

TEN

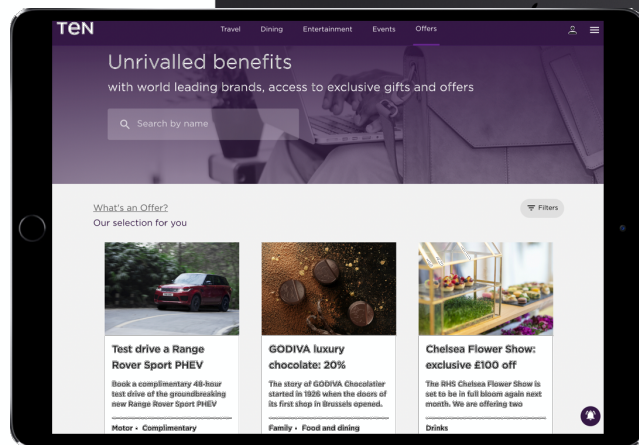
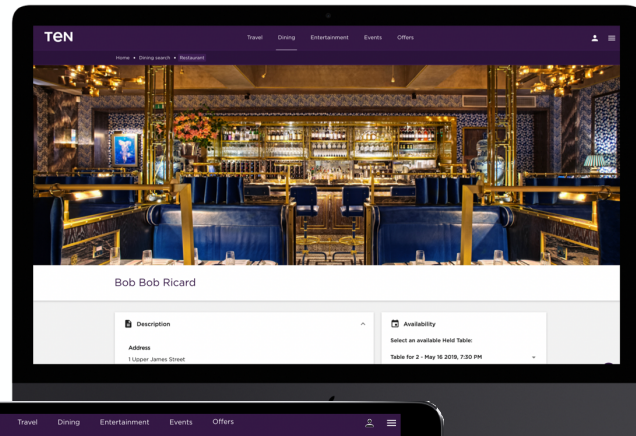
TEN

Interim Results for six months ended
28th February 2019

May 2019

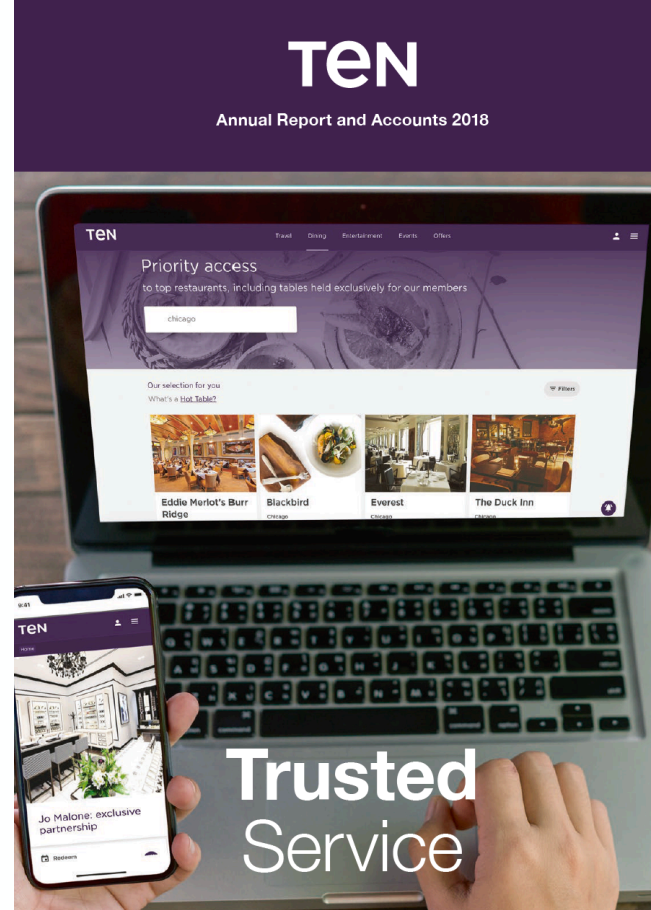
Our Mission

To become the world's most trusted service platform, working behind global brands.



