the Group. 5 per cent. is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

For a 5 per cent. weakening of GBP against the relevant currency there would be a comparable impact on the profit and other equity, and the balances below would be negative.

	<i>Profit or loss</i>			<i>Other equity</i>		
	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Euros	16	(14)	(25)	16	(14)	(25)
US Dollar	(206)	(320)	(553)	(206)	(320)	(553)
Swiss Francs	9	(28)	(218)	9	(28)	(218)
Japanese Yen	(49)	(121)	(184)	(49)	(121)	(184)
	<u>230</u>	<u>(483)</u>	<u>(980)</u>	<u>(230)</u>	<u>(483)</u>	<u>(980)</u>

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group accepts the risk of losing interest on deposits due to interest rate reductions. Any interest is charged on outstanding loan notes is at fixed rates.

The directors do not believe the interest rate risk to be material and therefore no sensitivity analysis has been prepared.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including cash deposits with banks and financial institutions.

Trade receivables

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding receivables are regularly monitored and discussed at executive management and board level.

27. Financial instruments and financial risk management (continued)

The requirement for impairment is analysed at each reporting date. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed above. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low as receivables are principally with large financial institutions.

Financial instruments and cash deposits

Credit risk from cash balances with banks and financial institutions is managed in accordance with the Company's policy. Credit risk with respect to cash is managed by carefully selecting the institutions with which cash is deposited.

Liquidity risk

The Group is cash-generative and the funds generated by operating activities are managed to fund short-term working capital requirements. The board carefully monitors the levels of cash and is comfortable that it has sufficient cash for normal operating requirements. The Group has no committed lines of credit, with the exception of the invoice financing facility.

The following table details the Group's remaining contractual maturity for its financial liabilities based on undiscounted contractual payments:

	<i>Within 1 year</i>	<i>1 to 2 years</i>	<i>2 to 5 years</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
31 August 2015				
Trade and other payables	2,092	–	–	2,092
Invoice financing facility	1,036	–	–	1,036
Loan notes	866	2,104	–	2,970
Other loans	100	–	–	100
Finance lease obligations	213	187	–	400
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 August 2016				
Trade and other payables	3,259	–	–	3,259
Invoice financing facility	790	–	–	790
Loan notes	926	1,979	–	2,905
Other loans	92	–	–	92
Finance lease obligations	186	74	–	260
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 August 2017				
Trade and other payables	3,026	–	–	3,026
Invoice financing liability	307	–	–	307
Loan notes	1,134	1,842	1,000	3,976
Convertible loan notes	–	–	3,150	–
Finance lease obligations	74	47	–	121
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

*The financial derivative may not require cash payment if converted to equity in the event of a listing. See Note 20. The full loan that would be repayable if a listing does not occur has been reflected above.

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while also maximising the operating potential of the business. The capital structure of the Group consists of interest-bearing loans and borrowings, cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings as disclosed in the Consolidated Statement of Changes in Equity. The Group is not subject to externally imposed capital requirements.

28. Financial instruments carried at fair value

Financial instruments carried at fair value are measured by reference to the following fair value hierarchy:

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Derivative financial instruments are carried at fair value and measured under level 3 valuation method. The fair value charge to profit or loss on the convertible loan note for the year ended 31 August 2017 is £79,780.

Details of the basis of the fair value measurement of derivative financial instruments are included in note 20.

29. Events after the reporting date

On 19 October 2017, a resolution was passed to re-designate 1,002,988 Ordinary C shares into Ordinary shares of £0.001. On the same date, a resolution was passed to approve the allotment of 44,209,249 Ordinary shares of £0.001 each by way of a bonus issue, to existing shareholders, from share premium.

On 19 October 2017, a special resolution was passed to approve the cancellation of the balance of the share premium account of the Company after the issue of the bonus shares, and for this balance to be credited to the retained earnings reserve.

30. Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including directors, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures. Key Management personnel comprise the directors of the Company, and senior staff with management responsibilities across the entire Group.

	2015 £000	2016 £000	2017 £000
Short-term employee benefits	1,001	1,053	1,214
Post-employment benefits	6	6	13
Share-based payments	—	—	494
	<u>1,007</u>	<u>1,059</u>	<u>1,721</u>

Related party transactions

At 31 August 2017 a relative of the director of the Company held loan notes issued by the Group of £900,000 (2016: £900,000, 2015: £900,000), which is due for repayment in August 2019. The loan notes are unsecured, and interest is charged at 9 per cent. per annum. Interest charged during the year totalled £81,000 (2016: £81,000, 2015: £12,871). Of the accrued £81,000, £20,000 is outstanding and is payable to the relative of a director as at 31 August 2017.

At 31 August 2017 a director of the Company held loan notes issued by the Group of £500,000 (2016: £500,000) which is due for repayment in August 2019. The loan notes are unsecured, and interest is charged at 9 per cent. per annum. Interest charged during the year totalled £45,000 (2016: £45,000, 2015: £20,490). Of the accrued £45,000, £11,000 is outstanding and is payable to a director as at 31 August 2017.

At 31 August 2017 a director was owed £27,198 (2016: £27,198, 2015: £27,198) by the Group. This amount is repayable on demand. No interest is chargeable on the amount.

31. Controlling party

In the opinion of the directors, there is no one ultimate controlling party.

32. Cash generated from operations

Group

	2015 £000	2016 £000	2017 £000
Loss for the year after tax	(2,689)	(3,308)	(1,634)
Adjustments for:			
Taxation (credited)/charged	171	300	(532)
Finance expense	194	254	522
Investment income	(181)	(4)	(8)
Amortisation and impairment of intangible assets	1,497	1,928	2,287
Depreciation and impairment of property, plant and equipment	716	767	855
Equity settled share based payment expense	–	–	740
Change in value of derivatives	–	–	79
Movements in working capital:			
Decrease/(increase) in inventories	(45)	(1)	8
(Increase) in trade and other receivables	(1,455)	(226)	(2,104)
Increase in trade and other payables	477	1,104	1,679
Cash (used in)/generated from operations	<u>(1,315)</u>	<u>814</u>	<u>1,892</u>

PART IV

TERMS AND CONDITIONS OF THE PLACING

IMPORTANT INFORMATION ON THE PLACING FOR INVITED PLACEES ONLY

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THESE TERMS AND CONDITIONS ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE QUALIFIED INVESTORS AS DEFINED IN SECTION 86(7) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED (“QUALIFIED INVESTORS”), BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE EU PROSPECTUS DIRECTIVE (WHICH MEANS DIRECTIVE 2003/71/EC AND INCLUDES ANY RELEVANT IMPLEMENTING DIRECTIVE MEASURE IN ANY MEMBER STATE) (THE “PROSPECTUS DIRECTIVE”); (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE PERSONS WHO (I) FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE “ORDER”); (II) FALL WITHIN ARTICLE 49(2)(A) TO (D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC) OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “RELEVANT PERSONS”). THESE TERMS AND CONDITIONS MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THESE TERMS AND CONDITIONS RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

1. Introduction

Each person that is invited to and which confirms its agreement (whether orally or in writing) to Jefferies to subscribe for Placing Shares under the Placing (the “**Placee**”) will be bound by these terms and conditions and will be deemed to have accepted them.

Jefferies may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it may, in its absolute discretion, see fit and/or may require such Placee to execute a separate placing letter.

Upon being notified by Jefferies of the Placing Price and its allocation of Placing Shares in the Placing, each Placee shall be contractually committed to acquire the number of Placing Shares allocated to them at the Placing Price. Dealings in Placing Shares may not begin before any notification is made.

2. The Placing

Jefferies has, pursuant to the Placing Agreement, conditionally agreed, as agent for the Company and the Selling Shareholders, to use its reasonable endeavours to procure placees for 13,432,836 New Shares and 10,589,752 Sale Shares at the Placing Price. The Placing Shares will be placed with institutional investors invited to participate in the Placing by Jefferies.

The New Shares will represent approximately 17.2 per cent. of the Enlarged Share Capital and the Sale Shares will represent approximately 13.5 per cent. of the Enlarged Share Capital. Overall, the Placing Shares will represent approximately 30.7 per cent. of the Enlarged Share Capital.

The Placing is conditional upon, *inter alia*, Admission becoming effective by not later than 8.00 a.m. on 29 November 2017 (or such date as the Company and Jefferies may agree being not later than 15 December 2017). The Placing Shares will be issued as fully paid and will, upon issue, rank *pari passu* with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on or in respect of such shares after their date of issue, being the date of Admission.

Following Admission, the Directors will hold in aggregate 15,916,035 Ordinary Shares, representing approximately 20.3 per cent. of the Enlarged Share Capital, as referred to in paragraph 7.1 of Part V (Additional Information) of this document. Following Admission, certain other significant Shareholders will each hold three per cent. or more of the Enlarged Share Capital, as referred to in paragraph 7.2 of Part V

(Additional Information) of this document. There will be a total of 78,240,025 Ordinary Shares (including the New Shares) and 4,533,880 Options in issue on Admission.

Following the exercise of Andrew Long's Options on the day after Admission, the Directors will hold in aggregate 18,326,059 Ordinary Shares, representing approximately 22.7 per cent. of the issued share capital (as enlarged by the issue and allotment of a further 2,410,024 Ordinary Shares to Andrew Long pursuant to the exercise of his Options).

The existing aggregate shareholdings of Shareholders prior to the Placing of New Shares and Admission will be diluted to 69.3 per cent. of the Enlarged Share Capital, 70.2 per cent. of the issued share capital following the exercise of Andrew Long's options on the day after Admission and 71.0 per cent. on a fully diluted basis (assuming all Options are exercised in full).

Further details, terms and conditions of the Placing are set out in paragraphs 3 to 6 (inclusive) of this Part IV.

Further details of the Placing Agreement are set out in paragraph 16 of Part V (Additional Information) of this document.

3. Agreement to Acquire Placing Shares

Conditional on: (i) Admission occurring and becoming effective not later than 8.00 a.m. on 29 November 2017 (or such later time and/or date as the Company and Jefferies may agree in writing, not being later than 8.00 a.m. on 15 December 2017); (ii) the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms on or before Admission; and (iii) Jefferies confirming to the Placees their allocation of Placing Shares at the Placing Price, a Placee agrees to become a member of the Company and agrees to subscribe for or purchase those Placing Shares allocated to it by Jefferies at the Placing Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission or terminate or otherwise withdraw its commitment to acquire its allocation of Placing Shares at any time. This does not affect any other rights the Placee may have.

4. Payment for Placing Shares

Each Placee must pay the Placing Price for the Placing Shares allocated to the Placee in the manner and by the time directed by Jefferies as notified to it by Jefferies. In the event of any failure by any Placee to pay as so directed and/or by the time required by Jefferies, the relevant Placee shall be deemed hereby to have appointed Jefferies or any nominee of Jefferies as its agent to use its reasonable endeavours to sell (in one or more transactions) any or all of the Placing Shares in respect of which payment shall not have been made as directed by Jefferies and to indemnify Jefferies and its affiliates on demand in respect of any liability for stamp duty and/or stamp duty reserve tax or any other liability whatsoever arising in respect of any such sale or sales. A sale of all or any of such Placing Shares shall not release the relevant Placee from the obligation to make such payment for Placing Shares to the extent that Jefferies or its nominee has failed to sell such Placing Shares at a consideration which after deduction of the expenses of such sale and payment of stamp duty and/or stamp duty reserve tax as aforementioned, is equal to or exceeds the Placing Price per Placing Share.

5. Placing Arrangements

The Company, the Directors and Jefferies have entered into the Placing Agreement pursuant to which, on the terms and subject to certain conditions contained therein (which are customary in agreements of this nature), Jefferies has agreed, as agent for the Company and the Selling Shareholders, to use its reasonable endeavours to procure Placees for the Placing Shares at the Placing Price, failing which Jefferies will subscribe for or purchase, as the case may be, and pay for such Placing Shares at the Placing Price. Each of the Selling Shareholders has entered into a separate Deed Poll of Election in connection with the arrangements for the sale of their respective Sale Shares.

Further details of the terms of the Placing Agreement and the Deed Polls of Election are set out in paragraph 16 of Part V (Additional Information) of this document.

6. Lock-Up Arrangements

Pursuant to the Placing Agreement and/or the Deed Polls of Election, the Company, the Directors, the Selling Shareholders and certain non-Selling Shareholders have each undertaken, subject to customary exceptions, that they will be subject to certain lock-up arrangements with respect to the Ordinary Shares and related securities. Each of the Company, the relevant Shareholders and the Directors has given certain customary representations, warranties and undertakings to Jefferies in respect of the lock-up arrangements.

Further details of the terms of the lock-up arrangements are set out in paragraphs 8 and 16 of Part V (Additional Information) of this document.

7. Admission, Settlement and Dealings

Application has been made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that dealings in the Ordinary Shares on AIM will commence on a conditional basis at 8.00 a.m. on 24 November 2017. The earliest date for settlement of such dealings will be 29 November 2017. It is expected that Admission will become effective and that unconditional dealings in the Ordinary Shares on AIM will commence at 8.00 a.m. on 29 November 2017. Settlement of dealings from that date will be on a three-day rolling basis. All dealings in Ordinary Shares prior to the commencement of unconditional dealings will be on a “when issued basis”, will be of no effect if Admission does not take place, and will be at the sole risk of the parties concerned. The above-mentioned dates and times may be changed without further notice.

The Ordinary Shares will be in registered form and will be capable of being held in either certificated or uncertificated form (i.e. in CREST).

8. CREST

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations.

The Placing Shares will be eligible for CREST settlement. Accordingly, following Admission, settlement of transactions in the Placing Shares may take place within the CREST system if a Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so.

For more information concerning CREST, Shareholders should contact their stockbroker or Euroclear UK & Ireland Limited at 33 Cannon Street, London EC4M 5SB or by telephone on +44 (0) 20 7849 0000.

9. Selling and Transfer Restrictions

- 9.1 The distribution of this document and the offer of the Placing Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any restrictions, including those set out in paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.
- 9.2 No action has been or will be taken in any jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this document or any other offering material in any country or jurisdiction which action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except in circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this document comes should inform themselves about and observe any restrictions on the distribution of this document and the offer of the Ordinary Shares contained in this document. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to subscribe for any of the Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

European Economic Area

9.3 In relation to each Relevant Member State no Placing Shares have been offered or will be offered pursuant to the Placing in that Relevant Member State, except that offers of Placing Shares may be made to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- (b) to fewer than 100, or if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of Jefferies for any such offer; or

in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Placing Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State and each person who initially acquires any Placing Shares or to whom any offer is made under the Placing will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of the law in that relevant member state implementing Article 2(1)(e) of the Prospectus Directive.

9.4 For the purpose of the expression an “offer of any shares to the public” in relation to any Placing Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Placing Shares to be offered, so as to enable a placee to decide to acquire any Placing Shares, as the same may be varied for that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

9.5 In the case of any Placing Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed to the Company and Jefferies that the Placing Shares acquired by it in the Placing have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of Jefferies has been obtained to each such proposed offer or resale. The Company and Jefferies and their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

9.6 Notwithstanding the above, a person who is not a qualified investor and who has notified Jefferies of such fact in writing may, with the prior consent of Jefferies and the Company, be permitted to acquire or subscribe for Placing Shares in the Placing.

10. Representations and Warranties

By agreeing to subscribe for Placing Shares, each Placee who confirms their agreement to subscribe for Placing Shares will (for itself and for any person(s) procured by it to subscribe for Placing Shares and any nominee(s) for any such person(s)) be deemed to irrevocably agree, undertake, represent, warrant and acknowledge to each of the Company and Jefferies that:

- 10.1 the exercise by Jefferies of any rights or discretion under the Placing Agreement shall be within the absolute discretion of Jefferies and Jefferies need not have any reference to a Placee and shall have no liability to a Placee whatsoever in connection with any decision to exercise or not to exercise any such right. Each Placee agrees that it has no rights against Jefferies, the Company and any of their respective directors and employees under the Placing Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999;
- 10.2 it acknowledges that none of Jefferies, its affiliates, nor any of their respective directors, officers, agents or employees nor any person acting on its or their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing and participation in the Placing is on the basis that

it is not and will not be a client of Jefferies nor any of its affiliates and that Jefferies, and any of its affiliates, do not have any duties or responsibilities to it for providing protection afforded to their respective clients or for providing advice in relation to the Placing nor, if applicable, in respect of any representations, warranties, undertaking or indemnities otherwise required to be given by it in connection with its application under the Placing;

- 10.3 in agreeing to subscribe for Placing Shares under the Placing, it is relying solely on this document and any supplementary admission document issued by the Company in accordance with the AIM Rules for Companies and not on any other information given, or representation or statement made at any time (including, without limitation, the roadshow presentation prepared by the Company or research by any party containing information about the Company), by any person concerning the Company, the Placing Shares, the Placing or Admission. It agrees that none of the Company, Jefferies nor any of their affiliates, nor any of their respective directors, officers, agents or employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information, representation or statements;
- 10.4 it acknowledges that the content of this document is exclusively the responsibility of the Company and the Directors and none of Jefferies, its affiliates, nor any of their respective directors, officers, agents or employees nor any person acting on its or their behalf nor any of its affiliates is responsible for, or shall have any liability for, any information, representation or statement contained in this document or any information published by or on behalf of the Company, or will be liable for any decision by a Placee based on any information, representation or statement contained in the document or any other document issued by the Company in connection with the Company, the Placing Shares, the Placing or Admission;
- 10.5 it has not relied on Jefferies or any person affiliated with Jefferies in connection with any investigation of the accuracy of any information contained in this document;
- 10.6 it will indemnify on an after-tax basis and hold harmless the Company and Jefferies and their respective affiliates and any person acting on their behalf from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in these terms and conditions;
- 10.7 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Placing Shares under the Placing, it undertakes, represents and warrants that it is a person to whom the Placing Shares may be lawfully offered under that other jurisdiction's laws and regulations, and it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company or Jefferies or any of their respective affiliates or any of their respective officers, agents, employees or affiliates acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing;
- 10.8 it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Placing Shares and it is not acting on a non-discretionary basis for any such person;
- 10.9 it is liable for any capital duty, stamp duty, stamp duty reserve tax and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the United Kingdom by it or any other person on the acquisition by it of any Placing Shares or the agreement by it to acquire any Placing Shares;
- 10.10 it agrees that, having had the opportunity to read this document, it shall be deemed to have had notice of all information, undertakings, representations and warranties contained in this document, that it is acquiring Placing Shares solely on the basis of this document and no other information and that in accepting a participation in the Placing it has had access to all information it believes necessary or appropriate in connection with its decision to subscribe for Placing Shares;

