TEN

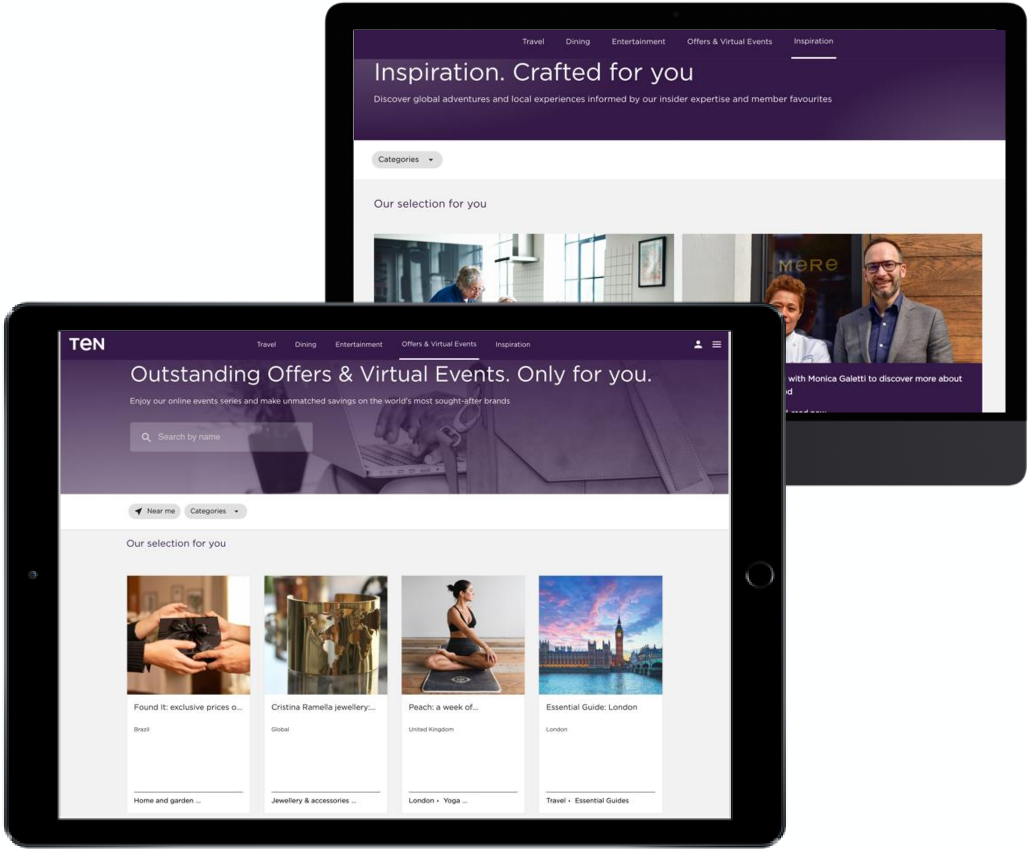
Interim results for the six months to 29th February 2020

"Adapting to changing circumstances"

May 2020

Our Mission

To become the world’s most trusted service



Investment case

Huge market opportunity

Providing relevant services, with value-add, to wealthy and mass affluent via technology and experts

Established market leader

for technology-enabled concierge services

Defendable market position

long-term contracts with ROI, closed user group model and integrated tech

Technology platform

delivers strong, personalised service, reduces cost of delivery

Profitable model

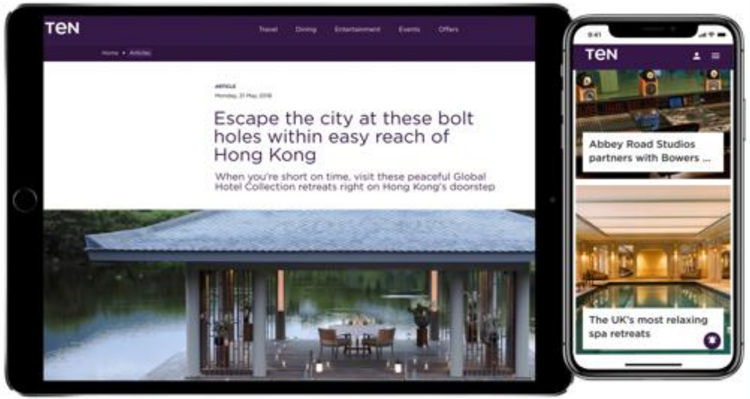
Virtuous circle, on track for profit and cash generation