For company review, please refer to Ten Lifestyle Group's Annual Report and previous videos (notably our Full Results Video) at:

<https://www.tenlifestylegroup.com/investors/documents>



Ten Lifestyle Group Plc

Corporate Overview

- Market Cap: £50.41 million (as of 11th May 2019)
- Main shareholders include: the Founders; Management; Soros FM; Lombard Odier; Baillie Gifford; Herald; and the majority of pre-IPO private shareholders (as at 28 February 2019)
- H1 Net Revenue: £21.5m
- Cash over £13 million at the end of the period



H1 2019 Highlights

- Net Revenue* up 24% to £21.5m with double digit growth across all three regions
- 3 new contracts won (1 Medium and 2 Small)†
- 1 contract grew from Large to Extra Large†
- Digital platform now in over 100 countries, 14 languages, 36 currencies and with over 10 client brands
- Record Member Satisfaction all global regions
- Contracts signed in Employee Loyalty market and in new geographies



*Net Revenue excludes the direct cost of sales relating to certain member transactions managed by the Group

†Contract size based on the annualised value or the provision of concierge and related services (not including revenue generated from suppliers):

- Small contracts: below £0.25m
- Medium contracts: between £0.25m and £2 million
- Large contracts: over £2 million
- Extra Large contracts: over £5 million



Financial Results

for six months ended
28th February 2019

Key Financial Highlights

■ Net Revenue: £21.5m, growth of +24% (H1 2018: £17.3m)

- 20% Net Revenue growth in EMEA
- 35% Net Revenue growth in the Americas
- 18% Net Revenue growth in APAC

■ Adjusted EBITA[‡]: -£2.9m (H1 2018: -£1.4)

■ Loss after tax: -£5.2m (H1 2018: -£4.9m)

■ Cash balance: £13.2m and no debt

[‡] Adjusted EBITA is operating (loss)/profit before interest, taxation, amortisation, share-based payments and exceptional costs.



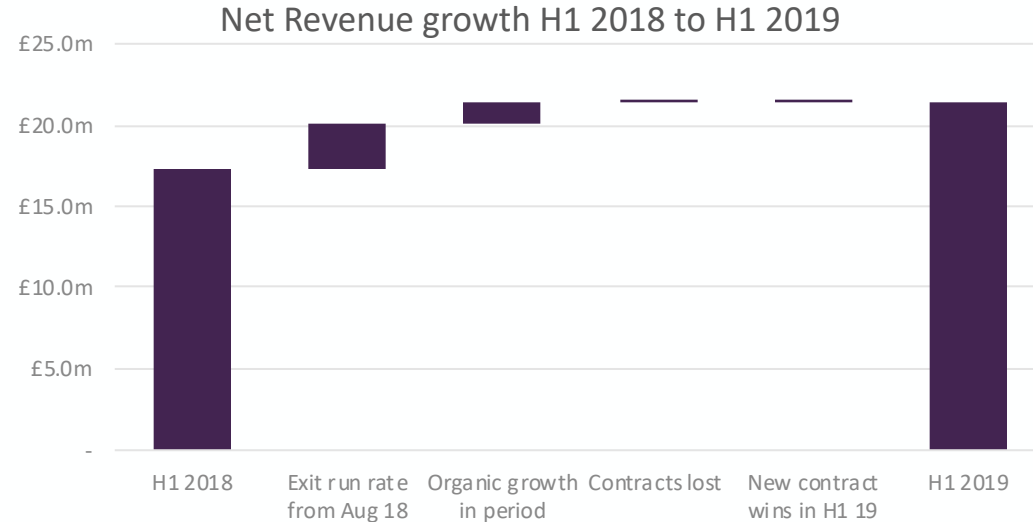
Income Statement

- 24% Net Revenue growth vs H1 2018
- Increased operating expenses vs prior year reflects continuation of cost run rates from H2 2018
 - Increased operational hiring supported contracted international expansion and established expert servicing hubs in maturing markets
 - Investment in technology: platform development; roll out; and IT infrastructure
- Loss before taxation in line with H1 2018

	H1 2019 £m	H1 2018 £m
Revenue	22.6	18.2
Net Revenue	21.5	17.3
Operating expenses and Other income	(24.4)	(18.7)
Adjusted EBITA	(2.9)	(1.4)
Adjusted EBITA % of Net Revenue	(13%)	(8%)
Amortisation	(1.6)	(1.4)
Share-based payments and exceptional items charge	(0.2)	(1.0)
Operating loss before interest and tax	(4.7)	(3.8)
Net finance expense	(0.1)	(1.0)
Loss before taxation	(4.8)	(4.8)
Taxation charge	(0.4)	(0.1)
Loss for the period	(5.2)	(4.9)