- 10.11 it has carefully read and understands this document in its entirety and acknowledges that it is subscribing for Placing Shares on the terms, and subject to the conditions, set out in this Part IV and the Articles as in force at the date of Admission. Such Placee agrees that these terms and conditions and any contract note or placing letter issued by Jefferies to such Placee represent the whole and only agreement between the Placee, Jefferies and the Company in relation to the Placee's participation in the Placing and supersede any previous agreement between any of such parties in relation to such participation. Accordingly, all other terms, conditions, representations, warranties and other statements which would otherwise be implied (by law or otherwise) shall not form part of these terms and conditions. Such Placee agrees that none of the Company, Jefferies nor any of their respective officers, directors, agents or employees will have any liability for any such other information or representation and irrevocably and unconditionally waives any rights it may have in respect of any such other information or representation;
- 10.12 that, save in the event of fraud on the part of Jefferies, neither Jefferies, its ultimate holding company nor any direct or indirect subsidiary undertakings of such holding company, nor any of their respective directors, officers, agents and employees shall be responsible or liable to a Placee or any of its clients for any matter arising out of Jefferies's role as nominated adviser and broker, or otherwise in connection with the Placing and that where any such responsibility or liability nevertheless arises as a matter of law, the Placee and, if relevant, its clients, will, to the fullest extent permitted by law, immediately waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;
- 10.13 it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this document and any supplementary admission document and, if given or made, any information or representation must not be relied upon as having been authorised by Jefferies or the Company;
- 10.14 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- 10.15 it has such knowledge, sophistication and experience in financial and business matters that it is capable of evaluating the merits and risks of its subscription for the Placing Shares and it is able to bear the economic risk and financial risk (including sustaining a complete loss) of the subscription for such Placing Shares;
- 10.16 to the extent applicable, it is duly incorporated and validly existing under the laws of its jurisdiction of incorporation;
- 10.17 it has the power under its constitutional documents and has obtained all necessary consents and authorities (including, without limitation, all relevant members' resolutions) to subscribe for and pay for the Placing Shares comprised in the manner proposed and to enter into and perform its obligations pursuant to these terms and conditions, and there are no governmental or regulatory consents or other third party approvals, authorisations or orders required in order for it to subscribe and pay for the Placing Shares in the manner proposed and to enter into and perform its obligations pursuant to these terms and condition that have not been or will not prior to Admission have been obtained;
- 10.18 the agreement to acquire the Placing Shares and payment therefor will comply with and will not violate any agreements to which it is a party or by which it or any of its properties or assets is bound and which is material to its participation and its obligations in respect thereof and will constitute its valid and legally binding agreement and it has the funds available to make payment for the full amount in respect of the Placing Shares as and when due;
- 10.19 it accepts and acknowledges that (i) the Placing Shares have not been and will not be registered under the Securities Act and may not be offered, sold, resold, transferred or otherwise delivered in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws; (ii) the Company has not filed a prospectus or similar document with any applicable securities regulatory authority of any province or territory of Canada, no document in relation to the Placing has been or will be lodged

with, or registered by, the Australian Securities and Investments Commission and no registration statement has been, or will be filed with the Japanese Ministry of Finance in relation to the Placing Shares; and (iii) subject to certain exceptions the Placing Shares may not be offered or sold directly or indirectly within Canada, Australia, Japan, Republic of South Africa or any other jurisdiction where it may be unlawful to make such offer or to or for the account or benefit of any national, citizen or resident of such countries or of such jurisdictions;

10.20 it is acquiring the Placing Shares in an offshore transaction meeting the requirements of Regulation S;

10.21 if it is within the United Kingdom, it is: (i) a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or it is a person to whom the Placing Shares may otherwise lawfully be offered under such Order or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, it is a person to whom the Placing Shares may be lawfully offered under that other jurisdiction's laws and regulations; or (ii) a person who is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook;

10.22 if it is a resident in the EEA (other than the United Kingdom), it is a qualified investor within the meaning of the law in the relevant Member State implementing Article 2(1)(i), (ii) or (iii) of Directive 2003/71/EC;

10.23 in the case of any Placing Shares acquired by a Placee as a financial intermediary within the EEA (other than the United Kingdom) as that term is used in article 3(2) of the Prospectus Directive: (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive 2010/73/EU, or in circumstances in which the prior consent of Jefferies has been given to the offer or resale; or (ii) where Placing Shares have been acquired by it on behalf of persons in any relevant Member State other than qualified investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons;

10.24 in the case of any Placing Shares acquired by an investor as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive: (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of Jefferies has been given to the offer or resale; or (ii) where Placing Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons;

10.25 neither this document nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Placing Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Placing Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;

10.26 it confirms that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which it is permitted to do so pursuant to section 21 of FSMA;

10.27 it acknowledges that after giving effect to its acquisition of the Placing Shares, it will inform the Company and Jefferies if such acquisition will cause it to be required to make a notification to the Company in accordance with Rule 5.1.2R of the Disclosure & Guidance Rules and Transparency Rules;

10.28 it acknowledges that where it is subscribing for Placing Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Placing Shares for each such account; (ii) to make on each such account's behalf the representations,

warranties and agreements set out in this document; and (iii) to receive on behalf of each such account any documentation relating to the Placing in the form provided by the Company and/or Jefferies. It agrees that the provision of this paragraph shall survive any resale of the Placing Shares by or on behalf of any such account;

- 10.29 it acknowledges that neither the Placee nor, as the case may be, their clients, expect Jefferies to have any duties or responsibilities to the Placee similar or comparable to the duties of “best execution” and “suitability” imposed by The Conduct of Business Source Book contained in The FCAs Handbook of Rules and Guidance, and that Jefferies is not acting for the Placee or its clients, and that Jefferies will be responsible to the Placee or its clients for providing the protections afforded to its customers;
- 10.30 if the Placee is a natural person, such Placee is not under the age of majority (18 years of age in the United Kingdom) on the date of such Placee’s agreement to subscribe for Placing Shares under the Placing and will not be any such person on the date any such Placing is accepted;
- 10.31 it acknowledges that none of Jefferies, any of its affiliates nor any person acting on its or their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing and participation in the Placing is on the basis that is not and will not be a client of Jefferies and that Jefferies does not have any duties or responsibilities to it for providing protection afforded to their respective clients or for providing advice in relation to the Placing nor, if applicable, in respect of any representations, warranties, undertaking or indemnities contained in any contract note or placing letter;
- 10.32 it irrevocably appoints any Director, duly authorised officer or employee and/or any director of Jefferies to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Placing Shares for which it has given a commitment under the Placing, in the event of its own failure to do so;
- 10.33 it accepts that if the Placing does not proceed or the relevant conditions to the Placing Agreement are not satisfied or the Placing Shares for which valid application are received and accepted are not admitted to trading on AIM for any reason whatsoever then none of the Company, Jefferies or any of their affiliates, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, directors, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- 10.34 it acknowledges and agrees that it is aware of its obligations in connection with the Criminal Justice Act 1993 and MAR and has complied with those obligations;
- 10.35 in connection with its participation in the Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and countering terrorist financing and that its application is only made on the basis that it accepts full responsibility for any requirement to identify and verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations 2007 in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- 10.36 it acknowledges and agrees that, due to anti-money laundering and the countering of terrorist financing requirements, Jefferies and/or the Company may require proof of identity of the Placee and related parties and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the Placee to produce any information required for verification purposes, Jefferies and/or the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Jefferies and/or the Company against any liability, loss or cost ensuing due to the failure to process this application, if such information as has been required has not been provided by it or has not been provided on a timely basis;

- 10.37 it acknowledges and agrees that it is aware of, has complied with and will at all times comply with its obligations in connection with money laundering under the Proceeds of Crime Act 2002;
- 10.38 it acknowledges and agrees that information provided by it to the Company, Jefferies or the Registrar will be stored on the Registrar's computer system and manually. It acknowledges and agrees that for the purposes of the Data Protection Act 1998 (the "**Data Protection Law**") and other relevant data protection legislation which may be applicable, the Registrar is required to specify the purposes for which it will hold personal data. The Registrar will only use such information for the purposes set out below (collectively, the "**Purposes**"), being to: (i) process its personal data (including sensitive personal data) as required by or in connection with its holding of Placing Shares, including processing personal data in connection with credit and money laundering checks on it; (ii) communicate with it as necessary in connection with its affairs and generally in connection with its holding of Placing Shares; (iii) provide personal data to such third parties as the Registrar may consider necessary in connection with its affairs and generally in connection with its holding of Placing Shares or as the Data Protection Law may require, including to third parties outside the United Kingdom or the European Economic Area; and (iv) without limitation, provide such personal data to the Company, Jefferies and their respective associates for processing, notwithstanding that any such party may be outside the United Kingdom or the European Economic Area;
- 10.39 in providing, the Company, Jefferies or the Registrar with information, it hereby represents and warrants to the Company, Jefferies and the Registrar that it has obtained the consent of any data subjects to the Registrar and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes). For the purposes of this document, "data subject", "personal data" and "sensitive personal data" shall have the meanings attributed to them in the Data Protection Law;
- 10.40 Jefferies and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to them;
- 10.41 the representations, undertakings and warranties contained in this document are irrevocable. It acknowledges that Jefferies, the Company and their directors, officers, agents and employees and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription for Placing Shares is no longer accurate, it shall promptly notify Jefferies and the Company;
- 10.42 where it or any person acting on behalf of it is dealing with Jefferies, any money held in an account with Jefferies on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require Jefferies to segregate such money, as that money will be held by Jefferies under a banking relationship and not as trustee;
- 10.43 any of its clients, whether or not identified to Jefferies or any of its affiliates or agents, will remain its sole responsibility and will not become clients of Jefferies or any of its affiliates or agents for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- 10.44 it accepts that the allocation of Placing Shares shall be determined by the Company, acting for itself and on behalf of the Selling Shareholders, (in consultation with Jefferies) in its absolute discretion and that such persons may scale down any Placing commitments for this purpose on such basis as it may determine; and
- 10.45 time shall be of the essence as regards its obligations to settle payment for the Placing Shares and to comply with its other obligations under the Placing.

11. Supply and Disclosure of Information

If Jefferies or the Company or any of their agents request any information in connection with a Placee's agreement to subscribe for Placing Shares under the Placing in order to comply with any relevant legislation, such Placee must promptly disclose it to them.

12. Miscellaneous

- 12.1 The rights and remedies of Jefferies and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 12.2 On application, if a Placee is an individual, that Placee may be asked to disclose in writing, or orally, his nationality and if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.
- 12.3 All documents will be sent at the Placee's risk. They may be sent by post to such Placee at an address notified to Jefferies.
- 12.4 Each Placee agrees to be bound by the Articles (as amended from time to time) once the Placing Shares, which the Placee has agreed to subscribe for pursuant to the Placing, have been acquired by the Placee. The contract to subscribe for Placing Shares under the Placing and the appointments and authorities mentioned in this document and all disputes arising out of, or in connection with, its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of Jefferies and the Company, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against a Placee in any other jurisdiction.
- 12.5 In the case of a joint agreement to subscribe for Placing Shares under the Placing, references to a "Placee" in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.
- 12.6 Jefferies and the Company each expressly reserve the right to modify the Placing (including, without limitation, their timetable and settlement) at any time before allocations are determined. Each Placee agrees that its obligations pursuant to these terms and conditions are not capable of termination or rescission.
- 12.7 The Placing is subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated. Further details of the terms of the Placing Agreement are contained in paragraph 16.1 of Part V (Additional Information) of this document.
- 12.8 Monies received from applicants pursuant to the Placing will be held by Jefferies until such time as the Placing Agreement becomes unconditional in all respects. If the Placing Agreement does not become unconditional in all respects by 8.00 a.m. 29 November 2017, or such later date as the Company and Jefferies may agree in writing (not being later than 8.00 a.m. 15 December 2017), application monies will be returned without interest at the risk of the applicant.

PART V

ADDITIONAL INFORMATION

1. RESPONSIBILITY

- 1.1 The Directors, whose names are set out on page 8 of this document, and the Company, accept responsibility, both individually and collectively, for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (each of whom have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. THE COMPANY

- 2.1 The Company was incorporated and registered in England and Wales on 18 October 2012 under the Companies Act as a private limited company with the name Ten Lifestyle Holdings Limited and registered number 08259177.
- 2.2 On 2 November 2017, the Company re-registered as a public limited company with the name Ten Lifestyle Group plc. The liability of its members is limited.
- 2.3 The Company is governed by, and its securities were created under, the Companies Act and the subordinated legislation made thereunder.
- 2.4 The Company's registered office and principal place of business is located at 2nd Floor, Fitzroy House, 355 Euston Road, London NW1 3AL. The telephone number of the Company's registered office and principal place of business is 020 3301 6300. The Company is domiciled in the UK.
- 2.5 Other than the Board, the Company has the Remuneration Committee, the Audit Committee, the Nomination Committee and the AIM Rules and MAR Compliance Committee.
- 2.6 The Company's principal activity following Admission will be to act as the holding company of the Group.

3. THE GROUP

- 3.1 The Company is the ultimate holding company of the Group. The following table contains details of the Company's significant direct and indirect subsidiaries at the date of this document and immediately following Admission:

<i>Name</i>	<i>Country of incorporation</i>	<i>Activity</i>	<i>Ownership interest</i>
Ten Lifestyle Management Ltd	United Kingdom	Lifestyle management	100%
Ten Lifestyle Management USA Inc.	United States of America	Holding company	100%
Ten Lifestyle Management (Nevada) LLC	United States of America	Lifestyle management	100%
Ten Lifestyle Management (New York) LLC	United States of America	Lifestyle management	100%
Ten Lifestyle Management (Florida) LLC	United States of America	Lifestyle management	100%
Ten Lifestyle Management (Canada), ULC	Canada	Lifestyle management	100%
Ten Lifestyle Management (Asia) Limited	Hong Kong	Lifestyle management	100%
Ten Group Singapore Pte Limited	Singapore	Lifestyle management	100%
Ten Group Australia Pty Limited	Australia	Lifestyle management	100%

<i>Name</i>	<i>Country of incorporation</i>	<i>Activity</i>	<i>Ownership interest</i>
Ten Lifestyle Management Limited S DE RL DE CV	Mexico	Lifestyle management	100%
Ten Lifestyle Commercial Consulting (China)	China	Lifestyle management	100%
Ten Group Japan K.K.	Japan	Lifestyle management	100%
Ten Lifestyle Africa (Pty) Limited	South Africa	Lifestyle management	100%
Ten Belgium BVBA	Belgium	Lifestyle management	100%
Ten Servicos de Concierge do Brasil Limited	Brazil	Lifestyle management	100%
Ten Lifestyle Management Limited (DMCC Branch)	UAE	Lifestyle management	100%
Ten Lifestyle Management India Private Limited	India	Lifestyle management	100%
Ten Lifestyle Management Switzerland GmbH	Switzerland	Lifestyle management	100%
Ten Latin America Limited	United Kingdom	Dormant	100%
Ten South America Limited	United Kingdom	Dormant	100%
Ten Global Services Limited	United Kingdom	Dormant	100%
Ten Travel Limited	United Kingdom	Dormant	100%
Ten Professional Support Ltd	United Kingdom	Dormant	100%
Bailey Medical Support Limited	United Kingdom	Dormant	100%

4. SHARE CAPITAL

- 4.1 On 1 September 2014, the issued share capital of the Company was £4190.493, consisting of 3,187,505 Ordinary Shares and 1,002,988 Ordinary C Shares.
- 4.2 The changes to the issued share capital of the Company which occurred between 1 September 2014 and the date of this document are as follows:
- (a) On 12 February 2015, the aggregate nominal value of the Company's share capital was increased by £47.045 by the issue of 47,045 Ordinary Shares at a price of £4.50 per share.
 - (b) On 17 February 2015, the aggregate nominal value of the Company's share capital was further increased by £3.333 by the issue of 3,333 Ordinary Shares at a price of £4.50 per share.
 - (c) On 19 February 2015, the aggregate nominal value of the Company's share capital was further increased by £3.333 by the issue of 3,333 Ordinary Shares at a price of £4.50 per share.
 - (d) On 3 March 2015, the aggregate nominal value of the Company's share capital was further increased by £11.112 by the issue of 11,112 Ordinary Shares at a price of £4.50 per share.
 - (e) On 12 March 2015, the aggregate nominal value of the Company's share capital was further increased by £5.556 by the issue of 5,556 Ordinary Shares at a price of £4.50 per share.
 - (f) On 10 April 2015, the aggregate nominal value of the Company's share capital was further increased by £12.447 by the issue of 12,447 Ordinary Shares at a price of £4.50 per share.
 - (g) On 15 May 2015, the aggregate nominal value of the Company's share capital was further increased by £1 by the issue of 1,000 Ordinary Shares at a price of £4.50 per share.
 - (h) On 29 May 2015, the aggregate nominal value of the Company's share capital was further increased by £1.338 by the issue of 1,338 Ordinary Shares at a price of £4.50 per share.
 - (i) On 3 June 2015, the aggregate nominal value of the Company's share capital was further increased by £8.092 by the issue of 8,092 Ordinary Shares at a price of £4.50 per share.
 - (j) On 4 June 2015, the aggregate nominal value of the Company's share capital was further increased by £28.61 by the issue of 28,610 Ordinary Shares at a price of £4.50 per share.
 - (k) On 9 June 2015, the aggregate nominal value of the Company's share capital was further increased by £0.361 by the issue of 361 Ordinary Shares at a price of £4.50 per share.

- (l) On 11 June 2015, the aggregate nominal value of the Company's share capital was further increased by £3 by the issue of 3,000 Ordinary Shares at a price of £4.50 per share.
- (m) On 12 June 2015, the aggregate nominal value of the Company's share capital was further increased by £0.256 by the issue of 256 Ordinary Shares at a price of £4.50 per share.
- (n) On 15 June 2015, the aggregate nominal value of the Company's share capital was further increased by £23.370 by the issue of 23,370 Ordinary Shares at a price of £4.50 per share.
- (o) On 16 June 2015, the aggregate nominal value of the Company's share capital was further increased by £1 by the issue of 1,000 Ordinary Shares at a price of £4.50 per share.
- (p) On 17 June 2015, the aggregate nominal value of the Company's share capital was further increased by £9.161 by the issue of 9,161 Ordinary Shares at a price of £4.50 per share.
- (q) On 18 June 2015, the aggregate nominal value of the Company's share capital was further increased by £5.356 by the issue of 5,356 Ordinary Shares at a price of £4.50 per share.
- (r) On 19 June 2015, the aggregate nominal value of the Company's share capital was further increased by £5.360 by the issue of 5,360 Ordinary Shares at a price of £4.50 per share.
- (s) On 22 June 2015, the aggregate nominal value of the Company's share capital was further increased by £9.773 by the issue of 9,773 Ordinary Shares at a price of £4.50 per share.
- (t) On 24 June 2015, the aggregate nominal value of the Company's share capital was further increased by £11.111 by the issue of 11,111 Ordinary Shares at a price of £4.50 per share.
- (u) On 29 June 2015, the aggregate nominal value of the Company's share capital was further increased by £58.889 by the issue of 58,889 Ordinary Shares at a price of £4.50 per share.
- (v) On 30 June 2015, the aggregate nominal value of the Company's share capital was further increased by £11.112 by the issue of 11,112 Ordinary Shares at a price of £4.50 per share.
- (w) On 2 July 2015, the aggregate nominal value of the Company's share capital was further increased by £0.741 by the issue of 741 Ordinary Shares at a price of £4.50 per share.
- (x) On 7 July 2015, the aggregate nominal value of the Company's share capital was further increased by £11.112 by the issue of 11,112 Ordinary Shares at a price of £4.50 per share.
- (y) On 23 July 2015, the aggregate nominal value of the Company's share capital was further increased by £1.343 by the issue of 1,343 Ordinary Shares at a price of £4.50 per share.
- (z) On 30 July 2015, the aggregate nominal value of the Company's share capital was further increased by £57.615 by the issue of 57,615 Ordinary Shares at a price of £4.50 per share.
- (aa) On 31 July 2015, the aggregate nominal value of the Company's share capital was further increased by £22.222 by the issue of 22,222 Ordinary Shares at a price of £4.50 per share.
- (bb) On 3 August 2015, the aggregate nominal value of the Company's share capital was further increased by £2.298 by the issue of 2,298 Ordinary Shares at a price of £4.50 per share.
- (cc) On 5 August 2015, the aggregate nominal value of the Company's share capital was further increased by £14.444 by the issue of 14,444 Ordinary Shares at a price of £4.50 per share.
- (dd) On 11 August 2015, the aggregate nominal value of the Company's share capital was further increased by £2.222 by the issue of 2,222 Ordinary Shares at a price of £4.50 per share.
- (ee) On 13 August 2015, the aggregate nominal value of the Company's share capital was further increased by £99.333 by the issue of 99,333 Ordinary Shares at a price of £4.50 per share.
- (ff) On 4 September 2015, the aggregate nominal value of the Company's share capital was further increased by £44.444 by the issue of 44,444 Ordinary Shares at a price of £4.50 per share.
- (gg) On 22 September 2015, the aggregate nominal value of the Company's share capital was further increased by £2.222 by the issue of 2,222 Ordinary Shares at a price of £4.50 per share.
- (hh) On 5 October 2015, the aggregate nominal value of the Company's share capital was further increased by £34.405 by the issue of 34,405 Ordinary Shares at a price of £4.50 per share.
- (ii) On 4 November 2015, the aggregate nominal value of the Company's share capital was further increased by £24.888 by the issue of 24,888 Ordinary Shares at a price of £4.50 per share.