Healthy overall growth

Consistent growth in multiple geographical markets, various sectors and across varied categories

Half year highlights

- Net Revenue* up 11% to £23.8m
- Adjusted EBITDA† profit of £2.1m
- Cash ahead of expectations at £9.6m and no debt
- Launched an XL‡ contract at end of H1 2020 & a Large‡ contract in Sept 2019
- High member satisfaction§ globally
- Continued technology development
- Service is becoming more efficient in multiple global markets
- Cash outflow significantly lower in H1 2020, compared to H1 2019



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

† Adjusted EBITDA is operating (loss)/profit before interest, taxation, deprecation amortisation and share payments, Adjusted EBITDA for current period includes implementation of the new IFRS 16 Lease accounting standard. The transition method used was the Modified Retrospective method therefore comparatives have not been restated.

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

Small:	below £0.25m;
Medium:	between £0.25m and £2 million;
Large:	over £2 million; and
Extra Large (XL):	over £5 million.

§ Ten measures member satisfaction using the Net Promoter Score management tool, which gauges the loyalty of a firm's customer relationships.

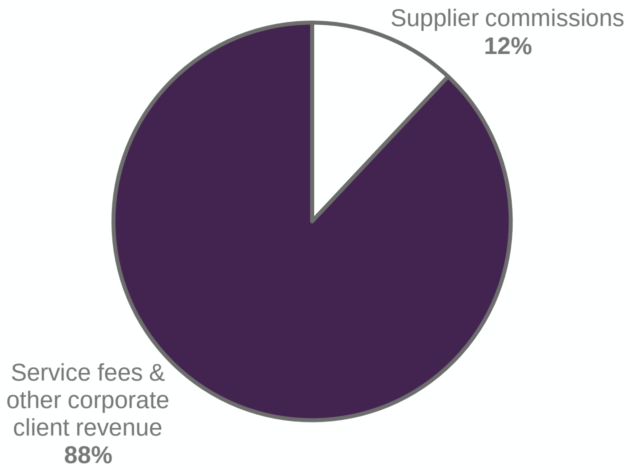
Financial Results

For the six months to 29th February 2020

More details at

WWW.TENLIFESTYLEGROUP.COM/INVESTORS

Our revenue model



Source: Audited FY19 IFRS figures

Typical Contract

High-touch Requests ✖ **££ Per High-touch**

✚

Low-touch Requests ✖ **£ Per Low-touch**

=

Total Corporate Client Revenue

Long term contracts often with agreed minimums

Key financial highlights

- **Net Revenue* up 11% to £23.8m with particularly strong growth (+25%) in EMEA region**
- Adjusted EBITDA† profit of £2.1m (H1 2019: loss of £(2.4)m)
- Operating loss of £(2.1)m (H1 2019: £(4.7)m)
- **Operating expenses and other income of £21.7m (H1 2019: £23.9m): continuing efficiencies in business model and impact of IFRS 16**
- **Cash at £9.6m and no debt**

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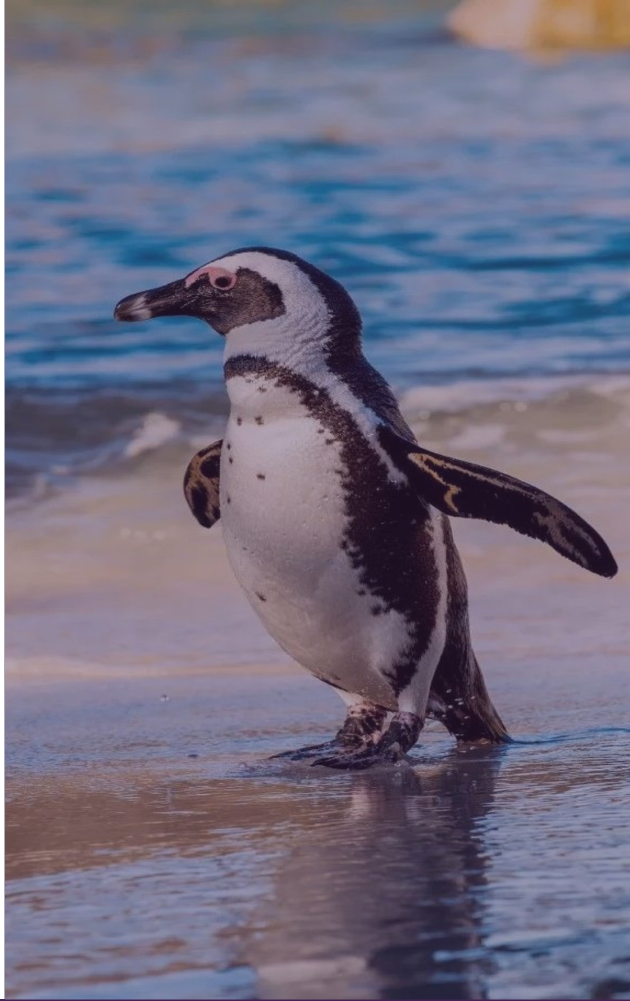