Net Revenue

- Overall growth was 24%, with H2 2018 run rate continuing into H1 2019
- Revenue growth reflects organic growth of existing contracts, supported by contract launches in H2 2018
- Announced contract wins are expected to go live in H2. These are expected to deliver growth for FY19 with full benefit in FY20
- In-market success of digital platform expected to grow sales in FY20



Net Revenue by Region

Net Revenue	H1 2018 £m	H1 2019 £m
EMEA	7.8	9.4
Americas	5.4	7.3
APAC	4.0	4.7
Group	17.3	21.5

YoY growth rates 5% 24%

■ EMEA: Net Revenue up 20% YoY, continuing the run rate from H2 2018

■ Americas: Net Revenue up 35% YoY, as a result of contract wins.
Encouraging growth on H2 2018 as these contracts are maturing with
one contract moving to “Extra Large”

■ APAC: contracts with large global clients led to 18% growth vs H1 2018



Adjusted EBITA by Region

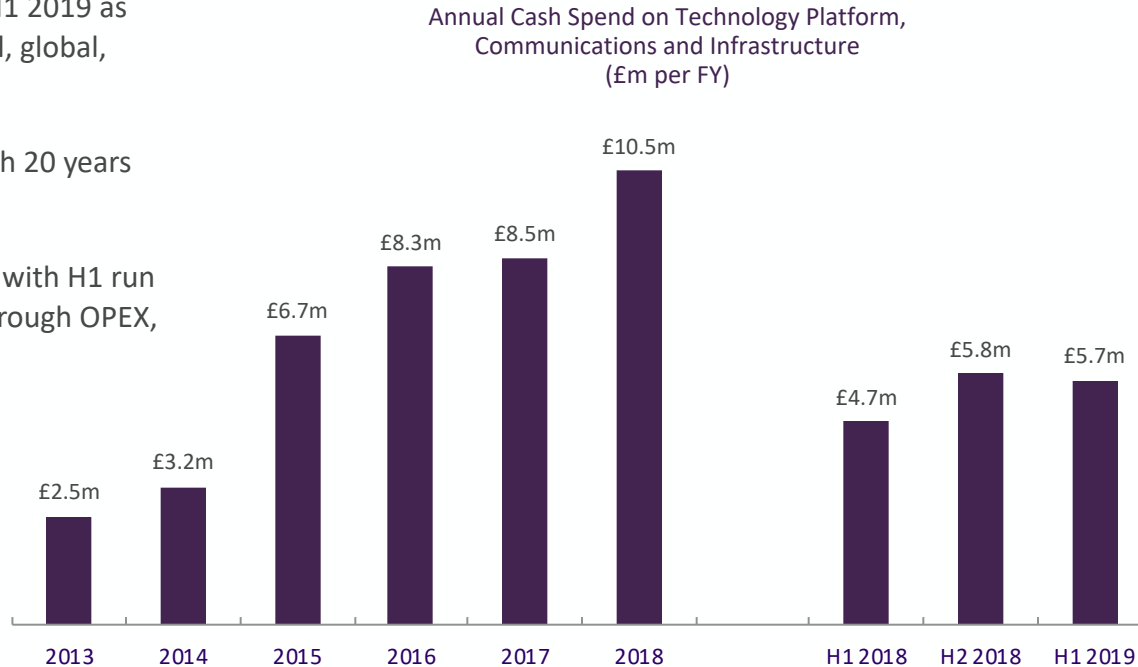
Adjusted EBITA	H1 2018	H1 2019
	£m	£m
EMEA	1.9	0.4
Margin	24%	4%
Americas	(3.3)	(2.3)
Margin	(60%)	(31%)
APAC	(0.0)	(1.0)
Margin	(1%)	(21%)
Group	(1.4)	(2.9)
Margin	(8%)	(13%)