- (jj) On 10 November 2015, the aggregate nominal value of the Company's share capital was further increased by £22.222 by the issue 22,222 Ordinary Shares at a price of £4.50 per share.
- (kk) On 12 November 2015, the aggregate nominal value of the Company's share capital was further increased by £22.222 by the issue 22,222 Ordinary Shares at a price of £4.50 per share.
- (ll) On 19 November 2015, the aggregate nominal value of the Company's share capital was further increased by £77.777 by the issue 77,777 Ordinary Shares at a price of £4.50 per share.
- (mm) On 24 November 2015, the aggregate nominal value of the Company's share capital was further increased by £89.111 by the issue 89,111 Ordinary Shares at a price of £4.50 per share.
- (nn) On 8 December 2015, the aggregate nominal value of the Company's share capital was further increased by £1.393 by the issue 1,393 Ordinary Shares at a price of £4.50 per share.
- (oo) On 11 December 2015, the aggregate nominal value of the Company's share capital was further increased by £69.999 by the issue 69,999 Ordinary Shares at a price of £4.50 per share.
- (pp) On 16 December 2015, the aggregate nominal value of the Company's share capital was further increased by £0.199 by the issue 199 Ordinary Shares at a price of £4.50 per share.
- (qq) On 29 February 2016, the aggregate nominal value of the Company's share capital was further increased by £354.034 by the issue of 354,034 Ordinary Shares at a price of £4.50 per share.
- (rr) On 3 March 2016, the aggregate nominal value of the Company's share capital was further increased by £44.687 by the issue of 44,687 Ordinary Shares at a price of £4.50 per share.
- (ss) On 11 March 2016, the aggregate nominal value of the Company's share capital was further increased by £103.579 by the issue of 103,579 Ordinary Shares at a price of £4.50 per share.
- (tt) On 14 March 2016, the aggregate nominal value of the Company's share capital was further increased by £89.843 by the issue of 89,843 Ordinary Shares at a price of £4.50 per share.
- (uu) On 15 March 2016, the aggregate nominal value of the Company's share capital was further increased by £1.5 by the issue of 1,500 Ordinary Shares at a price of £4.50 per share.
- (vv) On 18 March 2016, the aggregate nominal value of the Company's share capital was further increased by £66.666 by the issue of 66,666 Ordinary Shares at a price of £4.50 per share.
- (ww) On 4 April 2016, the aggregate nominal value of the Company's share capital was further increased by £44.616 by the issue of 44,616 Ordinary Shares at a price of £4.50 per share.
- (xx) On 6 April 2016, the aggregate nominal value of the Company's share capital was further increased by £3.581 by the issue of 3,581 Ordinary Shares at a price of £4.50 per share.
- (yy) On 5 May 2016, the aggregate nominal value of the Company's share capital was further increased by £14.748 by the issue of 14,748 Ordinary Shares at a price of £4.50 per share.
- (zz) On 6 June 2016, the aggregate nominal value of the Company's share capital was further increased by £22.222 by the issue of 22,222 Ordinary Shares at a price of £4.50 per share.
- (aaa) On 7 June 2016, the aggregate nominal value of the Company's share capital was further increased by £2.4 by the issue of 2,400 Ordinary Shares at a price of £4.50 per share.
- (bbb) On 26 July 2016, the aggregate nominal value of the Company's share capital was further increased by £33.333 by the issue of 33,333 Ordinary Shares at a price of £4.50 per share.
- (ccc) On 31 August 2016, the aggregate nominal value of the Company's share capital was further increased by £17.728 by the issue of 17,728 Ordinary Shares at a price of £4.50 per share.
- (ddd) On 6 October 2016, the aggregate nominal value of the Company's share capital was further increased by £5 by the issue of 5,000 Ordinary Shares at a price of £4.50 per share.
- (eee) On 20 October 2016, the aggregate nominal value of the Company's share capital was further increased by £1.5 by the issue of 1,500 Ordinary Shares at a price of £5.00 per share.

- (fff) On 24 October 2016, the aggregate nominal value of the Company's share capital was further increased by £10 by the issue of 10,000 Ordinary Shares at a price of £5.00 per share.
- (ggg) On 7 November 2016, the aggregate nominal value of the Company's share capital was further increased by £10 by the issue of 10,000 Ordinary Shares at a price of £5.00 per share.
- (hhh) On 15 November 2016, the aggregate nominal value of the Company's share capital was further increased by £109.636 by the issue of 106,000 Ordinary Shares at a price of £5.00 per share, and 3,636 Ordinary Shares at a price of £5.50 share.
- (iii) On 1 December 2016, the aggregate nominal value of the Company's share capital was further increased by £72.546 by the issue of 50,000 Ordinary Shares at a price of £5.00 per share, and 22,546 Ordinary Shares at a price of £4.50 per share.
- (jjj) On 6 December 2017, the aggregate nominal value of the Company's share capital was further increased by £10 by the issue of 10,000 Ordinary Shares at a price of £5.00 per share.
- (kkk) On 1 January 2017, the aggregate nominal value of the Company's share capital was further increased by £70 by the issue of 70,000 Ordinary Shares at a price of £5.00 per share.
- (lll) On 11 April 2017, the aggregate nominal value of the Company's share capital was further increased by £20 by the issue of 20,000 Ordinary Shares at a price of £5.00 per share.
- (mmm) On 4 July 2017, the aggregate nominal value of the Company's share capital was further increased by £16.667 by the issue of 16,667 Ordinary Shares at a price of £6.00 per share.
- (nnn) On 5 July 2017, the aggregate nominal value of the Company's share capital was further increased by £12.5 by the issue of 12,500 Ordinary Shares at a price of £6.00 per share.
- (ooo) On 10 July 2017, the aggregate nominal value of the Company's share capital was further increased by £1.667 by the issue of 1,667 Ordinary Shares at a price of £6.00 per share.
- (ppp) On 12 July 2017, the aggregate nominal value of the Company's share capital was further increased by £3.333 by the issue of 3,333 Ordinary Shares at a price of £6.00 per share.
- (qqq) On 14 July 2017, the aggregate nominal value of the Company's share capital was further increased by £1.667 by the issue of 1,667 Ordinary Shares at a price of £6.00 per share.
- (rrr) On 17 July 2017, the aggregate nominal value of the Company's share capital was further increased by £1.667 by the issue of 1,667 Ordinary Shares at a price of £6.00 per share.
- (sss) On 25 July 2017, the aggregate nominal value of the Company's share capital was further increased by £13.333 by the issue of 13,333 Ordinary Shares at a price of £6.00 per share.
- (ttt) On 26 July 2017, the aggregate nominal value of the Company's share capital was further increased by £11.667 by the issue of 11,667 Ordinary Shares at a price of £6.00 per share.
- (uuu) On 28 July 2017, the aggregate nominal value of the Company's share capital was further increased by £9.167 by the issue of 9,167 Ordinary Shares at a price of £6.00 per share.
- (vvv) On 1 August 2017, the aggregate nominal value of the Company's share capital was further increased by £8.333 by the issue of 8,333 Ordinary Shares at a price of £6.00 per share.
- (www) On 2 August 2017, the aggregate nominal value of the Company's share capital was further increased by £0.5 by the issue of 500 Ordinary Shares at a price of £6.00 per share.
- (xxx) On 10 August 2017, the aggregate nominal value of the Company's share capital was further increased by £2.5 by the issue of 2,500 Ordinary Shares at a price of £6.00 per share.
- (yyy) On 11 August 2017, the aggregate nominal value of the Company's share capital was further increased by £4.167 by the issue of 4,167 Ordinary Shares at a price of £6.00 per share.
- (zzz) On 15 August 2017, the aggregate nominal value of the Company's share capital was further increased by £1.667 by the issue of 1,667 Ordinary Shares at a price of £6.00 per share.
- (aaaa) On 17 August 2017, the aggregate nominal value of the Company's share capital was further increased by £16.667 by the issue of 16,667 Ordinary Shares at a price of £6.00 per share.
- (bbbb) On 30 August 2017, the aggregate nominal value of the Company's share capital was further increased by £7.5 by the issue of 7,500 Ordinary Shares at a price of £6.00 per share.

- (cccc) On 5 September 2017, the aggregate nominal value of the Company's share capital was further increased by £35 by the issue of 35,000 Ordinary Shares at a price of £6.00 per share.
- (dddd) On 15 September 2017, the aggregate nominal value of the Company's share capital was further increased by £8.667 by the issue of 8,667 Ordinary Shares at a price of £6.00 per share.
- (eeee) On 19 October 2017, pursuant to a special resolution of the Company at the General Meeting, a resolution of the holders of Ordinary Shares at a separate general meeting and by written consent obtained from holders of Ordinary C Shares in accordance with section 630 of the Companies Act, the 1,002,988 Ordinary C Shares were re-designated as 1,002,988 Ordinary Shares (the "**Re-designation**").
- (ffff) On 19 October 2017 and subject to the Re-designation, the Company undertook a bonus issue of 44,209,249 Ordinary Shares ("**Bonus Shares**") which were paid up from part of the Company's share premium account (the "**Bonus Issue**"), such Ordinary Shares were issued in the same proportion as the ordinary shareholders existing shareholdings in the Company. The terms of the Bonus Issue were approved by an ordinary resolution passed on 19 October 2017, giving the Directors authority to capitalise a maximum of £44,209.25 (being part of the sum standing to the credit of the Company's share premium account).
- (gggg) Following the Re-designation and Bonus Issue the issued share capital of the Company was £50,524.856, consisting of 50,524,856 Ordinary Shares, all of which was fully paid.
- 4.3 The Exercise will result in the allotment and issue of 11,232,312 Option Shares. Further information on the Exercise is set out in paragraph 10 of this Part V (Additional Information).
- 4.4 The Conversion will result in the allotment and issue of 3,050,021 Conversion Shares. Further information on the Conversion is set out in paragraph 9 of this Part V (Additional Information).
- 4.5 The Placing will result in the allotment and issue of 13,432,836 New Ordinary Shares diluting holders of Ordinary Shares immediately prior to the Placing by 17.2 per cent.
- 4.6 The issued, fully paid, share capital of the Company as at 24 November (being the latest practicable date before publication of this document) was as follows:
- | | <i>Number</i> | <i>Nominal Value</i> |
|-----------------|---------------|----------------------|
| Ordinary Shares | 50,524,856 | £50,524.856 |
- 4.7 Assuming completion of the Exercise, Conversion and Placing, the issued, fully paid, share capital of the Company, immediately following Admission, is expected to be as follows:
- | | <i>Number</i> | <i>Nominal Value</i> |
|------------------------------|---------------|----------------------|
| Ordinary Shares ¹ | 78,240,025 | £78,240.025 |
- 4.8 Assuming completion of the exercise of Andrew Long's Options on the day after Admission, the issued, fully paid, share capital of the Company on the day after Admission, is expected to be as follows:
- | | <i>Number</i> | <i>Nominal Value</i> |
|-----------------|---------------|----------------------|
| Ordinary Shares | 80,650,049 | £80,650.049 |
- 4.9 Save as disclosed in this document:
- no share or loan capital of the Company has been issued or is proposed to be issued;
 - there are no Ordinary Shares in the Company not representing capital;
 - there are no shares in the Company held by or on behalf of the Company itself;
 - there are no outstanding convertible securities, exchangeable securities or securities with warrants issued by the Company;

¹ Not including 2,410,024 Ordinary Shares which will, subject to Admission occurring, be issued to Andrew Long on the day after Admission pursuant to an irrevocable notice of exercise received from Andrew Long.

- (e) there are no acquisition rights and/or obligations over authorised but unissued share capital of the Company and the Company has made no undertaking to increase its share capital; and
- (f) no share or loan capital of the Company is under option and the Company has not agreed conditionally or unconditionally to put any share or loan capital of the Company under option.

5. SECURITIES BEING ADMITTED

- 5.1 The Ordinary Shares will be ordinary shares of 0.1 pence each in the capital of the Company, issued in British Pounds Sterling.
- 5.2 The ISIN of the Ordinary Shares is GB00BF188X60 and the Stock Exchange Daily Official List (SEDOL) number will be BF188X6. The Ordinary Shares in issue on Admission will be in registered form. They will be capable of being held in certificated form or in uncertificated form in CREST. The Company's registrars are Equiniti Limited, Aspect House, Spencer Road, Lancing BN99 6DA.
- 5.3 The dividend and voting rights attaching to the Ordinary Shares are set out in paragraphs 6.13 and 6.6 of this Part V.
- 5.4 Section 561 of the Companies Act gives the Shareholders rights of pre-emption in respect of allotments of securities which are or are able to be paid up in cash (other than by way of allotments to employees pursuant to an employee share scheme as defined under section 1166 of the Companies Act). Subject to limited exceptions and to the extent authorised pursuant to the Resolutions, unless Shareholders' approval is obtained in a general meeting of the Company, the Company must normally offer Ordinary Shares to be issued for cash to existing shareholders pro-rata to their shareholdings.
- 5.5 By resolutions passed at the General Meeting ("**Resolutions**"):
 - (a) the Directors were authorised for the purposes of section 551 of the Companies Act to allot relevant securities of the Company, such authority being limited to:
 - (i) the allotment up to an aggregate nominal amount of £5,535.00 in connection with the issue of the Conversion Shares;
 - (ii) the allotment of up to an aggregate nominal amount of £12,185.49 in connection with the issue of additional shares by the Company pursuant to adjustments to be made to the share options previously granted by the Company as a result of the issue of the Bonus Shares to shareholders, in accordance with the terms of those options;
 - (iii) the allotment up to an aggregate nominal amount of £76,667.00 in connection with the issue of the Placing Shares; and
 - (iv) generally, the allotment up to an aggregate nominal amount of £14,000 (being approximately ten per cent. of the issued share capital of the Company following the allotment of the Bonus Shares, Conversion Shares and Placing Shares),

provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting expire on the earlier of the date of the next annual general meeting of the Company or the date falling 15 months from the date of the passing of this Resolution subject to the passing of the resolution summarised in paragraph 4.9(b);
 - (b) the Directors were empowered to allot equity securities of the Company, such authority being limited to:
 - (i) the allotment of the Conversion Shares;
 - (ii) the allotment of the Placing Shares;
 - (iii) generally, the allotment up to an aggregate nominal amount of £14,000 (or, if less, an amount equal to ten per cent. of the issued share capital of the Company following the allotment of the Bonus Shares, Conversion Shares and Placing Shares),

as if section 561(1) of the Act did not apply to those allotments, that authorisation expiring on the earlier of the date falling 15 months after the date of the passing of such resolution and the conclusion of the next annual general meeting of the Company (unless previously renewed).

- 5.6 Each Ordinary Share will be entitled on a *pari passu* basis with all other issued Ordinary Shares to share in any surplus on a liquidation of the Company.
- 5.7 The Ordinary Shares will have no redemption or conversion rights.
- 5.8 To the best of the knowledge of the Company, there are no persons who at the date of this document directly or indirectly control the Company, where control means owning 30 per cent. or more of the voting rights attaching to the share capital of the Company.
- 5.9 The Company is not aware of any arrangements which may at a subsequent date result in a change in control of the Company.

6. MEMORANDUM AND ARTICLES OF ASSOCIATION

The Articles include provisions to the following effect:

6.1 *Objects of the Company*

Under the Companies Act, the objects of the Company are unrestricted. The Articles do not specify any restrictions on the objects of the Company.

6.2 *Voting Rights*

Subject to any rights or restrictions as to voting attached to any class of shares, at any general meeting, on a show of hands, every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, has one vote and, in the case of a poll, every member present in person or by proxy has one vote for every share of which he is the holder. No member is entitled to vote at a general meeting either personally or by proxy if he or any person appearing to be interested in shares held by him has been duly served with a notice under section 793 of the Companies Act and is in default for the prescribed period in supplying to the Company the information required thereby or, unless the Directors determine otherwise, if any calls in respect of shares held by him have not been paid.

6.3 *Notices of General Meetings*

An annual meeting of the Company shall be called on 21 clear days' notice, that is excluding the date of deemed receipt of such notice and the date of the meeting. Any general meeting of the Company shall be called on 14 clear days' notice, subject, in either case to the Companies Act. The Directors can call a general meeting at any time they think fit. The Company is required to send notice to members (except where the member is not entitled to such notice under the Articles or pursuant to any other restrictions imposed), the Company's Directors and Auditors. Notice will be sent to those registered in the register of members of the Company at such relevant time as is decided by the Directors in accordance with the Articles. The notice of annual general meeting or general meeting may include a time at which the member must be entered on such register in order to have the right to vote.

In the absence of a specific provision in the Articles, the quorum at meetings of the shareholders of the Company will be two persons, in accordance with section 318 of the Companies Act.

6.4 *Sanctions on Shareholders*

Any member representing 0.25 per cent. or more in nominal value of the issued shares of any class shall not be entitled to vote, receive payment of dividend or other distribution or transfer their shareholding (except in certain circumstances) if he, having been given a section 793 notice, has failed to give the information thereby required within 14 days of such notice. Such restrictions will cease to apply upon any arm's length sale or upon such information being provided.

6.5 *Variation of Rights*

The Articles do not include any special rules for changing the rights attaching to any of its shares. Therefore the rights attached to any class of shares may, in accordance with the Companies Act be altered or cancelled with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class.

Subject to the provisions of the Companies Act, the Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its shares into shares of a larger amount, cancel any shares not taken or agreed to be taken by any person and sub-divide its shares into shares of a smaller amount and, as set out in the Companies Act, by special resolution (and, with court approval where required) reduce its authorised or issued share capital or any capital redemption reserve and any share premium account in any way subject to authority required by law.

Subject to applicable law, the Company may purchase its own shares.

6.6 ***Lien and Forfeiture***

The Company has a first and paramount lien on every share which is not fully paid for all amounts payable to the Company whether called or payable at a fixed time in respect of that share. The Board may sell shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 days of notice requiring the holder to do so.

Subject to the Articles and the terms on which the shares are allotted, the Board may make such calls on shareholders in respect of any money unpaid on their shares. Each shareholder shall (subject to receipt of at least 14 days' notice) pay to the Company the amount called on his shares. If a call or any instalment of a call remains unpaid in whole or part the Board may give the member not less 14 days' notice requiring payment together with interest and expenses. The notice should also state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

6.7 ***Directors***

A director is not required to hold any qualification shares.

Board Powers

The Directors are responsible for the management of the Company's business and the Directors may exercise all the Company's powers and may do on its behalf anything that can be done by the Company. The Board may delegate any of its power to such persons or committees as it thinks fit. The members may, by special resolution, direct the Directors to take, or refrain from taking, specified action.