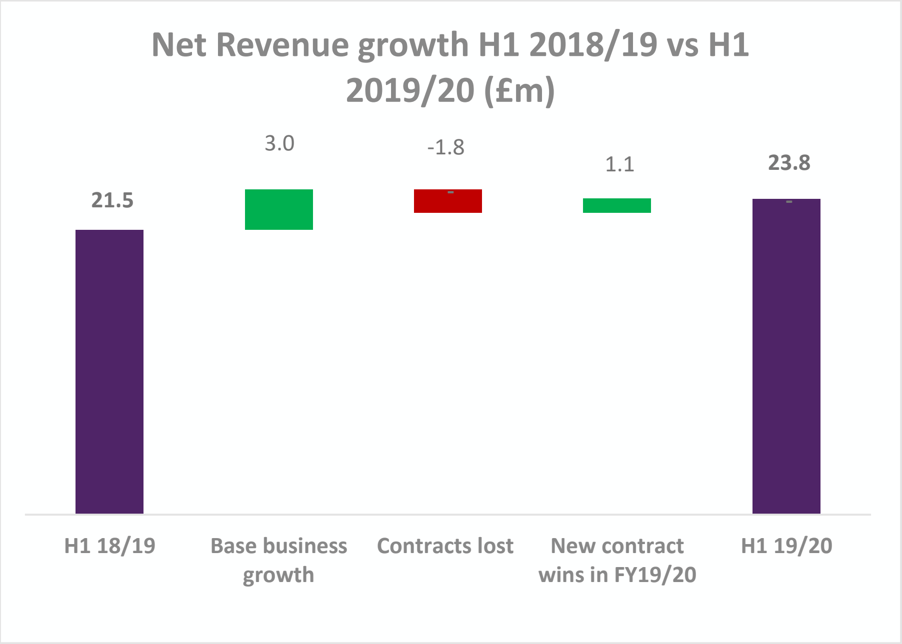
Income statement: six months ending 29th February 2020

- Net Revenue growth +11% with strong growth in base business (+14%)
- **Adjusted EBITDA profit of £2.1m (underlying Adj. EBITDA (pre IFRS 16 Adj EBITDA at breakeven)**
- Depreciation increase of £1.9m largely due to implementation of IFRS 16
- **Operating loss before interest and tax improved by £2.6m compared to prior year.**

£m	**2020**	**2019**	**YOY Change**
	£m	**£m**	
Revenue	25.6	22.6	3.0
Net Revenue	**23.8**	**21.5**	2.3
Operating expenses & Other income	(21.7)	(23.9)	2.2
Adjusted EBITDA	**2.1**	**(2.4)**	4.5
Adjusted EBITDA %	*8.7%*	*(11.3)%*	
Depreciation	(2.3)	(0.4)	(1.9)
Amortisation	(1.4)	(1.6)	0.3
Share-based payments charge	(0.5)	(0.2)	(0.3)
Operating loss before interest and tax	**(2.1)**	**(4.7)**	2.6

Net revenue

- Overall growth was £2.3m (+11%)
- Base business grew by £3.0m (+14%)
- Impact of the APAC contract lost in H2 2019 was £1.8m in H1 2020
- New contracts in the year – growth of £1.1m (+5%)
  - Large contract launched in September
  - XL expansion of current contract in the Americas launched mid-January