- EMEA: operating efficiencies improving despite lower initial margins in our newer markets in the region (CEMEA and Scandinavia). Increased relative allocation of spend in content and technology has meant the overall Adjusted EBITA margin has declined
- Americas: established operations now at scale, with operating efficiencies improving. Allocation of central costs means its share of the Group's Adjusted EBITA loss is £2.3m
- APAC: operating margins reflect investment during the early stages of large contract launches. In addition, the allocation of increased central costs has also impacted Adjusted EBITA

Technology Spend

- Cash spend in technology has continued in H1 2019 as we roll out our fully-integrated, transactional, global, digital platform live in market
- In August 2018, Ten recruited a new CTO with 20 years in travel tech to accelerate the roadmap
- Although overall cash spend is largely in line with H1 run rates, a greater proportion of this is going through OPEX, impacting Adjusted EBITA



Cashflow

- Operating cash outflows were £4.1m, reflecting increased operating losses offset by increased working capital, mainly an increase in trade receivables of £1.2m due to the timing of receipts for specific invoices, now received
- Continued investment in IT infrastructure and our digital platform with £2.8m spent in the period
- Our technology investment and operational efficiencies are anticipated to deliver improved operating leverage
- Reduced cash outflow going forward means the Board is confident of a strong cash position at year-end

	H1 2019 £m	H1 2018 £m
Loss before tax	(4.8)	(4.8)
Net finance expense	0.1	0.9
Working capital changes	(1.7)	(1.0)
Non-cash items	2.3	2.5
Operating cash flow	(4.1)	(2.4)
Capital expenditure	(0.7)	(0.5)
Investment in intangibles	(2.1)	(2.2)
Taxation	(0.4)	(0.4)
Cash outflow	(7.3)	(5.5)
Funded by		
Other equity (purchased) in the period	(0.1)	25.4
Repayment of other loans		(4.0)
Repayment of finance leases and net interest	(0.1)	(0.1)
Net funding	(0.2)	21.3
Reduction in cash	(7.5)	15.9
Cash balance	13.2	23.8



Operational Update

Ten's Leadership Team



New Joiner
(Past 12 months)



ALEX CHEATLE
Co-Founder and
CEO



ANDREW LONG
Co-Founder and
Global COO



ANNA SEIZER
COO, EMEA



BRYN DYER
COO, APAC



DAVID PORTER
Managing Director,
Strategy Customer Value
Proposition and
Distribution



**FRANCESCO DE
MARCHIS**
Chief Technology
Officer



**VICTORIA
CARVALHO**
Managing Director,
Employee Loyalty



**MALCOLM
BERRY**
President, Americas



SALLY CRIMES
Chief Product
Officer



**SARAH
HORNBUCKLE**
Client Services Director,
EMEA



SEAN HEGARTY
Chief Financial
Officer



ALAN DONALD
Chief Financial
Officer
From 24 June 2019



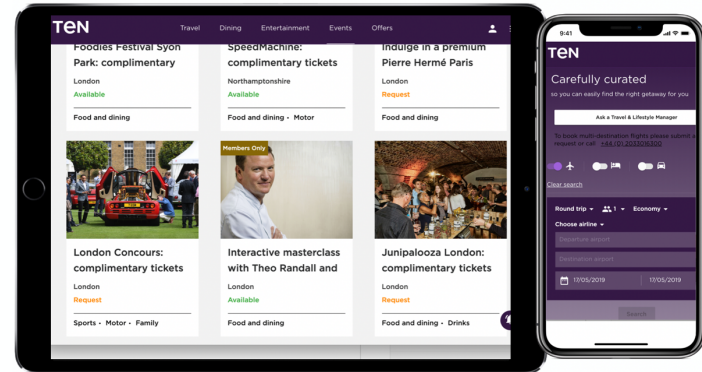
TRACY GELDERT
COO, Americas



TOBY GAUVAIN
President

Enhanced Platform now In-Market

- New CTO and a more mature, experienced team
- Now in-market globally
- Helps unlock new launches / business development
- Helps open marketing opportunities to grow existing contracts
- Key competitive strength