Directors' Conflicts of Interest

Director must declare to the other Directors any situation in which he has or could have a direct or indirect interest that conflicts or possibly might conflict with the interests of the Company. Save in relation to permitted clauses, any Director so interested cannot count as part of a meeting of the Directors in relation to voting for quorum purposes.

The permitted causes referred to above are:

- (i) the giving of any guarantee, security or indemnity to a director in respect of money lent by him or obligations incurred by him at the request or for the benefit of the Company or any of its subsidiary undertakings;
- (ii) any security given by the Company to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings which the Director has himself guaranteed or secured in whole or in part;
- (iii) any contract or arrangement in which he is interested by virtue of his interest in shares or debentures or other securities of or by the Company or by reason of any other interest in or through the Company;
- (iv) any contract or arrangement in which he is interested directly or indirectly as shareholder holding less than 1 per cent. of any class of the equity share capital of, or the voting rights in such company as an officer, shareholder, creditor or otherwise howsoever;
- (v) any proposal concerning the adoption, modification or operation of an employee's share scheme, a pension fund or retirement, death or disability benefits scheme which relates both to the directors and employees of the Company or any of its Subsidiaries and does not provide in respect of any director any such privilege or advantage not accorded to the employees to which such scheme or fund relates;

- (vi) any arrangement for the benefit of employees of the Company or of any of its Subsidiaries under which the Director benefits in a similar manner to the employees and which does not accord to any director as such any privilege or advantage not accorded to the employees to whom such arrangement relates; and
- (vii) any proposal, contract, transaction or arrangement concerning (a) the purchase or maintenance of insurance for the benefit of directors or persons who include directors, or (b) indemnities in favour of directors, or (c) the funding of expenditure by one or more directors in defending proceedings against him or them or (d) doing anything to enable such director or directors to avoid incurring such expenditure.

The Directors shall have the power to authorise certain conflicts, provided that the relevant Director does not vote or count in the quorum in respect of any decision on such authorisation.

Subject to any applicable law, the Company may by ordinary resolution suspend or relax the provisions summarised under sub-paragraphs (a)(vi) and (a)(vii) above either generally or in relation to any particular matter, or ratify any transactions not duly authorised by reason of a contravention of such provision.

Borrowing powers

The Directors may exercise all the powers of the Company to borrow money, indemnify and guarantee, and to mortgage or charge all or any part of its undertaking, property, assets (present and future), and to create debenture and loan stock whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Directors' Meetings

The quorum for meeting of the Board is two Directors.

6.8 Directors Remuneration and expenses

The Directors are entitled to such remuneration as the directors determine for their services to the company as directors, and for any other service which they undertake for the Company.

The Directors are entitled to be repaid all reasonable expenses properly incurred by them respectively in connection with their attendance at meetings of directors or committees of directors, general meetings or separate meetings of the holders of any class of shares or of debentures of the Company, or otherwise in connection with the exercise of their powers in relation to the Company.

6.9 Retirement and Appointment of Directors

The Company may from time to time by ordinary resolution appoint any person willing to act and who is permitted by law to do so, to be a director. The Directors may also from time to time appoint directors but any director so appointed shall retire by rotation at the next annual general meeting of the Company and stand for re-election.

The Company may remove any Director if he is requested to resign in writing by not less than three quarters of the other directors. A Director will also automatically cease to be a director if he becomes prohibited by law of holding such office and in certain other circumstances.

6.10 Retirement by Rotation

At every annual general meeting, any directors appointed by the Board since the last general meeting and any directors who were not appointed or re-appointed at one of the preceding two annual general meetings of the Company shall retire by rotation and stand for re-election.

6.11 Directors' indemnity and insurance

Subject to the Companies Act the Company may indemnify any Director and any director of any associated company may be indemnified against any liability by him, including in connection with negligence, default, breach of duty and against any liability incurred by him in defending civil or criminal proceedings in which judgment is given in his favour.

Any former director may be provided with funds to meet his expenditure incurred or to be incurred by him in defending any criminal or civil proceeding which relate or are alleged to relate to his actions or omission as a director.

In each case, officers shall not be indemnified in certain circumstances, including against liability owed to the Company or any associate of the Company, to pay a fine by way of penalty or where such indemnity would be prohibited or rendered void by the Companies Act or any other provision of law.

The Company may also purchase and maintain for any Director or any director of any associated company, insurance against any liability, which has or may be incurred by a relevant director in connection with his duties or powers in relation to the Company or any associated company.

6.12 **Transfers**

All transfers of shares held in certificated form may be effected by transfer in any usual form or in any other form acceptable to the Directors and shall be executed by or on behalf of the transferor and, if the share is partly paid, the transferee. The Directors may refuse to register the transfer of a certificated share if it is not fully paid, the transfer is not lodged at the Company's registered office or such other appointed place, it is not duly stamped, it is not accompanied by the certificate or similar documents, it is in respect of more than one class of share or if it is in favour of more than four transferees. All transfers of share held in uncertificated form will be effected by means of the relevant system. A transfer of share held in uncertificated form must not be registered if the transfer is in favour of more than four transferees.

6.13 **Dividends**

There are no fixed dates on which a dividend entitlement arises. The Company may by ordinary resolution from time to time declare dividends to be paid to Shareholders, although the amount of the dividend cannot exceed the amount recommended by the Directors. In addition the Directors may pay interim dividends if justified by the profits of the Company available for distribution.

The dividend payment to each Shareholder shall be calculated proportionately to the amounts paid up on each issued Ordinary Share. All dividend payments shall be non-cumulative.

All unclaimed dividends may be used for the benefit of the Company until claimed and shall not attract interest. Any dividend which remains unclaimed twelve years after the date the dividend becomes due for payment shall, at the option of the Directors, be forfeited and shall revert to the Company.

There are no dividend restrictions attaching to the Ordinary Shares, provided they are fully paid up. Payments of dividends may be made by any method the Directors consider appropriate and on a cash dividend there are no special arrangements for non-resident Shareholders. The Directors may make such arrangements as they consider expedient in connection with a dividend payment in shares to deal with any legal or other difficulties that may arise in any territory in which non-resident Shareholders are present. Subject to the passing of an ordinary resolution by the members, members may be offered the right to elect to receive Ordinary Shares, credited as fully paid, rather than cash.

The Ordinary Shares rank *pari passu* as a class in terms of preference, restriction and all other rights.

7. INTERESTS OF THE DIRECTORS AND SIGNIFICANT SHAREHOLDINGS

- 7.1 As at the date of this document and as expected to be immediately following the Placing and Admission, the interests of the Directors and persons connected to them (within the meaning of section 252 of the Companies Act) in the share capital of the Company, the existence of which is known to or could with reasonable diligence be ascertained by the Directors, are as follows:

Name	Ordinary Shares held at the date of this document		Sale Shares to be sold pursuant to the Placing		Ordinary Shares held immediately after Admission	
	Percentage of total		Percentage of total		Percentage of	
	Number of Ordinary Shares	issued share capital	Number of Ordinary Shares	issued share capital	Number of Ordinary Shares	Enlarged Share Capital
Alex Cheatle	10,141,488 ⁽¹⁾	20.06	2,938,000 ⁽⁷⁾	3.8	11,676,008 ⁽¹⁰⁾	14.9
Andrew Long	4,010,280 ⁽²⁾	7.89	1,418,043	1.8	2,386,549 ⁽¹¹⁾	3.1 ⁽¹⁴⁾
Bruce Weatherill	614,048 ⁽³⁾	1.21	—	—	596,272	0.8
Julian Pancholi	266,664 ⁽⁴⁾	0.53	—	—	266,664	0.3
Sarah Hornbuckle	224,904 ⁽⁵⁾	0.44	423,533 ⁽⁸⁾	0.5	757,483 ⁽¹²⁾	1.0
Sean Hegarty	160,000 ⁽⁶⁾	0.27	475,373 ⁽⁹⁾	0.6	233,059 ⁽¹³⁾	0.3
Gillian Davies	—	—	—	—	—	—

Notes:

- (1) Includes 47,480 Ordinary Shares held by Alex Cheatle's mother, Eli Cheatle.
- (2) Includes 91,360 Ordinary Shares held by Andrew Long's father, Anthony Long, and 114,328 Ordinary Shares held by Andrew Long's mother, Patricia Long.
- (3) Includes 17,776 Ordinary Shares held by Bruce Weatherill's son, Ben Weatherill.
- (4) Includes 266,664 Ordinary Shares held by Nitro Ventures Limited a company in which Julian Pancholi holds 24 per cent. of the issued share capital.
- (5) Includes 4,000 Ordinary Shares held by Sarah Hornbuckle's husband, John Harrison, 23,328 Ordinary Shares held by Sarah Hornbuckle's father, Stephen Hornbuckle, and 32,560 Ordinary Shares held by Sarah Hornbuckle's mother, Rita Hornbuckle.
- (6) Includes 66,664 Ordinary Shares held by Sean Hegarty's wife, Carol Hegarty, and 93,336 Ordinary Shares held by Sean Hegarty's father, William David Hegarty.
- (7) Includes 2,938,000 Sale Option Shares to be issued to Alex Cheatle immediately prior to Admission following the Exercise which are being sold by Alex Cheatle pursuant to the Placing.
- (8) Includes 420,200 Sale Option Shares to be issued to Sarah Hornbuckle immediately prior to Admission following the Exercise which are being sold by Sarah Hornbuckle pursuant to the Placing.
- (9) Includes 475,373 Sale Option Shares to be issued to Sean Hegarty immediately prior to Admission following the Exercise which are being sold by Sean Hegarty pursuant to the Placing.
- (10) Includes 1,582,000 Option Shares to be issued to Alex Cheatle immediately prior to Admission following the Exercise which are not being sold pursuant to the Placing.
- (11) Andrew Long's holding of 2,386,549 Ordinary Shares immediately after Admission will increase to 4,796,573 Ordinary Shares following the exercise of Options over Ordinary Shares on the day after Admission.
- (12) Includes 595,800 Option Shares to be issued to Sarah Hornbuckle immediately prior to Admission following the Exercise which are not being sold pursuant to the Placing.
- (13) Comprising 233,059 Option Shares to be issued to Sean Hegarty immediately prior to Admission following the Exercise which are not being sold pursuant to the Placing.
- (14) The percentage of the total issued share capital of Andrew Long's holding will increase to 5.9 per cent. following the issue of 2,410,024 Ordinary Shares pursuant to the exercise of Options on the day after Admission.

- 7.2 Save as disclosed in paragraph 7.1 above, the Company is not aware of any interest in the Company's ordinary share capital which amounts or would, immediately following Admission, amount to 3 per cent. or more of the Company's issued Ordinary Share capital other than the following:

Name	Ordinary Shares held at the date of this document		Sale Shares to be sold pursuant to the Placing		Ordinary Shares held immediately after Admission	
	Percentage of total issued share capital		Percentage of total issued share capital		Percentage of Enlarged Share Capital	
	Number of Ordinary Shares		Number of Ordinary Shares		Number of Ordinary Shares	
Ben Horner	4,728,696	9.36	341,860 ⁽¹⁾	0.4	4,586,836	5.9
Quinto Corporation	2,462,912	4.87	117,881	0.2	2,829,161	3.6
Luke Ding	2,159,680	4.27	48,413	0.1	2,595,397	3.3

Notes:

- (1) Includes 200,000 Sale Option Shares to be issued to Ben Horner immediately prior to Admission following the Exercise which are to be sold by Ben Horner pursuant to the Placing.

The voting rights of the Shareholders set out in paragraphs 7.1 and 7.2 do not differ from the voting rights held by other Shareholders.

- 7.3 Details of the total number of Options granted to the Directors as at the date of this document are as follows:

Director	Options over Ordinary Shares	Exercise Price (pence)	Expiry Date	Percentage of Enlarged Share Capital at Admission
Alex Cheatle	1,600,000	22.375p	Jan 2023	2.0
	360,000	63.5p	Jan 2023	0.5
	2,560,000	87.5p	Aug 2027	3.3
Andrew Long	1,652,856	53.625p	Jan 2023	2.1
	300,000	58p	Jan 2023	0.4
	300,000	62.5p	Jan 2023	0.4
	77,168	41.375p	Jan 2023	0.1
	80,000	87.5p	Aug 2027	0.1
	120,000	8.875p	Jan 2023	0.2
Sarah Hornbuckle	480,000	22.375p	Jan 2023	0.6
	208,000	53.625p	Jan 2023	0.3
	28,000	58p	Jan 2023	0.0
	28,000	62.5p	Jan 2023	0.0
	72,000	41.375p	Jan 2023	0.1
	80,000	87.5p	Aug 2027	0.1
Sean Hegarty	388,432	41.375p	Jan 2023	0.5
	320,000	87.5p	Aug 2027	0.4

- 7.4 Details of the total number of Options granted to the Directors as expected to be immediately following Admission are as follows:

<i>Director</i>	<i>Options over Ordinary Shares</i>	<i>Exercise Price (pence)</i>	<i>Expiry Date</i>	<i>Percentage of Enlarged Share Capital at Admission</i>
Andrew Long ⁽¹⁾	1,652,856	53.625p	Jan 2023	2.1
	300,000	58p	Jan 2023	0.4
	300,000	62.5p	Jan 2023	0.4
	77,168	41.375p	Jan 2023	0.1
	80,000	87.5p	Aug 2027	0.1

Notes:

- (1) The Company has received an irrevocable notice of exercise from Andrew Long in respect of all of his outstanding Options over Ordinary Shares which will, subject to Admission, occur on the day after Admission. Following such exercise there will be no outstanding Options granted to the Directors.

- 7.5 As at the date of this document, the following Notes have been issued to Natalie Cheatle (the wife of Alex Cheatle):

<i>Names</i>	<i>Principal amount of Notes</i>	<i>Amount owing under the Notes (Principal and Interest)</i>
Natalie Cheatle	£900,000	920,195

- 7.6 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors. Save as disclosed in this document, there are no outstanding loans or guarantees provided by the Directors to or for the benefit of the Company. Alex Cheatle and Andrew Long have each provided a personal guarantee with respect to TLM's obligations under the RBS Invoice Discounting Agreement, as described in paragraph 16.5 of this Part V.
- 7.7 Save as disclosed in this paragraph 7, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.
- 7.8 Save as otherwise disclosed in this document, none of the Directors nor any member of their respective families nor any person connected with the Directors (within the meaning of section 252 of the Companies Act) has any holding, whether beneficial or otherwise, in the share capital of the Company.
- 7.9 None of the Directors nor any member of their respective families is dealing in any related financial product (as defined in the AIM Rules for Companies) whose value in whole or in part is determined directly or indirectly by reference to the price of the Ordinary Shares, including a contract for differences or a fixed odds bet.

8. SELLING SHAREHOLDERS

8.1 The following table sets out the interests of the Selling Shareholders in the Ordinary Shares immediately prior to and immediately after Admission:

Name and address ⁽⁴⁾	Ordinary Shares held at the date of this document		Sale Shares to be sold pursuant to the Placing		Ordinary Shares held immediately after Admission		Lock-up period (days) ⁽¹⁾⁽²⁾
	Number of Ordinary Shares	Percentage of total issued share capital	Number of Ordinary Shares	Percentage of total issued share capital	Number of Ordinary Shares	Enlarged Share Capital	
Cheatle, Alexander John	10,094,008	20.0	2,938,000 ⁽⁶⁾	4.5	11,676,008 ⁽⁶⁾	14.9	365 ⁽³⁾
Horner, Ben	4,728,696	9.4	341,860 ⁽⁷⁾	0.5	4,586,836	5.9	365
Long, Andrew Michael	3,804,592	7.5	1,418,043	2.2	2,386,549 ⁽⁸⁾	3.1 ⁽⁹⁾	365
Hornbuckle, Sarah Louise	165,016	0.3	423,533 ⁽¹⁰⁾	0.7	757,483 ⁽¹¹⁾	1.0	365
Malcolm Berry	—	—	587,384 ⁽¹²⁾	0.9	75,000 ⁽¹³⁾	0.1	365
Quinto Corporation	2,462,912 ⁽¹⁴⁾	4.9	117,881	0.2	2,829,161	3.6	180
Castlemore Securities Limited Directors							
Pension Scheme	422,312	0.8	21,115	0.0	401,197	0.5	180
Houghton-Berry, Mark	1,223,816	2.4	30,595	0.0	1,193,221	1.5	180
Tarplett, Toby	80,000	0.2	8,000	0.0	72,000	0.1	180
McDermott, Richard Quentin	1,012,256	2.0	4,000	0.0	1,008,256	1.3	180
Barrett, Adam	880,000	1.7	44,000	0.1	836,000	1.1	180
COUNTESS S.L.	622,216	1.2	71,110 ⁽¹⁵⁾	0.1	591,106	0.8	180
Scott, Andrew	528,000	1.0	26,400	0.0	501,600	0.6	180
Houghton-Berry, Meganne	491,088	1.0	24,554	0.0	466,534	0.6	180
Hall, Julia	462,552	0.9	46,255	0.1	416,297	0.5	180
Ford, Sam	462,216	0.9	34,666	0.1	427,550	0.5	180
Heine, Ralf	434,584 ⁽¹⁶⁾	0.9	11,200	0.0	520,210	0.7	180
Hariett Davies	40,000	0.1	4,000	0.0	36,000	0.0	180
Fleury, Joachim	1,218,120 ⁽¹⁷⁾	2.4	40,135	0.1	1,274,811	1.6	180
Ding, Luke	2,159,680	4.3	48,413	0.1	2,595,397	3.3	180
HSBC Global Custody Nominee (UK) Limited							
A/C 885016	360,000	0.7	7,200	0.0	352,800	0.5	180
Hawkins, David Charles	426,664 ⁽¹⁸⁾	0.8	34,314	0.1	537,589	0.7	180
O'Donohoe, Richard	426,664 ⁽¹⁹⁾	0.8	34,314	0.1	537,589	0.7	180
Eastwood, Rupert	344,000	0.7	17,200	0.0	326,800	0.4	180
Fairway Consultancy Limited	308,640	0.6	15,432	0.0	293,208	0.4	180
Fullalove, Mike	300,128	0.6	30,012	0.0	270,116	0.3	180
NWH (Guernsey) Limited as trustees of the Ten EBT	273,120	0.5	400,000 ⁽²⁰⁾	0.6	273,120	0.3	180
KC II Limited	266,664 ⁽²¹⁾	0.5	29,087	0.0	261,784	0.3	180
Greenslade, John	258,768	0.5	25,876	0.0	232,892	0.3	180
Borel, Philip	285,192	0.6	14,259	0.0	270,933	0.3	180
Rogers-Coltman, Julian	204,312	0.4	8,172	0.0	196,140	0.3	180
Barnes, Mark	346,664	0.7	17,333	0.0	329,331	0.4	180
Corbett, Richard	145,456	0.3	6,545	0.0	138,911	0.2	180
Gem Management Limited	136,800	0.3	13,680	0.0	123,120	0.2	180
Chu, Michele	122,016	0.2	12,201	0.0	109,815	0.1	180
Kinoshita, Steve	117,960	0.2	10,026	0.0	107,934	0.1	180
Vincent Ong	115,552	0.2	5,777	0.0	109,775	0.1	180
Mackay, Holly	102,584	0.2	5,129	0.0	97,455	0.1	180
Collyer, Camilla	102,576	0.2	2,564	0.0	100,012	0.1	180