Net Revenue by region

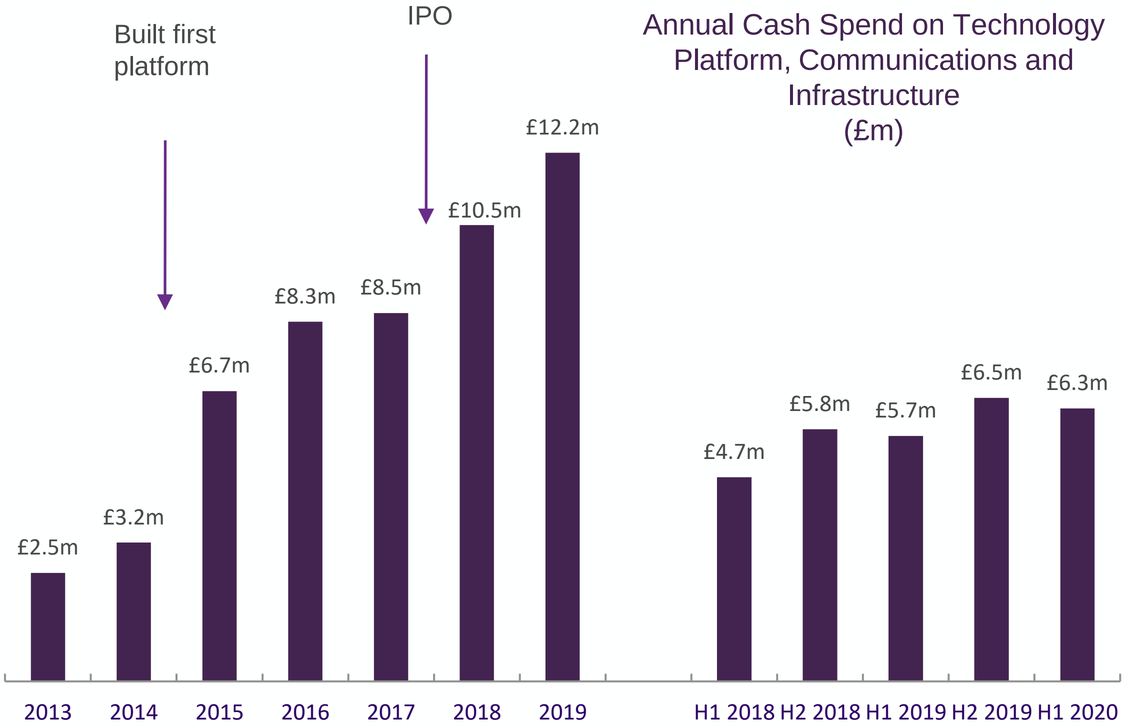
	2020 £m	2019 £m	% change
EMEA	11.9	9.5	**25%**
Americas	7.7	7.3	**5%**
APAC	4.2	4.7	**(11)%**
	23.8	21.5	**11%**

- EMEA: Growth of £2.5m primarily driven by strong organic growth, and launch of Large contract in September
- Americas: Whilst there was lower growth in the period we did launch an Extra Large existing contract from mid January, to impact H2.
- APAC: Decline of 11% driven by impact of contract loss offsetting strong organic growth

Continuing technology investment

- Continued investment in our technology platform, IT, content, infrastructure and communications

- Creates competitive advantage, drives efficiency, service levels and revenues



Overall Adj. EBITDA

- Management use the underlying Adj. EBITDA[1] measure which excludes the impact of IFRS 16 Lease accounting
- The table reconciles from total Adj. EBITDA of £2.1m as reported to total Adj. EBITDA of breakeven (excluding IFRS 16 impact) and provides regional split for comparison to prior year (see next slide)

	Group	EMEA	Americas	APAC
Adjusted EBITDA as reported	**2.1**	**3.9**	**(1.5)**	**(0.3)**
IFRS 16 Interest charge	(0.2)	(0.1)	(0.1)	(0.0)
IFRS 16 Depreciation charge	(1.9)	(0.6)	(0.9)	(0.4)
Underlying Adjusted EBITDA	**0.0**	**3.2**	**(2.5)**	**(0.7)**

[1] Underlying Adjusted EBITDA includes the indirect costs of IT, Platform support, property costs and senior management allocated to the regions and gives us a fully loaded Adjusted EBITDA for each regional segment. Excluding IFRS 16 impact.