Uptake of New Digital Platform Amongst our Corporate Clients is Developing

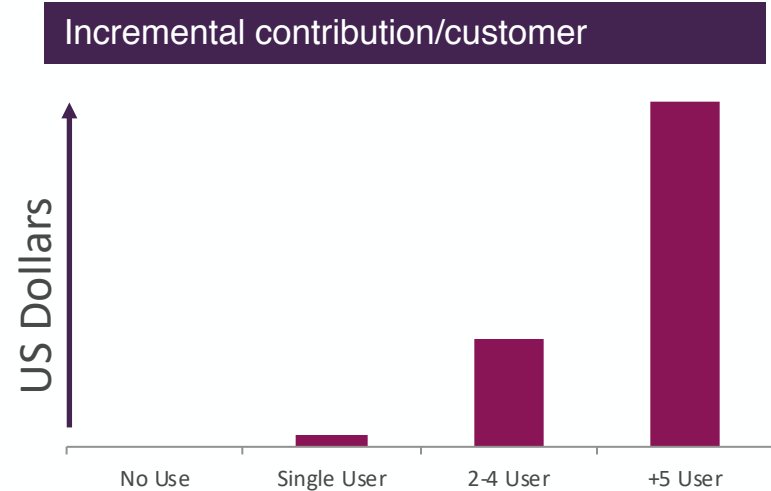
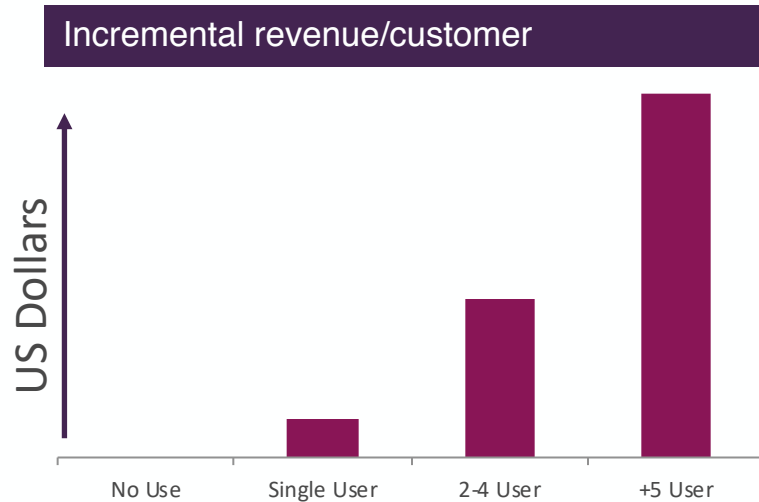
Enhanced Digital Platform Live Dates:

- (a) FY 2018 (– Aug 2018)
- (b) Q1 2019 (Sep – Nov 2018)
- (c) Q2 2019 (Dec 2018 – Feb 2019)
- (d) Q3 2019 (Mar 2019 – Today)

✓ Visa (c)	RBS	✓ HSBC (b)	BBVA	DNB	✓ OCBC (b)
MI card	✓ Coutts (c)	American Express	City National Bank	CIBC	Bloomberg
✓ Mastercard (c)	✓ Barclays (c)	NatWest	SMBC	Nedbank	Adam & Company
Diners Club	Merrill Lynch	✓ ABSA (d)	Maserati	Hyundai Card	Deutsche Bank
SuMi TRUST	AlphaCard	SwissCard	✓ Scotiabank (c)	✓ RBC (d)	Patek Philippe
China Merchants Bank	BEA	ICBC	US Bank	TransAmerica	✓ Global Management Consultancy (d)

Ten's Services Improve Revenue and Profit for our Clients

- Engagement with Ten drives customer value, retention and acquisition
- Engagement drives soft customer metrics (NPS, brand values and trust)



Note 1: \$ numbers are estimates based on average profiles and behavioural observations (derived from affluent banking populations).

Note 2: In the scenario presented, numbers are 'grossed up' to reflect a single customer / incremental revenue and marginal contribution attributable to concierge.