Name and address ⁽⁴⁾	Ordinary Shares held at the date of this document		Sale Shares to be sold pursuant to the Placing		Ordinary Shares held immediately after Admission		Lock-up period (days) ⁽¹⁾⁽²⁾
	Number of Ordinary Shares	Percentage of total issued share capital	Number of Ordinary Shares	Percentage of total issued share capital	Number of Ordinary Shares	Enlarged Share Capital	
Collyer, Paul	102,576 ⁽²²⁾	0.2	4,985	0.0	194,417	0.2	180
Yurday, Utku	102,576 ⁽²³⁾	0.2	4,841	0.0	146,148	0.2	180
Dannenbaum, Peggy	102,000 ⁽²⁴⁾	0.2	7,278	0.0	138,294	0.2	180
Marks, Stephen	101,832	0.2	10,183	0.0	91,649	0.1	180
Clothier, Tobias	95,432	0.2	9,543	0.0	85,889	0.1	180
Von Unger, Konstantin	122,584	0.2	38,922 ⁽²⁵⁾	0.1	110,326	0.1	180
Gamage, Arjuna	100,768	0.2	5,038	0.0	95,730	0.1	180
Davies, Edward	88,888	0.2	4,444	0.0	84,444	0.1	180
Farmpoint Limited	88,888	0.2	4,444	0.0	84,444	0.1	180
Dixon, Paul	1,595,128 ⁽²⁶⁾	3.2	33,839	0.1	1,658,115	2.1	180
Teasel, Sheridan	74,400	0.1	7,440	0.0	66,960	0.1	180
F M Hughes Will Trust	73,824	0.1	7,382	0.0	66,442	0.1	180
Canonaco, Sophia	69,768	0.1	6,976	0.0	62,792	0.1	180
Pritchard, Phillip	59,024 ⁽²⁷⁾	0.1	15,585	0.0	140,265	0.2	180
Macklow-Smith, Roxanne	51,296	0.1	2,564	0.0	48,732	0.1	180
Macklow-Smith, Stephen	51,288	0.1	5,128	0.0	46,160	0.1	180
Cheatle, Eli	47,480	0.1	2,374	0.0	45,106	0.1	180
Berryburn Farming Company Limied	46,424	0.1	2,321	0.0	44,103	0.1	180
Testa, Cecilia	45,600	0.1	3,420	0.0	42,180	0.1	180
KRK Investments Pte Ltd	273,528	0.5	13,676	0.0	259,852	0.3	180
Firouzabadian, Mo	35,552 ⁽²⁸⁾	0.1	1,647	0.0	53,271	0.1	180
Williams, Catherine	34,896	0.1	3,489	0.0	31,407	0.0	180
King, Sandra	32,000	0.1	1,600	0.0	30,400	0.0	180
Rading, Peter	168,888	0.3	16,888	0.0	152,000	0.2	180
Dyer, Aron Bryn	41,128	0.1	89,844 ⁽²⁹⁾	0.1	53,308 ⁽³⁰⁾	0.1	365
Hornbuckle, Stephen	23,328	0.0	933	0.0	22,395	0.0	180
Flowers, Nadia	18,240	0.0	1,824	0.0	16,416	0.0	180
Czaja, Matthias	18,000	0.0	1,800	0.0	16,200	0.0	180
Lacheze-Beer, Olivier	17,776	0.0	1,333	0.0	16,443	0.0	180
Littleton, Anne	13,304	0.0	1,330	0.0	11,974	0.0	180
Cole, David Charles	8,888	0.0	444	0.0	8,444	0.0	180
Forland, Gemma	8,000	0.0	800	0.0	7,200	0.0	180
Fullalove, Teresa	7,616	0.0	761	0.0	6,855	0.0	180
Horster, Norbert	7,200	0.0	720	0.0	6,480	0.0	180
Robotham, Philip	6,856	0.0	685	0.0	6,171	0.0	180
Farnsworth, Lynsey	5,760	0.0	576	0.0	5,184	0.0	180
Nash, Sara	5,200	0.0	520	0.0	4,680	0.0	180
Fincham, Charlotte	4,800	0.0	4,000 ⁽³¹⁾	0.0	8,800 ⁽³²⁾	0.0	180
Bargh, Jane	4,448	0.0	16,222 ⁽³³⁾	0.0	4,226	0.0	365
Littleton, Paul	4,344	0.0	434	0.0	3,910	0.0	180
Rabiger-Hakak, Penny	3,552	0.0	177	0.0	3,375	0.0	180
Wassenaar, Ingrid	3,552	0.0	355	0.0	3,197	0.0	180
Pearce, Colin	12,640	0.0	1,264	0.0	11,376	0.0	180
Bennett, Sophia	3,192	0.0	279	0.0	2,913	0.0	180
Major, Rich	19,208	0.0	960	0.0	18,248	0.0	180
Rideout, Matthew	1,824	0.0	182	0.0	1,642	0.0	180
Hill-Wilson, Jackie	10,288	0.0	1,028	0.0	9,260	0.0	180
Rideout, Alex	1,056	0.0	105	0.0	951	0.0	180
Estate of Pamela Rideout	912	0.0	91	0.0	821	0.0	180
Elms, Chloe	288	0.0	28	0.0	260	0.0	180
Latchford, Victoria	—	—	109,656 ⁽³⁴⁾	0.2	—	—	180
Jane Anita Newall	13,336	0.0	1,333	0.0	12,003	0.0	180
Claire Johnston	13,336	0.0	1,333	0.0	12,003	0.0	365
Daniele Oldani and Michael Dann	13,336	0.0	666	0.0	12,670	0.0	365

Name and address ⁽⁴⁾	Ordinary Shares held at the date of this document		Sale Shares to be sold pursuant to the Placing		Ordinary Shares held immediately after Admission		Lock-up period (days) ⁽¹⁾⁽²⁾
	Number of Ordinary Shares	Percentage of total issued share capital	Number of Ordinary Shares	Percentage of total issued share capital	Number of Ordinary Shares	Enlarged Share Capital	
Christian Wilmot	20,000	0.0	2,000	0.0	18,000	0.0	365
Kirsty Miller	13,336	0.0	666	0.0	12,670	0.0	365
Craig Le Grice	120,000	0.2	332,000 ⁽³⁵⁾	0.5	108,000	0.1	365
Sally Crimes	13,336	0.0	19,421 ⁽³⁶⁾	0.0	12,003	0.0	365
Andy Pavletich	26,664	0.1	1,333	0.0	25,331	0.0	365
Clara Lu	40,000	0.1	4,000	0.0	36,000	0.0	365
Toby Gauvain	–	–	851,405 ⁽³⁷⁾	1.3	696,603 ⁽³⁸⁾	0.9	365
Sean Hegarty	–	–	475,373 ⁽³⁹⁾	0.7	233,059 ⁽⁴⁰⁾	0.3	365
Ian Swain	–	–	271,120 ⁽⁴¹⁾	0.4	–	–	365
Anna Seizer	–	–	104,432 ⁽⁴²⁾	0.2	–	–	365
Hannah Heyburn	–	–	49,440 ⁽⁴³⁾	0.1	–	–	365
Charlotte Knight	–	–	51,552 ⁽⁴⁴⁾	0.1	–	–	365
Lucy Chillingworth	–	–	53,664 ⁽⁴⁵⁾	0.1	–	–	365
Catherine Allan	–	–	42,552 ⁽⁴⁶⁾	0.1	9,000 ⁽⁴⁷⁾	0.0	365
Tracy Geldert	–	–	469,336 ⁽⁴⁸⁾	0.7	–	–	365
Ed Clarke	–	–	178,088 ⁽⁴⁹⁾	0.3	–	–	365
Andy Scott	–	–	11,231 ⁽⁵⁰⁾	0.0	6,857 ⁽⁵¹⁾	0.0	365
Aneta Janczaruk	–	–	18,088 ⁽⁵²⁾	0.0	–	–	365
Stevie Piper	–	–	18,088 ⁽⁵³⁾	0.0	–	–	365
Samir Bera	–	–	52,336 ⁽⁵⁴⁾	0.1	–	–	180
Stuart Bradford	–	–	35,256 ⁽⁵⁵⁾	0.1	–	–	180
Sally McNair	–	–	56,672 ⁽⁵⁶⁾	0.1	–	–	180
Damian Keady	–	–	14,400 ⁽⁵⁷⁾	0.0	1,600 ⁽⁵⁸⁾	0.0	180
Kate Oakley	–	–	46,672 ⁽⁵⁹⁾	0.1	–	–	180
Lucy Ross	–	–	23,336 ⁽⁶⁰⁾	0.0	–	–	180
Elsbeth Huntley	–	–	23,336 ⁽⁶¹⁾	0.0	–	–	180

Notes:

- (1) Selling Shareholders subject to a 365-day lock-up include each Director (and each of his or her family members and each trustee of a trust the beneficiary of which is a Director and/or a family member of a Director, in each case who is a Selling Shareholder), each Selling Shareholder who was an employee as at 30 October 2017, who has undertaken in the Placing Agreement or a separate Deed Poll of Election not to sell any further Ordinary Shares, other than pursuant to the Placing, for a period of 365 days from the date of the Placing Agreement
- (2) Selling Shareholders subject to a 180-day lock-up include each Selling Shareholder, who was not an employee of the Company as at 30 October 2017, who has undertaken in a separate Deed Poll of Election not to sell any further Ordinary Shares, other than pursuant to the Placing, for a period of 180 days from the date of the Placing Agreement.
- (3) Alex Cheattle, has undertaken to Jefferies that he will not and shall procure that his associates (as defined in paragraph (c) of the definition of related party in the AIM Rules) will not (i) sell any further Ordinary Shares, other than pursuant to the Placing, for a period of 365 days after the date of the Placing Agreement ("**Lock-Up End Date**") and (ii) between the Lock-Up End Date and the date falling 5 years from the date of the Placing Agreement, sell more than 50 per cent. of his Ordinary Shares held at Admission or more than 50 per cent. of any further Ordinary Shares acquired after the date of Admission;
- (4) All C/O Ten Lifestyle Group plc – Floor 2, 355 Euston Road, London, England NW1 3AL.
- (5) Comprises 2,938,000 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (6) Includes 1,582,000 Option Shares to be issued immediately prior to Admission following the Exercise which are not being sold pursuant to the Placing.
- (7) Includes 200,000 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (8) Andrew Long's holding of 2,386,549 Ordinary Shares immediately after Admission will increase to 4,796,573 Ordinary Shares following the exercise of Options over Ordinary Shares on the day after Admission.
- (9) The percentage of the total issued share capital of Andrew Long's holding will increase to 5.9 per cent. following the issue of 2,410,024 Ordinary Shares pursuant to the exercise of Options on the day after Admission.
- (10) Includes 420,200 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (11) Includes 595,800 Option Shares to be issued immediately prior to Admission following the Exercise which are not being sold pursuant to the Placing.

- (12) Comprises 587,384 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (13) Comprises 75,000 Option Shares to be issued immediately prior to Admission following the Exercise which are not being sold pursuant to the Placing.
- (14) Does not include 484,130 Convertible Shares to be converted immediately prior to Admission.
- (15) Includes 40,000 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (16) Does not include 96,826 Convertible Shares to be converted immediately prior to Admission.
- (17) Does not include 96,826 Convertible Shares to be converted immediately prior to Admission.
- (18) Does not include 145,239 Convertible Shares to be converted immediately prior to Admission.
- (19) Does not include 145,239 Convertible Shares to be converted immediately prior to Admission.
- (20) Comprises 400,000 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (21) Does not include 24,207 Convertible Shares to be converted immediately prior to Admission.
- (22) Does not include 96,826 Convertible Shares to be converted immediately prior to Admission.
- (23) Does not include 48,413 Convertible Shares to be converted immediately prior to Admission.
- (24) Does not include 43,572 Convertible Shares to be converted immediately prior to Admission.
- (25) Includes 26,664 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (26) Does not include 96,826 Convertible Shares to be converted immediately prior to Admission.
- (27) Does not include 96,826 Convertible Shares to be converted immediately prior to Admission.
- (28) Does not include 19,366 Convertible Shares to be converted immediately prior to Admission.
- (29) Comprises 89,844 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (30) Includes 12,180 Option Shares to be issued immediately prior to Admission following the Exercise which are not being sold pursuant to the Placing.
- (31) Comprises 4,000 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (32) Includes 4,000 Option Shares to be issued immediately prior to Admission following the Exercise which are not being sold pursuant to the Placing.
- (33) Includes 16,000 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (34) Comprises 109,656 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (35) Includes 320,000 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (36) Includes 18,088 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (37) Comprises 851,405 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (38) Comprises 696,603 Option Shares to be issued immediately prior to Admission following the Exercise which are not being sold pursuant to the Placing.
- (39) Comprises 475,373 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (40) Comprises 233,059 Option Shares to be issued immediately prior to Admission following the Exercise which are not being sold pursuant to the Placing.
- (41) Comprises 271,120 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (42) Comprises 104,432 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (43) Comprises 49,440 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (44) Comprises 51,552 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (45) Comprises 53,664 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (46) Comprises 42,552 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (47) Comprises 9,000 Option Shares to be issued immediately prior to Admission following the Exercise which are not being sold pursuant to the Placing.
- (48) Comprises 469,336 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.

- (49) Comprises 178,088 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (50) Comprises 11,231 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (51) Comprises 6,857 Option Shares to be issued immediately prior to Admission following the Exercise which are not being sold pursuant to the Placing.
- (52) Comprises 18,088 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (53) Comprises 18,088 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (54) Comprises 52,336 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (55) Comprises 35,256 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (56) Comprises 56,672 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (57) Comprises 14,400 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (58) Comprises 1,600 Option Shares to be issued immediately prior to Admission following the Exercise which are not being sold pursuant to the Placing.
- (59) Comprises 46,672 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (60) Comprises 23,336 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.
- (61) Comprises 23,336 Sale Option Shares to be issued immediately prior to Admission following the Exercise which are to be sold pursuant to the Placing.

In aggregate, 23,994,566 Ordinary Shares⁽¹⁾ will be subject to a 365-day lock-up, representing 29.8 per cent. of the Company's total issued share capital (immediately after the issue of 2,410,024 Ordinary Shares to Andrew Long on the day after Admission) and 24,328,609 Ordinary Shares will be subject to a 180-day lock-up, representing 30.2 per cent. of the Company's total issued share capital (immediately after the issue of 2,410,024 Ordinary Shares to Andrew Long on the day after Admission). 8,304,286 Ordinary Shares held by non-Selling Shareholders will not be subject to any lock-up arrangements representing 10.3 per cent. of the Company's total issued share capital immediately after the issue of 2,410,024 Ordinary Shares to Andrew Long on the day after Admission.

9. CONVERTIBLE LOAN NOTES

- 9.1 On 28 June 2017, TLM and the Company (as guarantor) executed the £3,000,000 Convertible Loan Note Instrument and the £1,000,000 Convertible Loan Note Instrument pursuant to which the TLM issued £3,150,000 Convertible Notes to the Convertible Noteholders with a fixed interest rate of 9 per cent. gross per annum and a final maturity date of 28 June 2022 in the proportions set out below. Subject to the Convertible Noteholders agreeing to the terms of the Side Letter (details of which are provided at paragraph 9.2 below), the principal amount of the Convertible Notes and any accrued interest shall automatically convert into Conversion Shares on Admission.
- 9.2 On 26 October 2017 the Company wrote to each Convertible Noteholders asking them to agree to a variation of the terms upon which their Convertible Notes were issued ("**Side Letter**") so that on Admission, the Convertible Notes will automatically convert into shares in the Company.

¹ Including 2,410,024 Ordinary Shares to be issued to Andrew Long on the day after Admission pursuant to the exercise of Options.

9.3 As at the date of this document, the following Convertible Notes have been issued to Convertible Noteholders:

<i>Noteholder</i>	<i>Principal amount of Convertible Notes</i>	<i>Amount owing under the Convertible Notes (Principal and Interest)</i>	<i>Number of Conversion Shares to be issued on Admission pursuant to Conversion</i>	<i>Percentage of Enlarged Share Capital at Admission</i>
Ara Darzi	£100,000	103,797	96,826	0.1
Christiane Elsenbach	£100,000	103,797	96,826	0.1
Paul Collyer	£100,000	103,797	96,826	0.1
KC II Limited	£25,000	25,949	24,207	0.0
David Charles Hawkins	£150,000	155,696	145,239	0.2
Jad Ghandour	£60,000	62,278	58,096	0.1
Jonathan Bowers	£150,000	155,696	145,239	0.2
Quinto Corporation	£500,000	518,986	484,130	0.6
Joachim Fleury	£100,000	103,797	96,826	0.1
Luke Ding	£500,000	518,986	484,130	0.6
Mark Houghton-Berry	£200,000	207,595	193,652	0.2
Richard Quentin McDermott	£50,000	51,899	48,413	0.1
Oliver Pawle	£50,000	51,899	48,413	0.1
Paul Davies	£300,000	311,392	290,478	0.4
Paul Dixon	£100,000	103,797	96,826	0.1
Peggy Dannenbaum	£45,000	46,709	43,572	0.1
Phillip Pritchard	£100,000	103,797	96,826	0.1
Ralf Heine	£100,000	103,797	96,826	0.1
Richard O'Donohoe	£150,000	155,696	145,239	0.2
Ron Beller	£100,000	103,797	96,826	0.1
Utku Yurday	£50,000	51,899	48,413	0.1
Martin Anthony Shenfield	£50,000	51,899	48,413	0.1
Bettina Horster	£50,000	51,899	48,413	0.1
Mo Firouzabadian	£20,000	20,759	19,366	0.0
Total	£3,150,000	3,269,614	3,050,021	3.9

9.4 On Admission, there will be no outstanding Convertible Notes in issue.

10. SHARE PLANS

10.1 As at the date of this document, there are Options over 4,533,880 Ordinary Shares outstanding under the Existing Share Option Schemes. The Company has received notices of Exercise conditional on Admission with respect to Options over 11,232,312 Ordinary Shares⁽¹⁾ which shall result in the issue and allotment of 11,232,312 Ordinary Shares immediately prior to Admission.

Notes:

(1) Not including 2,410,024 Options which will, subject to Admission occurring, be exercised by Andrew Long on the day after Admission pursuant to an irrevocable notice of exercise received from Andrew Long.

	Number of Ordinary Shares under Options as as at the date of this document	Number of Ordinary Shares under Options at Admission	Exercise Price (pence)
<i>Existing Share Option Scheme</i>			
Qualifying CSOP	1,840,000	1,840,000	75p
Non-Qualifying CSOP	3,760,000	80,000	87.5p
EMI Option Plan	8,797,216	2,490,888 ⁽¹⁾	8.875 – 41.375p
Non-EMI Option Plan	1,328,976	122,992 ⁽²⁾	56.25p
Non-Employee Option Plan	40,000	–	56.25p
MIP	–	–	–

Notes:

- (1) Includes 2,330,024 Options which will, subject to Admission occurring, be exercised by Andrew Long on the day after Admission pursuant to an irrevocable notice of exercise.
- (2) Includes 80,000 Options which will, subject to Admission occurring, be exercised by Andrew Long on the day after Admission pursuant to an irrevocable notice of exercise.

10.2 In connection with his own personal tax position (in order to receive entrepreneur's relief on the sale of Ordinary Shares received from the exercise of Options), the Board has agreed to permit Andrew Long to exercise Options subsequent to the Placing and Admission, and to sell a proportion of his Ordinary Shares through the Placing as if such Options had already been exercised. Accordingly, Andrew Long has irrevocably agreed to exercise 2,410,024 Options over Ordinary Shares on 30 November 2017 as a result of which the Company will receive Option exercise proceeds of approximately £1.3 million and Andrew Long will be issued and allotted 2,410,024 Ordinary Shares which will remain subject to the lock-up arrangements until 23 November 2018. Andrew Long has agreed to sell 1,418,043 Ordinary Shares through the Placing, representing 37.3 per cent. of his shareholding upon Admission and 22.8 per cent. of his shareholding following his exercise of Options on the day following Admission, as referred to above.