New Verticals

Employee Loyalty

- Global Management Consultancy signed as flagship contract in April 2019
- Peel Hunt research identifies this as a £1.1 billion addressable market

Premium Brands

- Pipeline is promising for Medium and Large contracts†
- Demand to retain and grow income from their most valuable customers

Private Market

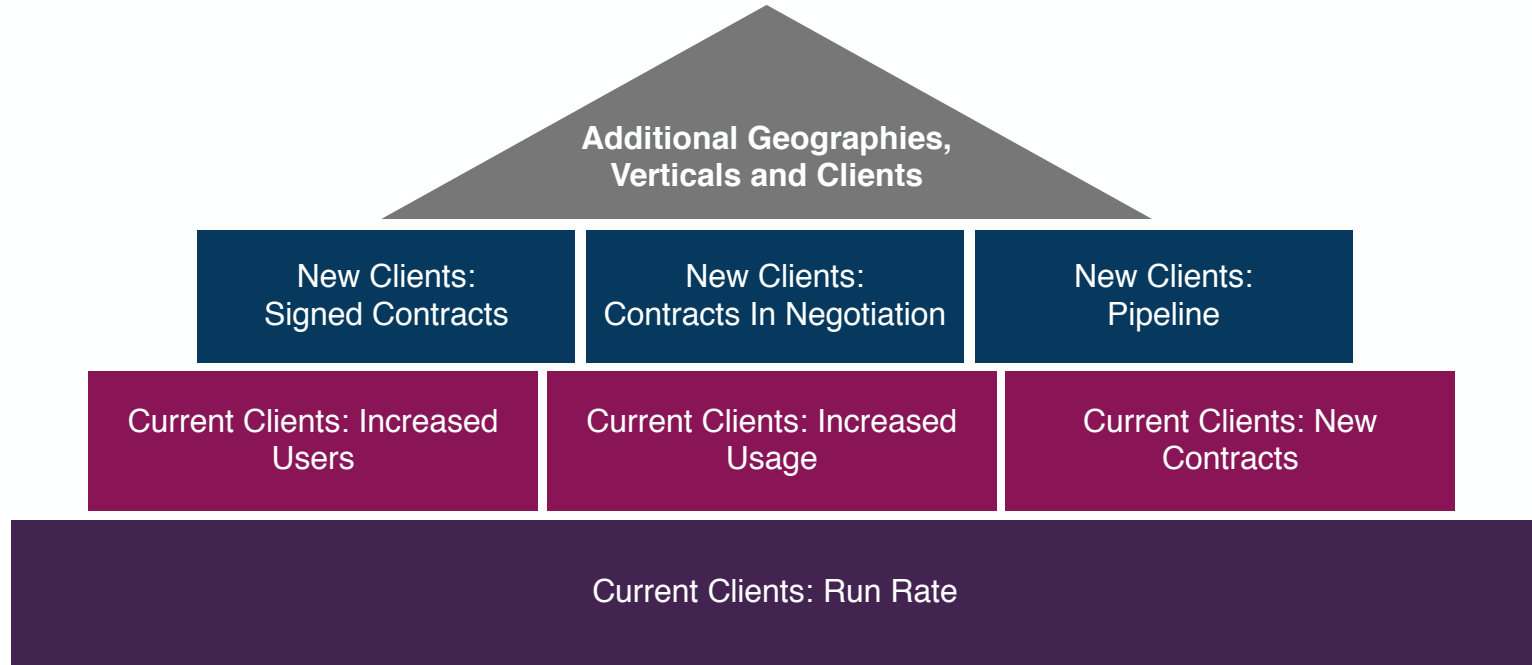


These new verticals leverage our technology and global platform built for financial services.



Outlook

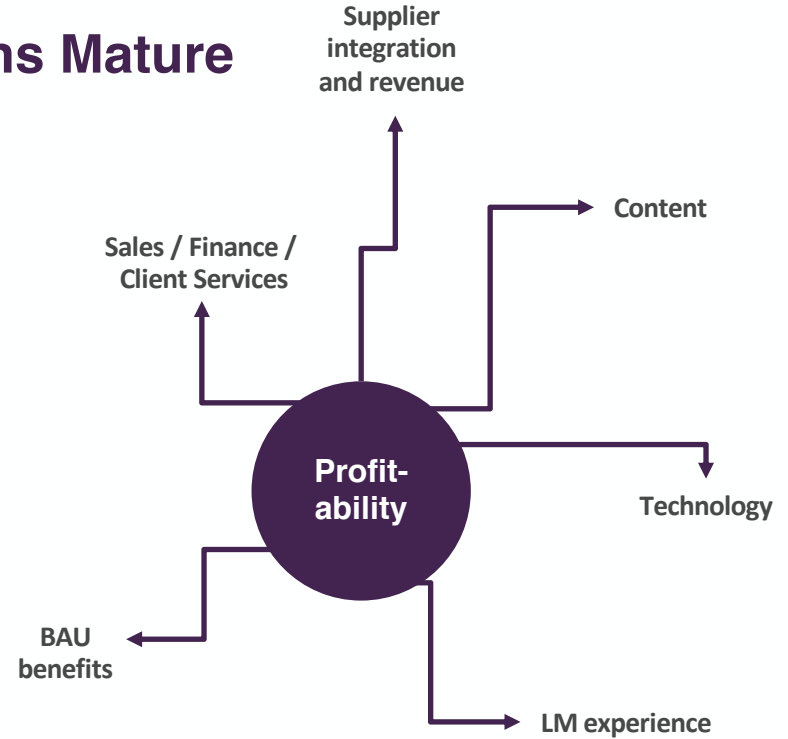
Clearly-Identified Pathways to Revenue Growth



Operating Efficiency Grows as Regions Mature



- Supplier integration and revenue
- Content
- Technology
- LM experience
- BAU benefits
- Sales / Finance / Client Services



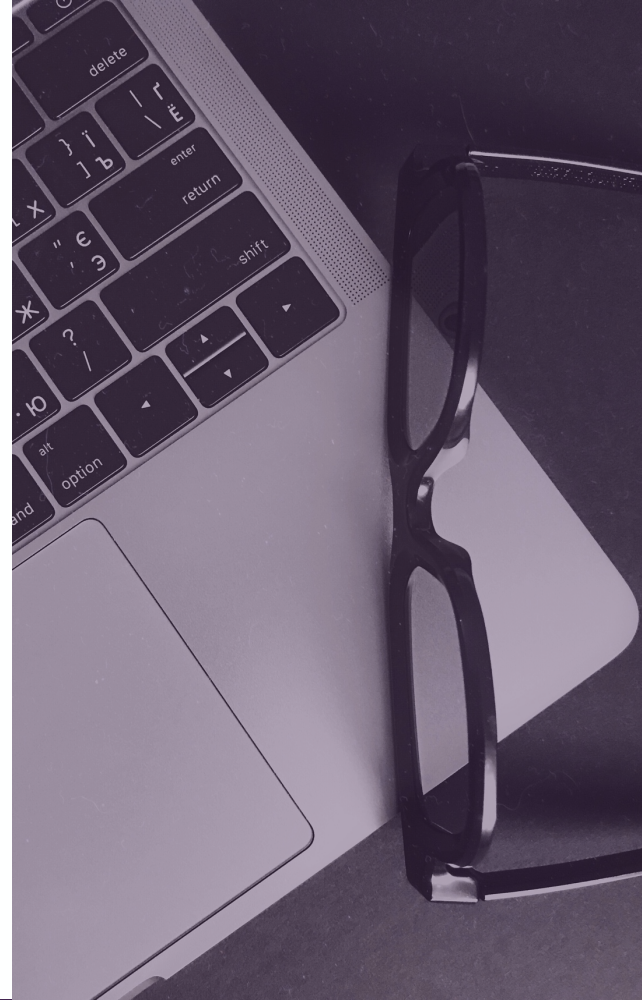
Revenue Build Advantages in 2019

	IPO	2019
Global self-serve digital platform fully available	X	✓
Dedicated sales resource in Americas	X	✓
Global offering	Largely	✓
Global case studies (HSBC, VISA, Mastercard, RBC, China, Management Consultant)	X	✓
More complete product set	X	✓
Vertical markets resource in place	X	✓

2019 benefits from the foundations laid in 2018

Outlook

- Cash spend in technology has continued in H1 2019 as we roll out our fully-integrated, transactional, global, digital platform
- Trading since the period on track to deliver further growth and is expected to be in line with market expectations for the FY ending 31 Aug 2019
- Since 28 February 2019, we have won three new contracts, including a flagship Employee Loyalty contract, helping us establish Employee Loyalty as a new vertical for Ten, and the Board remains confident in the strong pipeline of new business
- Our investments in technology, as well as operational efficiencies, are anticipated to deliver improved operating leverage
- Reduced cash outflow going forward means the Board is confident of a strong cash position at year-end



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