10.3 Following such exercise there shall be a total of 2,123,856 Ordinary Shares under Options granted under the Existing Share Option Schemes representing 2.6 per cent. of the Enlarged Share Capital (assuming the issue and allotment of 2,410,024 Ordinary Shares to Andrew Long on the day after Admission pursuant to the exercise of his Options).

10.4 **CSOP**

(a) *Overview*

The Company adopted the CSOP on 24 August 2017, pursuant to which the Company may grant Options to employees of the Company or any member of the Group. There have been two grants of options under the rules of the CSOP, those which are qualifying ("**Qualifying CSOP**"), and those which are not-qualifying ("**Non-Qualifying CSOP**").

Under the CSOP, the following provisions apply:

(b) *Grant*

The Board may select and grant Options to, from time to time in its absolute discretion, any number of persons who are at the intended date of grant an employee of either the Company or any member of the Group.

The exercise of an Option may be subject to the satisfaction of performance conditions specified by the Board at the date of grant of the Option, including that the Option may lapse if the Option holder's employment ceases.

If the Board reasonably considers events have affected the viability of such performance conditions and that they no longer represent a fair measure of performance, the Board may waive or vary them so long as the variation does not result in more onerous performance conditions.

The Board determines (at the date of grant) the exercise period during which an Option holder may exercise an Option to end no later than the day prior to the tenth anniversary on the date of grant.

The Board may determine that each Option holder indemnifies the Company and any member of the Group (if permitted by law) against any income tax and/or employee national insurance contribution charges or any similar employment or withholding tax or costs arising in the territory of residence and/or employment of the Option holder, resulting from the grant, exercise, disposal or release of an Option.

(c) *Exercise*

Each Qualifying CSOP Option shall only become exercisable on the third anniversary of the date of grant.

Each Non-Qualifying CSOP Option shall only become exercisable on an IPO of the Company and shall lapse on 1 June 2018 if not exercised prior to that date.

Each Option shall be exercisable only by the Option holder to whom it is granted (or his personal representative) and may not be transferred, assigned or charged and the option shall lapse on any purported transfer assignment or charge by the Option holder.

If an Option holder dies, then an unvested Option may be exercised within twelve months after death but within the exercise period.

The Board may vary or waive any performance condition where the Board considers that the performance condition is no longer appropriate, subject the Board considering it is fair and reasonable that any variation does not impose a performance condition that is more difficult to satisfy than when originally imposed or last amended.

The Option may become exercisable within 6 months after an unconditional offer, or one that would become unconditional upon control of the company being attained, has been made which would result in a change of control of the Company, or a person having control of the company makes a general offer, and the Board, in its absolute discretion, may permit the exercise of an Option during the period of 20 days after a person has obtained control of the company, or made an offer unconditional upon control of the company being attained, or a person having control of the company makes a general offer.

(d) *Amendments*

In the event of a capitalisation, or rights issue or sub-division or consolidation or reduction or otherwise the Board may make appropriate adjustments to the number of shares under Option and the price at which shares may be acquired on exercise.

The Board may amend the rules at any time, except that Option holder approval is required, or approval of 75 per cent. of the Ordinary Shares subject to the Options are required, where the alteration or addition would abrogate or adversely affect the subsisting rights of the Option holder.

(e) *Miscellaneous*

The number of Options that may be issued when aggregated with the number of Ordinary Shares issued or made issuable pursuant to any other employees' share scheme operated by the Company shall not exceed 10 per cent. of the Company's issued Ordinary Share capital.

Participation by an Option holder shall not form part of his entitlement to remuneration or benefits pursuant to his contract of employment and rights granted to an Option holder under the grant of an Option shall not afford him any rights or additional rights to compensation or damages in consequence of the loss, termination of his office or employment with the Company.

Options are not pensionable.

10.5 **MIP**

(a) *Overview*

The Company adopted the MIP on 9 November 2017 conditional on Admission. Under the rules of the MIP, eligible participants can receive MIP Options to acquire Ordinary Shares in the Company.

Under the rules of the MIP, the following provisions apply:

(b) *Grant*

MIP Options will be granted with an exercise price equal to the nominal value of an Ordinary Share.

The Remuneration Committee has overall responsibility for the operation and administration of the MIP and has discretion to select the employees and executive directors to whom MIP Options are granted; the Board may also grant MIP Options to non-executive directors.

MIP Options are not transferable, and only the person to whom a MIP Option is granted or his or her personal representatives may acquire Ordinary Shares pursuant to a MIP Option.

MIP Options may be granted within the period of 42 days commencing on the date on which the MIP is approved by the Board and thereafter within 42 days after the Company's announcement of results but not later than the tenth anniversary of the adoption date provided that the Remuneration Committee is not prevented by statute, order, regulation or government directive from granting awards.

(c) *Exercise*

Initial awards of MIP Options will vest on the achievement of performance conditions based on total shareholder return and, for some participants, operational targets. For Alexander Cheattle, Sean Hegarty and Sarah Hornbuckle, this performance condition is 100 per cent. absolute total shareholder return, vesting after three years, whilst for Andrew Long his performance condition is 50 per cent. absolute total shareholder return, and up to 50 per cent. net revenue growth in Asia.

The MIP Options may be exercised on or after the third anniversary of the date they are granted.

On a takeover of the Company, the MIP Options will become exercisable in respect of such proportion as the board determines.

If a participant ceases to be in employment for a reason that makes him a "good leaver", the participant may be permitted to exercise his MIP Options and the Board shall determine the proportion of the MIP Options that may be exercised taking into account the extent to which the performance conditions have been met and the time which has elapsed between the date the MIP Options were granted and the date of cessation.

If a participant dies, where his option is exercisable, his or her personal representatives shall be permitted to exercise his or her Options within 12 months of the participant's death, and where he ceases employment for any other good leaver reason, his option will usually be exercisable for a period of 6 months from cessation.

Other than as set out above, vested MIP Options are generally exercisable between the date on which they vest and the tenth anniversary of the date on which they were granted.

Ordinary Shares issued in connection with the exercise of MIP Options will rank equally with Ordinary Shares from the date on which the participant is entered on the register of member.

(d) *Amendments*

If there is any alteration of the issued share capital of the Company, the Board may adjust MIP Options in such manner as it determines to be appropriate.

(e) *Miscellaneous*

The number of Ordinary Shares which may be issued on the exercise of MIP Options granted under the MIP post-Admission shall not exceed 10 per cent. of the issued share capital (including treasury shares and Ordinary Shares issued to the trustee of an employees' trust) of the Company from time to time. Any options granted under the Existing Share Option Schemes before Admission do not count towards the 10 per cent. of the issued share capital that may be used to satisfy MIP Options.

Benefits provided under the MIP are not pensionable.

10.6 **EMI Option Plan**

(a) *Overview*

The Company adopted the EMI Option Plan on 7 January 2013, pursuant to which the Company may grant Options to employees of the Company or any member of the Group.

Under the EMI Option Plan, the following provisions apply:

(b) *Grant*

The Board may select and grant Options to, from time to time in its absolute discretion, any number of persons who are at the intended date of grant an employee of either the Company or any member of the Group.

The exercise of an Option may be subject to the satisfaction of performance conditions specified by the Board at the date of grant of the Option, including that the Option may lapse if the Option holder's employment ceases.

If the Board reasonably considers events have affected the viability of such performance conditions and that they no longer represent a fair measure of performance, the Board may waive or vary them so long as the variation does not result in more onerous performance conditions.

The Board determines (at the date of grant) the exercise period during which an Option holder may exercise an Option to end no later than the day prior to the tenth anniversary on the date of grant.

It is a condition of a grant of an Option that each Option holder indemnifies the Company and any member of the Group (if permitted by law) against any income tax and/or employee national insurance contribution charges or any similar employment or withholding tax or costs arising in the territory of residence and/or employment of the Option holder, resulting from the grant, exercise, disposal or release of an Option.

(c) *Exercise*

Each Option shall be exercisable only by the Option holder to whom it is granted (or his personal representative) and may not be transferred, assigned or charged and the option shall lapse on any purported transfer assignment or charge by the Option holder.

If an Option holder dies, then an unvested Option may be exercised within twelve months after death but within the exercise period.

The Board may vary or waiver any performance condition in its absolute discretion.

If an offer is made which may result in a change of control of the Company the Board is entitled to notify the Option holders and allow them to exercise their Options within six weeks of the completion of the change of control.

(d) *Amendments*

In the event of a capitalisation, or rights issue or sub-division or consolidation or reduction or otherwise the Board may make appropriate adjustments to the number of shares under Option and the price at which shares may be acquired on exercise; and

The Board may amend the rules at any time, except that shareholder approval is required to amend the limit of the relevant plan or make the plan materially more generous, or change the definition of Eligible Employee to expand the class of potential Option holders.

(e) *Miscellaneous*

Participation by an Option holder shall not form part of his entitlement to remuneration or benefits pursuant to his contract of employment and rights granted to an Option holder under the grant of an Option shall not afford him any rights or additional rights to compensation or damages in consequence of the loss, termination of his office or employment with the Company; and

Options are not pensionable.

10.7 **Non-EMI Option Plan**

(a) *Overview*

The Company adopted the Non-EMI Option Plan, to be awarded to those who are not employees of the Company or any member of the Group, on 7 January 2013.

Under the Non-EMI Option Plan, the following provisions apply:

(b) *Grant*

The Board may select and grant Options to, from time to time in its absolute discretion, any number of persons for whom there are justifiable commercial reasons for doing so.

The exercise of an Option may be subject to the satisfaction of performance conditions specified by the Board at the date of grant of the Option.

If the Board reasonably considers events have affected the viability of such performance conditions and that they no longer represent a fair measure of performance, the Board may waive or vary them.

(c) *Exercise*

Each Option shall be exercisable only by the Option holder to whom it is granted (or his personal representative) and may not be transferred, assigned or charged and the option shall lapse on any purported transfer assignment or charge by the Option holder.

If an Option holder dies, then an unvested Option may be exercised within twelve months after death but within the exercise period.

The Board may vary or waive any performance condition in its absolute discretion.

If an offer is made which may result in a change of control of the Company the Board is entitled to notify the Option holders and allow them to exercise their Options within six weeks of the completion of the change of control.

(d) *Amendments*

In the event of a capitalisation, or rights issue or sub-division or consolidation or reduction or otherwise the Board may make appropriate adjustments to the number of shares under Option and the price at which shares may be acquired on exercise.

The Board may amend the rules from time to time, but no amendment may have retrospective effect, and no amendment can be made without prior approval of the Company at a general meeting if the amendment makes the terms of the plan materially more generous.

10.8 **Ten Group Employee Benefit Trust ("Ten EBT")**

The Ten EBT was established by the Company on 22 February 2012 as a discretionary employee benefit trust. The Ten EBT may hold Ordinary Shares required to satisfy awards and options granted under the Company's share plans and incentive schemes. The trustee of the Ten EBT may acquire or be issued with Ordinary Shares for this purpose and the Company may provide sufficient funds by way of loan or gift to it. Currently, the trustee of the Ten EBT is NWH (Guernsey) Limited. The class of beneficiaries of the Ten EBT includes employees and former employees of the Company and their relatives. The Company has the power to appoint new and additional trustees or to remove any trustee. With the agreement of the trustee, the Company may amend the trust deed governing the Ten EBT.

As at the date of this Document, the Ten EBT holds 273,120 Ordinary Shares and Options over 400,000 Ordinary Shares. The Company has received notice of exercise from the Ten EBT conditional on Admission with respect to 400,000 Options over Ordinary Shares which shall result in the issue and allotment of 400,000 Ordinary Shares to the EBT immediately prior to Admission which shall be sold pursuant to the Placing.

As at Admission, the Ten EBT will hold 273,120 Ordinary Shares and no Options over Ordinary Shares.

11. **PENSIONS**

The Company operates a defined contribution pension scheme and paid £279,000 in pension costs in FY17.

12. DIRECTORS' SERVICE AGREEMENTS/LETTERS OF APPOINTMENT

12.1 The Company has entered into service agreements/letters of appointment with the Directors as follows:

Executive directors

(a) *Alex Cheatle*

On 24 November 2017, Alex Cheatle entered into a service agreement with the Company with effect from Admission, pursuant to which he will be employed as Chief Executive Officer and be an executive director. He will devote 5 days per week to his role and will receive a salary of £280,000 per annum. The service agreement will be terminable by either party on 6 months' prior written notice. Alex Cheatle will be subject to the usual restrictive covenants for a period of 6 months (12 months for a non-deal restrictive covenant) following the termination of his appointment (less any period spent on garden leave).

(b) *Andrew Long*

On 24 November 2017, Andrew Long entered into an employment agreement with Ten Group Singapore Pte Limited with effect from Admission, pursuant to which he will be employed as Chief Executive Officer, Ten Group Asia Pacific. On 24 November 2017, he separately entered into a letter of appointment with the Company with effect from Admission pursuant to his appointment as an executive director of the Company. He will devote 40 hours per week to his role and receive a salary of £280,000 per annum (payable in Singapore dollars). The employment agreement will be terminable by either party on 6 months' prior written notice. Andrew Long will be subject to restrictive covenants for a period of 6 (12 months for a non-deal restrictive covenant) months following the termination of his appointment (less any period spent on garden leave).

(c) *Sarah Hornbuckle*

On 24 November 2017, Sarah Hornbuckle entered into a service agreement with the Company with effect from Admission, pursuant to which she will be employed as Client Services Director and be an executive director. She will devote 4 days per week to her role and receive a salary of £80,000 per annum. The service agreement will be terminable by either party on 6 months' prior written notice. Sarah Hornbuckle will be subject to restrictive covenants for a period of 6 (12 months for a non-deal restrictive covenant) months following the termination of her appointment (less any period spent on garden leave).

(d) *Sean Hegarty*

On 24 November 2017, Sean Hegarty entered into a service agreement with the Company with effect from Admission, pursuant to which he will be employed as Chief Financial Officer and be an executive director. He will devote 5 days per week to his role and receive a salary of £140,000 per annum. The service agreement will be terminable by either party on 6 months' prior written notice. Sean Hegarty will be subject to restrictive covenants for a period of 6 (12 months for a non-deal restrictive covenant) months following the termination of his appointment (less any period spent on garden leave).

Non-executive directors

(e) *Bruce Weatherill*

On 23 August 2017, Bruce Weatherill and the Company entered into a letter of appointment pursuant to which he was appointed to act as non-executive director of the Company. Bruce Weatherill will be entitled to a director's fee of £50,000 per annum. Subject to Admission, the appointment is for an initial term of two years from Admission and will be terminable at any time on 3 months' prior written notice by either party.

(f) *Julian Pancholi*

On 23 August 2017, Nitro Ventures Limited and the Company entered into a letter of appointment to procure the services of Julian Pancholi as non-executive director of the Company. In consideration for the procurement of the services to be provided by Julian Pancholi, Nitro Ventures Limited will be entitled to a fee of £36,000 per annum. Subject to Admission, the appointment is for an initial term of two years from Admission and will be terminable at any time on 3 months' prior written notice by either party.

(g) *Gillian Davies*

On 25 October 2017, Gillian Davies and the Company entered into a letter of appointment pursuant to which she was appointed to act as non-executive director of the Company. Gillian

Davies will be entitled to a director's fee of £36,000 per annum. Subject to Admission, the appointment is for an initial term of two years from Admission and will be terminable at any time on 3 months' prior written notice by either party.

13. ADDITIONAL INFORMATION ON THE DIRECTORS

13.1 In addition to directorships of the Company, the Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this document:

<i>Director</i>	<i>Current Directorships and Partnerships (other than the Company)</i>	<i>Past Directorships and Partnerships</i>
Alex Cheatle	Ten Latin America Limited Ten South America Limited Ten Global Services Limited Bailey Medical Support Limited Ten Professional Support Ltd Ten Travel Limited Ten Lifestyle Management Limited	The Key Support Services Limited (FKA Ten Education Limited)
Andrew Long	Ten Latin America Limited Ten South America Limited Ten Global Services Limited Bailey Medical Support Limited Ten Professional Support Ltd Ten Travel Limited Ten Lifestyle Management Limited	The Key Support Services Limited (FKA Ten Education Limited)
Sarah Hornbuckle	Ten Lifestyle Management Limited Third Axis Limited	The Key Support Services Limited (FKA Ten Education Limited)
Sean Hegarty	None	None
Bruce Weatherill	JDX InServe Limited JDX Consulting Limited JDX Holdings Limited Wisdom Global Limited Clearview Financial Media Limited Compeer Limited Bruce Weatherill Executive Consulting Limited The Wimbledon Foundation The All England Lawn Tennis & Croquet Club Limited The All England Lawn Tennis Club (Championships) Limited Fil Holdings (UK) Limited	IO Adria Limited FIL Asset Management Korea Limited
Julian Pancholi	BTLWSPV000035 Ltd BTLWSPV000042 Ltd BTLWSPV000040 Ltd BTLWSPV000037 Ltd BTLWSPV000043 Ltd BTLWSPV000044 Ltd BTLWSPV000039 Ltd BTLWSPV000038 Ltd BTLWSPV000041 Ltd BTLWSPV000036 Ltd Estimo Technologies Ltd	NUWEBNEB Ltd BuyToLetWorld2 Limited Speed 360 Limited Gymortal Ltd FX Storm Ltd Nitro Properties Ltd Labsixty Limited Nitro Finance Ltd Memails Limited Maximist Solutions LLP Skyscanner Holdings Limited

<i>Director</i>	<i>Current Directorships and Partnerships (other than the Company)</i>	<i>Past Directorships and Partnerships</i>
Julian Pancholi (continued)	MDPVT004 Ltd MDPVT002 Ltd MDPVT003 Ltd MDPVT001 Ltd MDPVT005 Ltd BTLWSPV000025 Ltd BTLWSPV000026 Ltd BTLWSPV000029 Ltd BTLWSPV000027 Ltd BTLWSPV000032 Ltd BTLWSPV000033 Ltd BTLWSPV000030 Ltd BTLWSPV000031 Ltd BTLWSPV000034 Ltd BTLWSPV000028 Ltd BTLWSPV000022 Ltd BTLWSPV000023 Ltd BTLWSPV000024 Ltd BTLWSPV000021 Ltd BTLWSPV000018 Ltd BTLWSPV000019 Ltd BTLWSPV000020 Ltd BTLWSPV000017 Ltd BTLWSPV000014 Ltd BTLWSPV000013 Ltd BTLWSPV000015 Ltd BTLWSPV000016 Ltd Property Wealth Syndicate Ltd BTLWSPV000010 Ltd BTLWSPV000011 Ltd BTLWSPV000012 Ltd BTLWSPV000009 Ltd BuyToLetWorld Limited BTLWSPV000006 Ltd BTLWSPV000005 Ltd BTLWSPV000008 Ltd BTLWSPV000007 Ltd BTLWSPV000004 Ltd BTLWSPV000003 Ltd BTLWSPV000002 Ltd BTLWSPV000001 Ltd Velox Enterprise LLP Caduceus Social Ltd Nitro Property Ltd Nitro Digital Ltd Nixxie Ltd Nitro Ventures Ltd	Skyscanner Limited Oxy Solutions LLP
Gillian Davies	Iverna Financial Ltd	Supreme Holdings Limited 4 Imprint Quest Trustees Limited 4 Imprint Finance Limited 4 Imprint Incorporated Limited Market Place No.2 Limited Cavendish Place Newco No. 1 Limited 4imprint North America Limited 4imprint UK Holdings Limited

<i>Director</i>	<i>Current Directorships and Partnerships (other than the Company)</i>	<i>Past Directorships and Partnerships</i>
Gillian Davies (continued)		M.T. Promotions Limited 4 Imprint USA Limited 4imprint Limited 4imprint Group Plc 4imprint Direct Limited SPS (EU) Limited Loop Fobs Ltd

13.2 Alex Cheatle, Andrew Long and Sarah Hornbuckle were directors of Time Energy Network Limited (“**Time Energy**”), at the time of it entering into Creditors’ Voluntary Liquidation. On 28 March 2003, liquidators were appointed at the request of the directors of Time Energy.

In the liquidators’ statement of affairs dated 28 March 2003, Time Energy declared unpledged assets of £26,000. The Inland Revenue and HM Customs & Excise were preferential creditors, and were owed £660,055 and £49,310 respectively. Time Energy also owed £1,590,585 to non-preferential creditors. In total there was a deficiency as regards creditors of £2,273,950. Time Energy was dissolved on 28 November 2008.

A number of the assets of Time Energy were bought from the liquidators into a new company – TLM – which created a new concierge service and took over the servicing of some of the existing concierge contracts. This company was run by the Founders and all of the previous shareholders of Time Energy were given shares in this new entity for free.

13.3 Julian Pancholi was a director of MEMAILS Limited at the time it was dissolved by compulsory strike-off on 7 July 2015. The Company was struck off by the registrar for failing to make filings and had no assets or liabilities at the time it was struck off.

13.4 Bruce Weatherill was a director of IO Adria Limited (Bermuda Incorporated) until he resigned on 11 December 2013. In 2015, following agreement as to outstanding loans to it, IO Adria Limited was put into liquidation and shareholders received a small distribution in December 2015.

13.5 Save as disclosed in this paragraph 13, none of the Directors has:

- (a) any unspent convictions in relation to indictable offences;
- (b) had any bankruptcy order made against him or entered into any voluntary arrangements;
- (c) been a director of a company which has been placed in receivership, compulsory liquidation, creditors’ voluntary liquidation, administration, been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
- (d) been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (e) been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (f) been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
- (g) been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

14. EMPLOYEES

During each of the accounting reference periods ending on the dates set out below the Company had the following average number of employees:

14.1 As at 31 August 2017, the Group employed 648 people. The following tables set out the Group’s employees by function and location as at 31 August 2015, 2016 and 2017:

<i>Function</i>	<i>As at 31 August 2015</i>	<i>As at 31 August 2016</i>	<i>As at 31 August 2017</i>
Content	14	13	16
Digital & product	10	19	60
Group	13	16	18
IT Infrastructure	7	7	17
Offers & Benefits	16	18	20
Operations Mgmt	48	43	48
Sales & Client Services	18	17	19
Service Delivery	339	390	450
Total	465	523	648

<i>Location</i>	<i>As at 31 August 2015</i>	<i>As at 31 August 2016</i>	<i>As at 31 August 2017</i>
EMEA	252	290	324
Americas	117	167	236
Asia	96	66	88
Group	465	523	648

15. MANDATORY BIDS, SQUEEZE OUT AND SELL OUT RULES RELATING TO THE ORDINARY SHARES

15.1 Mandatory Offers

Under the City Code, if an acquisition of shares were to increase the aggregate holding of the acquirer and its concert parties to shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for the shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of shares by a person holding (together with its concert parties) shares carrying between 30 and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.

15.2 Squeeze-out

Under the Companies Act, a person who makes an offer to acquire shares in the Company (an "offeror") may require Shareholders to transfer their shares to the offeror, on the terms of that offer, provided that the offer is approved or accepted by the holders of 90 per cent. or more of the shares to which the offer relates within three months of the last day on which the offer can be accepted. In order to enforce this right, the offeror must give notice to any Shareholder not approving or accepting the offer within certain time limits, notifying them of the offeror's wish to acquire their shares in the Company (the "Squeeze-out Notice"). After the expiration of six weeks after the giving of the Squeeze-out Notice, the offeror can require that the Company registers the shares in their name provided that the consideration due to the holders of such shares is delivered to the Company to be held on trust for such Shareholders. The consideration offered to such Shareholders whose shares are acquired compulsory under the Companies Act must, in general, be the same as the consideration that was available under the offer.

15.3 Sell-out

The Companies Act also gives minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the shares, any holder of the shares to which the offer relates who has not accepted the offer can by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority shareholders to be bought out, but that period cannot end less than three months after the

end of the acceptance period. If a shareholder exercises its rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

15.4 **Concert Party**

Under the City Code, the Founders, the CP Directors, and their respective affiliated persons, close relatives and related trusts together with any other persons with whom such persons are acting in concert, have been deemed by the Panel to be acting in concert with each other (the “**Concert Party Group**”).

Concert Party Group’s interests immediately following Admission

The interests of the Concert Party Group in the Company, immediately following Admission, will be as follows:

<i>Subscriber</i>	<i>No. of Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital⁽¹¹⁾</i>
Bruce Weatherill	596,272	0.7
Alex Cheatle	11,676,008 ⁽¹⁾	14.5
Andrew Long	4,796,573 ⁽²⁾	5.9
Sean Hegarty	233,059 ⁽³⁾	0.3
Sarah Hornbuckle	757,483 ⁽⁴⁾	0.9
Julian Pancholi	—	—
Gillian Davies	—	—
Ben Horner	4,586,836 ⁽⁵⁾	5.7
Malcolm Berry	75,000 ⁽⁶⁾	0.1
Konstantin von Unger	110,326 ⁽⁷⁾	0.1
Ben Weatherill	17,776	0.0
Eli Cheatle	45,106 ⁽⁸⁾	0.1
Duncan Cheatle	54,312	0.1
Diana Crawford	15,320	0.0
David Cole	8,444 ⁽⁹⁾	0.0
Alexander Long	72,000	0.1
Anthony Long	91,360	0.1
Patricia Long	114,328	0.1
William David Hegarty	93,336	0.1
Carol Hegarty	66,664	0.1
John Harrison	4,000	0.0
Stephen Hornbuckle	22,395 ⁽¹⁰⁾	0.0
Rita Hornbuckle	32,560	0.0
Nitro Ventures Limited is an investment vehicle in which Julian Pancholi has a substantial shareholding	266,664	0.3
Total	23,735,822	29.4

Notes:

- (1) The number of Ordinary Shares held by Alex Cheatle immediately following Admission includes the 4,520,000 Options Shares to be issued immediately prior to Admission and following the sale of 2,938,000 Sale Shares to be sold pursuant to the Placing.
- (2) The number of Ordinary Shares held by Andrew Long immediately following Admission includes the 2,410,024 Ordinary Shares which will, subject to Admission occurring, be issued to Andrew Long on the day after Admission pursuant to an irrevocable notice of exercise of Options received from Andrew Long and follows the sale of 1,418,043 Sale Shares to be sold pursuant to the Placing
- (3) The number of Ordinary Shares held by Sean Hegarty immediately following Admission includes the 708,432 Options Shares to be issued immediately prior to Admission and following the sale of 475,373 Sale Shares to be sold pursuant to the Placing.
- (4) The number of Ordinary Shares held by Sarah Hornbuckle immediately following Admission includes the 1,016,000 Options Shares to be issued immediately prior to Admission and following the sale of 423,533 Sale Shares to be sold pursuant to the Placing.
- (5) The number of Ordinary Shares held by Ben Horner immediately following Admission includes the 200,000 Options Shares to be issued immediately prior to Admission and following the sale of 341,860 Sale Shares to be sold pursuant to the Placing.

- (6) The number of Ordinary Shares held by Malcolm Berry immediately following Admission includes the 662,384 Options Shares to be issued immediately prior to Admission and following the sale of 587,384 Sale Shares to be sold pursuant to the Placing.
- (7) The number of Ordinary Shares held by Konstantin Von Unger immediately following Admission includes the 26,664 Options Shares to be issued immediately prior to Admission and following the sale of 38,922 Sale Shares to be sold pursuant to the Placing.
- (8) The number of Ordinary Shares held by Eli Cheatle immediately following Admission and following the sale of 2,374 Sale Shares to be sold pursuant to the Placing.
- (9) The number of Ordinary Shares held by David Cole immediately following Admission and following the sale of 444 Sale Shares to be sold pursuant to the Placing.
- (10) The number of Ordinary Shares held by Stephen Hornbuckle immediately following Admission and following the sale of 933 Sale Shares to be sold pursuant to the Placing.
- (11) Assuming the issue and allotment of 2,410,024 Ordinary Shares to Andrew Long on the day after Admission pursuant to an irrevocable notice of exercise of Options received from Andrew Long.

16. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been: (i) entered into by a member of the Group within the two years immediately preceding the date of this document and are, or may be, material; or (ii) entered into by a member of the Group and contain any provision under which any member of the Group has any obligation or entitlement which is (or may be) material to the Group as at the date of this document.

16.1 *Placing Agreement and Deed Polls of Election*

On 24 November 2017, the Company, the Directors, and Jefferies entered into the Placing Agreement, under which the Jefferies has agreed, subject to certain conditions that are typical for an agreement of this nature, the last condition being Admission, as agent for the Company and the Selling Shareholders, to use its reasonable endeavours to procure placees for the Placing Shares at the Placing Price. Separate Deed Polls of Election have been executed by each of the Selling Shareholders under which such Selling Shareholders have agreed to sell all or a portion of their existing Ordinary Shares.

The Placing will be fully underwritten. For its services in connection with the Placing and provided the Placing Agreement becomes wholly unconditional and is not terminated in accordance with its terms prior to Admission, Jefferies shall be entitled to a commission, together with any VAT chargeable thereon:

- payable by the Company, equal to 2.5 per cent. of the product of the Placing Price and total number of New Shares;
- payable by each Selling Shareholder, equal to 2.5 per cent. of the product of the Placing Price and total number of Sale Shares sold by that Selling Shareholder in the Placing; and
- payable by the Company, equal to 2.5 per cent. of the product of the Placing Price and total number of Option Shares issued by the Company, if any.

In addition, the Company, may, in its absolute and sole discretion, pay to Jefferies an additional commission, together with any VAT chargeable thereon, payable by the Company, of up to 1.5 per cent. of the product of the Placing Price and the aggregate of (x) the total number of Sale Shares sold by the Selling Shareholders in the Placing; (y) the total number of New Shares; and (z) the total number of Option Shares, if any.

Jefferies will be entitled to be reimbursed by the Company for all its properly incurred charges, fees and expenses in connection with or incidental to the Placing and Admission. Under the Placing Agreement, the Company and the Directors have given certain market standard warranties and, in the case of the Company, indemnities to Jefferies concerning, among other things, the accuracy of the information contained in this document.

Pursuant to the Placing Agreement and/or the Deed Polls of Election:

- the Company has undertaken not to issue any Ordinary Shares, other than pursuant the operation of any share schemes in existence at the date of Admission, for a period of 365 days after the date of the Placing Agreement;
- Alex Cheatle, has undertaken to Jefferies that he will not and shall procure that his “associates” (as defined in paragraph (c) of the definition of related party in the AIM Rules) will not (i) sell any further Ordinary Shares, other than pursuant to the Placing, for a period of 365 days after the

date of the Placing Agreement (“**Lock-Up End Date**”) and (ii) between the Lock-Up End Date and the date falling 5 years from the date of the Placing Agreement, sell more than 50 per cent. of his Ordinary Shares held at Admission or more than 50 per cent. of any further Ordinary Shares acquired after the date of Admission;

- each Director (and each of his or her family members and each trustee of a trust the beneficiary of which is a Director and/or a family member of a Director, in each case who is a Selling Shareholder) has undertaken not to sell any further Ordinary Shares, other than pursuant to the Placing, for a period of 365 days after the date of the Placing Agreement;
- each Selling Shareholder, who was an employee of the Company as at the 30 October 2017 has undertaken not to sell any further Ordinary Shares, other than pursuant to the Placing, for a period of 365 days after the date of the Placing Agreement;
- each Selling Shareholder, who was not an employee of the Company as at the 30 October 2017 has undertaken not to sell any further Ordinary Shares, other than pursuant to the Placing, for a period of 180 days after the date of the Placing Agreement; and
- certain non-Selling Shareholders have undertaken not to sell any Ordinary Shares for a period of either 180 or 365 days after the date of the Placing Agreement,

in each case subject to customary exemptions.

Jefferies has the right to terminate the Placing Agreement prior to Admission, which is exercisable in certain customary circumstances. These circumstances include the breach by the Company or any Director of any of the warranties, undertakings or covenants contained in the Placing Agreement.

Jefferies’ obligations under the Placing Agreement are conditional upon, among other things, Admission occurring not later than 8.00 a.m. on 29 November 2017 (or such later date and time as Jefferies and the Company may agree) and the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms.

16.2 **Nominated Adviser and Broker Agreement**

On 24 November 2017, the Company, the Directors, and Jefferies entered into the Nominated Advisor and Broker Agreement, pursuant to which the Company has appointed Jefferies to act as Nominated Advisor and Broker to the Company for the purposes of the AIM Rules. The Company has agreed to pay Jefferies a fee of £75,000 per annum for its services as Nominated Advisor and Broker under this agreement. The agreement contains certain customary undertakings and indemnities given by the Company and the Directors in respect of, *inter alia*, compliance with all applicable laws and regulations.

16.3 **Loan Note Instruments**

- (a) On 15 July 2014, TLM and the Company (as guarantor) executed the £2,000,000 Loan Note Instrument pursuant to which TLM issued Noteholders with notes with a fixed interest rate of 9 per cent. gross per annum and a final maturity date of 15 July 2019 (the “**£2,000,000 Loan Notes**”). The £2,000,000 Loan Notes were guaranteed by the Company. It is the intention that the £2,000,000 Loan Notes will be repaid in full using the proceeds of Admission.
- (b) On 21 May 2015, TLM and the Company (as guarantor) executed the £700,000 Loan Note Instrument pursuant to which TLM issued Noteholders with notes with a fixed interest rate of 9 per cent. gross per annum (the “**£700,000 Loan Notes**”). The £700,000 Loan Notes were guaranteed by the Company. It is the intention that the £700,000 Loan Notes will be repaid in full using the proceeds of Admission.
- (c) On 28 May 2015, TLM and the Company (as guarantor) executed the £150,000 Loan Note Instrument pursuant to which TLM issued Noteholders with notes with a fixed interest rate of 9 per cent. gross per annum (the “**£150,000 Loan Notes**”). The £150,000 Loan Notes were guaranteed by the Company. It is the intention that the £150,000 Loan Notes will be repaid in full using the proceeds of Admission.
- (d) On 7 November 2016, TLM and the Company (as guarantor) executed the £1,000,000 Loan Note Instrument pursuant to which TLM issued Noteholders with notes with a fixed interest rate of 9 per cent. gross per annum and a final maturity date of 7 November 2021 (the “**£1,000,000**”).

Loan Notes"). It is the intention that the £1,000,000 Loan Notes will be repaid in full using the proceeds of Admission.

16.4 **Convertible Loan Note Instruments**

- (a) On 28 June 2017, TLM and the Company (as guarantor) executed the £3,000,000 Convertible Loan Note Instrument pursuant to which TLM issued Convertible Notes with a fixed interest rate of 9 per cent. gross per annum and a final maturity date of 23 June 2022. The Convertible Notes were guaranteed by the Company. Subject to Convertible Noteholders agreeing to the terms of the Side Letter, the principal amount of their Convertible Notes under the £3,000,000 Convertible Loan Note Instrument and any accrued interest shall automatically convert into Ordinary Shares on Admission, as described in paragraph 9 of this Part V.
- (b) On 28 June 2017, TLM and the Company (as guarantor) executed the £1,000,000 Convertible Loan Note Instrument pursuant to which TLM issued Convertible Notes with a fixed interest rate of 9 per cent. gross per annum and a final maturity date of 23 June 2022. The Convertible Notes were guaranteed by the Company. Subject to Convertible Noteholders agreeing to the terms of the Side Letter, the principal amount of their Convertible Notes under the £1,000,000 Convertible Loan Note Instrument and any accrued interest shall automatically convert into Ordinary Shares on Admission, as described in paragraph 9 of this Part V.

16.5 **RBS Invoice Discounting Agreement**

On 4 September 2009, TLM entered into an invoice discounting agreement with RBS Invoice Finance Limited ("**RBSIF**") (as amended from time to time) under which TLM assigns to RBSIF the benefit of customer debts owed to TLM in exchange for RBSIF advancing funds to TLM equal to a specified percentage of those assigned customer debts (the "**RBS Invoice Discounting Agreement**").

RBSIF has discretion to vary the terms of the agreement from time to time, including the customer debts accepted by RBSIF and the maximum amount of advances to TLM. The agreement continues until terminated on three months' notice by either party. The interest rate payable on the advances is the agreed margin (currently 3 per cent.) above the National Westminster Bank Plc base rate (for the approved currencies of Sterling and US Dollar) plus other agreed fees and charges.

16.6 **Debenture**

- (a) On 4 September 2009, TLM and RBSIF entered into a debenture, creating a fixed and floating charge over all TLM's assets in favour of RBSIF as security for all monies owing by TLM to RBSIF under the RBS Invoice Discounting Agreement.
- (b) On 1 November 2017, TLM and Natwest entered into a debenture, creating a fixed and floating charge over all TLM's assets in favour of Natwest as security for all TLM liabilities to Natwest.

16.7 **Charges**

- (a) On 23 July 2014, TLM and Natwest entered into a charge, creating a fixed charge over a deposit and a negative pledge not to permit or create any mortgage, charge or lien on the deposit, dispose of or assign the deposit or make any withdrawal from the deposit, without NatWest's consent.
- (b) On 1 August 2016, TLM and Natwest entered into a charge, creating a fixed charge over a deposit and a negative pledge not to permit or create any mortgage, charge or lien on the deposit, dispose of or assign the deposit or make any withdrawal from the deposit, without NatWest's consent.
- (c) On 1 November 2017, TLM and Natwest entered into a charge, creating a fixed charge over a deposit and a negative pledge not to permit or create any mortgage, charge or lien on the deposit, dispose of or assign the deposit or make any withdrawal from the deposit, without Natwest's consent.

17. **RELATED PARTY TRANSACTIONS**

During the period covered by the historical financial information and up to the date of this document, the Company did not enter into any related party transactions other than as disclosed in Note 30 ('Related party

relationships and transactions') to the Company's historical financial information in Part III (Historical Financial Information).

18. LITIGATION

No member of the Group is or has been involved in any governmental, legal or arbitration proceedings, and the Company is not aware of any such proceedings pending or threatened by or against any member of the Group, which may have or have had during the twelve months preceding the date of this document a significant effect on the financial position or profitability of the Group.

19. NO SIGNIFICANT CHANGE

There has been no significant change in the financial or trading position of the Company since 31 August 2017, being the date to which its latest audited accounts were prepared.

20. WORKING CAPITAL

The Directors are of the opinion, having made due and careful enquiry, that, taking into account the proceeds of the Placing receivable by the Company, the Group will have sufficient working capital for its present requirements, that is for at least 12 months from the date of Admission.

21. TAXATION

21.1 Introduction

The following paragraphs are intended as a general guide only to the United Kingdom tax position of Shareholders who are the beneficial owners of Ordinary Shares in the Company who are United Kingdom tax resident and, in the case of individuals, domiciled in the United Kingdom for tax purposes and who hold their shares as investments (otherwise than under an individual savings account (ISA)) only and not as securities to be realised in the course of a trade.

Certain Shareholders, such as dealers in securities, traders, brokers, bankers, persons connected with the Company, collective investment schemes, insurance companies and persons acquiring their Ordinary Shares in connection with their (or another person's) employment or as an office holder may be taxed differently and are not considered. Furthermore, the following paragraphs do not apply to:

- prospective investors who intend to acquire Ordinary Shares as part of a tax avoidance arrangement; or
- persons with special tax treatment such as pension funds or charities.

Any prospective purchaser of Ordinary Shares in the Company who is in any doubt about their tax position or who is subject to taxation or domiciled in a jurisdiction other than the United Kingdom should consult their own professional adviser immediately.

Unless otherwise stated the information in these paragraphs is based on current United Kingdom tax law and published HMRC practice as at the date of this document. Shareholders should note that tax law and interpretation can change (potentially with retrospective effect) and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

21.2 Income Tax – taxation of dividends

The taxation of dividends paid by the Company and received by a Shareholder resident for tax purposes in the United Kingdom is summarised below.

United Kingdom resident individuals

Since 6 April 2016 a new system of taxation for dividends applies to United Kingdom resident individual shareholders. Dividends received are no longer grossed up to include a 10 per cent. notional tax credit. Instead individuals pay tax on the amount received.

Dividend income is subject to income tax as the top slice of the individual's income. Each individual has an annual Dividend Allowance of £5,000 (2017/18 tax year) which means that they do not have to pay tax on the first £5,000 of all dividend income they receive. The amount of tax free dividend allowance is expected to reduce to £2,000 per annum from 6 April 2018.

Dividends in excess of the Dividend Allowance are taxed at the individual's marginal rate of tax, with dividends falling within the basic rate band taxable (2017/18 tax year) at 7.5 per cent. (the "dividend ordinary rate"), those within the higher rate band taxable at 32.5 per cent. (the "dividend upper rate") and those within the additional rate band taxable at 38.1 per cent. (the "dividend additional rate").

United Kingdom discretionary trustees

The annual Dividend Allowance available to individuals is not available to United Kingdom resident trustees of a discretionary trust. Since 6 April 2016, United Kingdom resident trustees of a discretionary trust in receipt of dividends are liable to income tax at a rate of 7.5 per cent. on the first £1,000 of any income, and thereafter 38.1 per cent., which mirrors the dividend additional rate.

United Kingdom resident companies

Shareholders that are bodies corporate resident in the United Kingdom for tax purposes, may (subject to anti-avoidance rules) be able to rely on Part 9A of the Corporation Tax Act 2009 to exempt dividends paid by the Company from being chargeable to United Kingdom corporation tax. Such shareholders should seek independent advice with respect to their tax position.

Non-United Kingdom residents

Generally, non-United Kingdom residents will not be subject to any United Kingdom taxation in respect of United Kingdom dividend income. Non-United Kingdom resident shareholders may be subject to tax on United Kingdom dividend income under any law to which that person is subject outside the United Kingdom. Non-United Kingdom resident shareholders should consult their own tax advisers with regard to their liability to taxation in respect of the cash dividend.

Withholding tax

Under current United Kingdom tax legislation no tax is withheld from dividends or redemption proceeds paid by the Company to Shareholders.

21.3 United Kingdom Taxation of capital gains

The following paragraphs summarise the tax position in respect to a disposal of Ordinary Shares on or after 6 April 2017 by a Shareholder resident for tax purposes in the United Kingdom. To the extent that a Shareholder acquires Ordinary Shares allotted to him, the amount paid for the Ordinary Shares will generally constitute the base cost of the Shareholder's holding.

A disposal of Ordinary Shares by a Shareholder who is resident in the United Kingdom for United Kingdom tax purposes or who is not so resident but carries on business in the United Kingdom through a branch, agency or permanent establishment with which their investment in the Company is connected may give rise to a chargeable gain or an allowable loss for the purposes of United Kingdom taxation of chargeable gains, depending on the Shareholder's circumstances and subject to any available exemption or relief.

For individual Shareholders who are United Kingdom tax resident or only temporarily non-United Kingdom tax resident, capital gains tax (2017/18 tax year) at the rate of 10 per cent. for basic rate taxpayers (previously 18 per cent.) or 20 per cent. for higher or additional rate taxpayers (previously 28 per cent.) may be payable on any gain (after any available exemptions, reliefs or losses). For Shareholders that are bodies corporate any gain may be within the charge to corporation tax. Individuals may benefit from certain reliefs and allowances (including a personal annual exemption allowance) depending on their circumstances. Shareholders that are bodies corporate resident in the United Kingdom for taxation purposes will benefit from indexation allowance which, in general terms, increases the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index, but will not create or increase an allowable loss.

Individual Shareholders who continuously hold their Ordinary Shares for no less than three years from their issue date may, on a subsequent disposal of those Ordinary Shares, qualify for "Investors' relief".

Investors' relief is a new relief contained within the Finance Act 2016 which provides for a reduced rate of capital gains tax of 10 per cent. on gains realised on the disposal of certain ordinary shares, up to a lifetime limit of £10 million of gains, subject to various conditions being met by both the investor and investee company.

For trustee Shareholders of a discretionary trust who are United Kingdom tax resident, capital gains tax (2017/18 tax year) at the rate of tax of 20 per cent. (previously 28 per cent.) may be payable on any gain (after any available exemptions, reliefs or losses).

Non-United Kingdom resident Shareholders will not normally be liable to United Kingdom taxation on gains unless the Shareholder is trading in the United Kingdom through a branch, agency or permanent establishment and the Ordinary Shares are used or held for the purposes of the branch, agency or permanent establishment.

21.4 Stamp duty and stamp duty reserve tax (SDRT)

No UK stamp duty or SDRT will be payable on the issue or allotment of Ordinary Shares pursuant to the Placing, nor on subsequent transfers or agreements to transfer Ordinary Shares by virtue of the exemption from 28 April 2014 from stamp duty and SDRT on shares traded on AIM.

The statements in this paragraph 21.4 applies to any holders of Ordinary Shares irrespective of their residence, and are a summary of the current position and are intended to be a general guide to the current stamp duty and SDRT position. Certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate than that referred to above or may, although not primarily liable for the tax, be required to notify and account for it. Special rules apply to agreements made by market intermediaries and to certain sale and repurchase and stock borrowing arrangements. Agreements to transfer shares to charities should not give rise to a liability to stamp duty or SDRT.

21.5 Inheritance Tax

Shares in AIM listed trading companies or holding company of a trading group may after a 2 year holding period qualify for Business Property Relief for United Kingdom inheritance tax purposes, subject to the detailed conditions for the relief.

22. GENERAL

22.1 The net proceeds of the Placing are expected to be approximately £16.0 million. The total costs and expenses relating to Admission are payable by the Company and are estimated to amount to approximately £2.0 million (excluding VAT).

22.2 Save in connection with the application for Admission, none of the Ordinary Shares has been admitted to dealings on any recognised investment exchange and no application for such admission has been made and it is not intended to make any other arrangements for dealings in the Ordinary Shares on any such exchange.

22.3 BDO has given and not withdrawn its written consent to the inclusion in this document of its report in Part III.

22.4 Jefferies has given and not withdrawn its written consent to the inclusion in this document of reference to its name in the form and context in which it appears.

22.5 Where information has been sourced from a third party this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

22.6 The accounting reference date of the Company is 31 August. The current accounting period will end on 31 August 2018.

22.7 The Placing Price of £1.34 represents a premium of £1.339 over the nominal value of £0.001 per Ordinary Share.

22.8 Save as disclosed in this document, no person (other than the Company's professional advisers named in this document and trade suppliers) has at any time within the 12 months preceding the date of this

document received, directly or indirectly, from the Company or entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission any fees, securities in the Company or any other benefit to the value of £10,000 or more.

22.9 Colden Interims Limited is entitled to a fee totalling in excess of £10,000, which is included in the estimate of costs associated with the Placing. Colden Interim Limited was engaged by the Company to provide interim management services in connection with the project management of the process to Admission.

23. AVAILABILITY OF ADMISSION DOCUMENT

Copies of this document are available for download from the Company's website at www.tengroup.com and are available free of charge at the Company's registered office during normal business hours on any weekday (Saturdays and public holidays excepted), and shall remain available for at least one month after Admission.

Dated: 24 November 2017

DEFINITIONS

The following definitions apply throughout this document, unless otherwise stated or the context requires otherwise:

“£1,000,000 Convertible Loan Note Instrument”	the convertible loan note instrument relating to the issue of up to £1,000,000 unsecured convertible loan notes of TLM due 2022;
“£3,000,000 Convertible Loan Note Instrument”	the convertible loan note instrument relating to the issue of up to £3,000,000 unsecured convertible loan notes of TLM due 2022;
“£150,000 Loan Note Instrument”	the loan note instrument relating to the issue of up to £150,000 unsecured loan notes of TLM;
“£700,000 Loan Note Instrument”	the loan note instrument relating to the issue of up to £700,000 unsecured loan notes of TLM;
“£1,000,000 Loan Note Instrument”	the loan note instrument relating to the issue of up to £1,000,000 unsecured loan notes of TLM due 2021;
“£2,000,000 Loan Note Instrument”	the loan note instrument relating to the issue of up to £2,000,000 unsecured loan notes of TLM due 2019;
“Admission”	admission of the Enlarged Share Capital to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules for Companies;
“AIM”	the AIM market operated by the London Stock Exchange;
“AIM Rules” or “AIM Rules for Companies”	the AIM Rules for Companies published by the London Stock Exchange from time to time;
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers published by the London Stock Exchange from time to time;
“Articles” or “Articles of Association”	the articles of association of the Company as amended from time to time;
“Audit Committee”	the audit committee of the Board as described in paragraph 12 of Part I of this document;
“Australia”	the commonwealth of Australia, its states, possessions and territories and all areas subject to its jurisdiction or any political subdivision thereof;
“Board”	the directors of the Company from time to time;
“City Code”	The City Code on Takeovers and Mergers issued by the Panel;
“Conversion”	the conversion of amounts owing under the Convertible Loan Note Instruments into Ordinary Shares at Admission;
“Convertible Loan Note Instruments”	the £3,000,000 Convertible Loan Note Instrument and the £1,000,000 Convertible Loan Note Instrument;
“Convertible Notes”	the unsecured convertible loan notes of TLM due 2022 constituted by the Convertible Loan Note Instruments;
“Convertible Noteholders”	the holders of Convertible Notes from time to time;

“Conversion Shares”	the 3,050,021 Ordinary Shares to be issued and allotted by the Company immediately prior to Admission pursuant to the Conversion;
“Companies Act” or “Act”	the UK Companies Act 2006 (as amended from time to time);
“Company” or “Ten”	Ten Lifestyle Group plc, a company incorporated in England and Wales with registered number 08259177, whose registered office is at Floor 2, 355 Euston Road, London, England NW1 3AL;
“Corporate Governance Code”	the UK Corporate Governance Code published by the Financial Reporting Council in June 2010 (as amended);
“CP Directors”	means certain current and former directors of Company comprising the Directors, Ben Horner, Malcolm Berry and Konstantin von Unger;
“CREST”	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any enactment or subordinate legislation which amends or supersedes those regulations and any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force;
“CSOP”	the Company Share Option Plan (adopted by the board on 24 August 2017);
“Deed Polls of Election”	the separate deed polls of election executed by each of the Selling Shareholders;
“Directors”	the directors of the Company whose names are set out on page 8 of this document;
“EBITA”	earnings before interest, tax and amortisation;
“EMEA”	Europe, the Middle East and Africa;
“EMI Option Plan”	the Company’s Enterprise Management Incentives Option Plan (adopted by the board on 7 January 2013);
“Enlarged Share Capital”	the 78,240,025 Ordinary Shares in issue immediately following the Placing and Admission excluding, for the avoidance of doubt, the 2,410,024 Ordinary Shares to be issued to Andrew Long on the day after Admission pursuant to a notice of exercise received from Andrew Long;
“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated in England & Wales with registration number 02878738, being the operator of CREST;
“Exercise”	the exercise of Options over 11,232,312 Ordinary Shares conditional on Admission;
“Existing Ordinary Shares”	the 64,807,189 Ordinary Shares in issue immediately prior to Admission following the issue of 11,232,312 Option Shares ¹ and 3,050,021 Conversion Shares pursuant to the Exercise and Conversion respectively;

¹ Not including 2,410,024 Ordinary Shares to be issued to Andrew Long on the day after Admission pursuant to an irrevocable notice of exercise of Options received from Andrew Long.

“Existing Share Option Schemes”	the EMI Option Plan, the Non-EMI Option Plan, the Non-Employees Option Plan and the CSOP;
“FCA”	the United Kingdom’s Financial Conduct Authority;
“Founders”	Alex Cheatle and Andrew Long;
“FSMA”	the UK Financial Services and Markets Act 2000 as amended;
“FY15”	financial year ended 31 August 2015;
“FY16”	financial year ended 31 August 2016;
“FY17”	financial year ended 31 August 2017;
“FY18”	financial year ended 31 August 2018;
“General Meeting”	the general meeting of the shareholders of the Company held on 19 October 2017;
“Group” or “Ten Group”	the Company and its subsidiaries as at the date of this document;
“HMRC”	Her Majesty’s Revenue and Customs;
“ISIN”	International Securities Identification Number;
“Japan”	Japan, its cities, prefectures, territories and possessions and all areas subject to its jurisdiction or any political subdivision thereof;
“Jefferies”	Jefferies International Limited;
“Loan Note Instruments”	the £2,000,000 Loan Note Instrument, the £700,000 Loan Note Instrument, the £150,000 Loan Note Instrument and the £1,000,000 Loan Note Instrument;
“London Stock Exchange”	London Stock Exchange plc;
“MAR”	the Market Abuse Regulation (2014/596/EU) (incorporating the technical standards, delegated regulations and guidance notes, published by the European Commission, London Stock Exchange, the FCA and ESMA);
“MIP”	the Company’s Management Incentive Plan (adopted on 9 November 2017 conditional on Admission);
“Natwest”	National Westminster Bank Plc;
“New Shares”	the 13,432,836 new Ordinary Shares to be issued by the Company pursuant to the Placing but excluding the Sale Shares;
“Nominated Adviser and Broker Agreement”	the agreement between the Company and Jefferies dated 24 November 2017 pursuant to which the Company has appointed Jefferies to act as nominated adviser and broker to the Company for the purposes of the AIM Rules for Companies and for the purpose of making the application for Admission as summarised in paragraph 16 of Part V of this document;
“Nomination Committee”	the nomination committee of the Board as described in paragraph 12 of Part I of this document;

“Non-EMI Option Plan”	rules for the grant of non-qualifying options (adopted by the board on 7 January 2013);
“Non-Employees Option Plan”	rules for the grant of Options to Non-Employees (adopted by the board on 16 October 2015);
“Notes”	the unsecured loan notes of TLM constituted by the Loan Note Instruments;
“Official List”	the Official List of the UK Listing Authority;
“Options”	the existing options to subscribe for Ordinary Shares, details of which are set out in paragraph 10 of Part V of this document;
“Option Shares”	the 11,232,312 Ordinary Shares to be issued and allotted by the Company immediately prior to Admission pursuant to the Exercise ¹ ;
“Ordinary Shares”	the ordinary shares of £0.001 each in the capital of the Company in issue from time to time;
“Panel”	the Panel on Takeovers and Mergers;
“Placees”	subscribers for and/or purchasers of the Placing Shares, as procured by Jefferies on behalf of the Company and the Selling Shareholders pursuant to the Placing Agreement;
“Placing”	the conditional placing of the Placing Shares by Jefferies on behalf of the Company and the Selling Shareholders at the Placing Price pursuant to, and on the terms of, the Placing Agreement as summarised in paragraph 16 of Part V of this document;
“Placing Agreement”	the conditional agreement dated 24 November 2017 between (i) the Company; (ii) the Directors and (iii) Jefferies, relating to the Placing;
“Placing Price”	134 pence per Placing Share;
“Placing Shares”	the New Shares and the Sale Shares;
“Prospectus Rules”	the prospectus rules of the UK Listing Authority made in accordance with section 73A of FSMA as amended from time to time brought into effect on 1 July 2005 pursuant to Commission Regulation (EC) No.809/2004 and the Prospectus Regulations 2005 (SI 2005/1433);
“Regulation S”	Regulation S as promulgated under the Securities Act;
“Regulatory Information Service”	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;
“Remuneration Committee”	the remuneration committee of the Board as described in paragraph 12 of Part I of this document;
“Sale Shares”	the 10,589,752 Ordinary Shares to be sold by the Selling Shareholders pursuant to the Placing;
“Sale Option Shares”	the 8,016,213 Option Shares to be sold by the Selling Shareholders pursuant to the Placing;

¹ Not including 2,410,024 Ordinary Shares which will, subject to Admission occurring, be issued to Andrew Long on the day after Admission pursuant to an irrevocable notice of exercise of Options received from Andrew Long.

“Securities Act”	the United States Securities Act of 1933, as amended;
“Selling Shareholders”	the Shareholders who have agreed to sell Sale Shares pursuant to the Deed Polls of Election;
“Shareholders”	the holders Ordinary Shares from time to time;
“Side Letter”	the side letter dated 26 October 2017 which was sent to Convertible Noteholders as summarised in paragraph 9.2 of Part V of this document;
“South Africa”	the Republic of South Africa and its respective territories or possessions;
“subsidiary” or “subsidiary undertaking”	have the meanings given to them in the Companies Act;
“TLM”	Ten Lifestyle Management Limited, a company incorporated in England and Wales with registered number 04688658, whose registered office is at Floor 2, 355 Euston Road, London, England NW1 3AL;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland, its territories and dependencies;
“UK Listing Authority”	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the district of Columbia and all other areas subject to its jurisdiction;
“US\$”, “USD” or “US Dollars”	United States Dollars, the lawful currency of the United States of America from time to time;
“£” or “Pounds Sterling”	pounds sterling, the lawful currency of the UK from time to time.

GLOSSARY

The following table provides an explanation of certain technical terms and abbreviations used in this document. The terms and their assigned meanings may not correspond to standard industry meanings or usage of these terms.

“active members”	members who have made at least one request in the past 12 months;
“B2B”	business-to-business;
“B2C”	business-to-consumer;
“cloud” or “cloud computing”	shared, remotely accessible IT solutions;
“corporate clients”	corporate clients (including private banks, retail banks, premium payment cards providers and luxury brands) that provide Ten's services to segments of their premium individual customers, who then become members;
“CRM”	customer relationship management;
“eligible members”	members who have access to Ten through a corporate client but are not necessarily registered;
“GDS”	global distribution system;
“high touch”	requests received from members where a Lifestyle Manager leads the service fulfilment;
“HNWI”	high-net-worth individual – someone with a net worth of over US\$1 million excluding their primary residence;
“KPI”	key performance indicators;
“Large contracts”	contracts where Ten provides concierge and related services in target markets and where the annual related value of net revenue is over £2 million;
“Lifestyle Manager”	Ten's industry and domain experts who service members requests high touch;
“Medium contracts”	contracts where Ten provides concierge and related services in target markets and where the annual related value of net revenue is between £250,000 and £2 million;
“NPS”	Net Promoter Score;
“registered members”	members who are registered on Ten MAID on all our active schemes;
“Small contracts”	contracts where Ten provide concierge and related services in target markets and where the annual related value of net revenue is below £250,000;
“Ten MAID”	the repository of the Group's knowledge base, booking system, workflow, performance management, CRM and Management Information Reporting infrastructure (MAID);
“Ten Platform”	Ten's end-to-end fully technology-enabled transactional platform for concierge and its digital interface with members.