Underlying Adj. EBITDA[L]

- **EMEA**: Underlying Adj. EBITDA improved by £2.6m with margins improving from 6% to 27%, the historic profitability levels in EMEA
- **Americas**: Underlying Adj. EBITDA loss worsened by £0.4m to £2.5m in the period. Included in this loss were contract set up costs of £0.8m relating to the XL expansion of our existing contract
- **APAC**: Underlying Adj. EBITDA loss improved by £0.2m despite loss of Large contract

Underlying Adj. EBITDA

£m	**2020**	**2019**
EMEA	3.2	0.6
Americas	(2.5)	(2.1)
Asia	(0.7)	(0.9)
	0.0	**(2.4)**
U/L Adj. EBITDA %	**-**	**(11.3%)**

L Underlying Adjusted EBITDA includes the indirect costs of IT, Platform support, property costs and senior management allocated to the regions and gives us a fully loaded Adjusted EBITDA for each regional segment. Excluding IFRS 16 impact.

Cashflow

- Operating cashflow significantly improved by £7m year on year
  - improved working capital
  - operational efficiencies
  - leveraging cost base as we grow
  - IFRS 16 transition £2.1m
- Investment in intangibles increased by £0.6m as we continue to invest in our technology platform and infrastructure
- Increase in Repayment of leases relates to implementation of IFRS 16
- Cash at end of period was £9.6m

£m	**2020**	**2019**
Loss before tax	**(3.3)**	**(4.8)**
Net finance expense	0.2	0.1
Movement in working capital	1.8	(1.7)
Non-cash items (share-based payments, depreciation and amortisation charges)	4.1	2.2
Pre tax operating cash out flows	**2.9**	**(4.1)**
Capital expenditure	(0.6)	(0.7)
Investment in intangibles	(2.7)	(2.1)
Taxation	(0.2)	(0.4)
Cash outflow	**(0.7)**	**(7.3)**
Financing activities		
Repayment of leases and net interest	(2.1)	(0.2)
Net financing activities	**(2.1)**	**(0.2)**
Decrease in cash	**(2.8)**	**(7.5)**
Cash balance	**9.6**	**13.2**

Balance Sheet

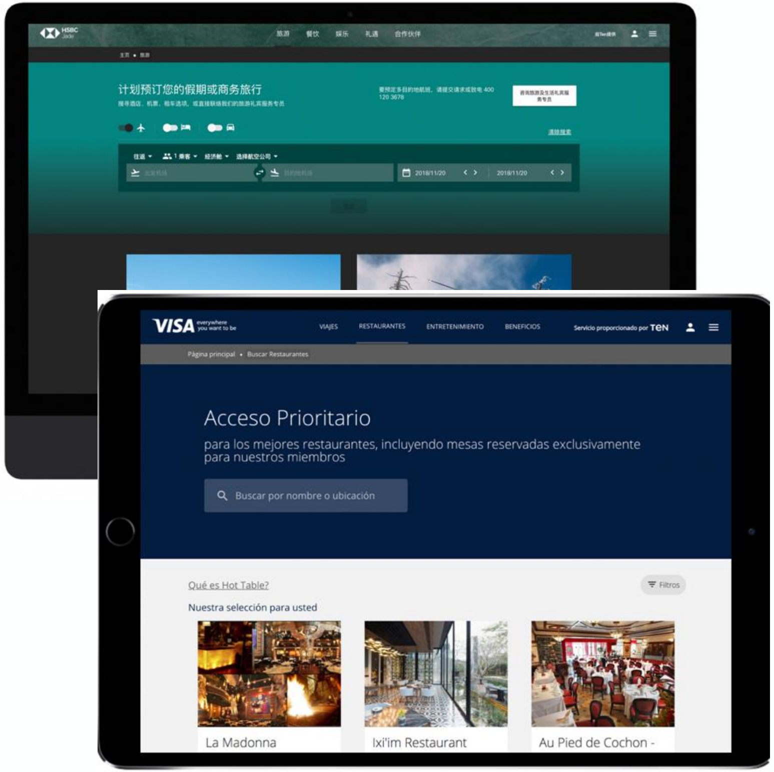
- Net Assets remain strong with a significant cash balance of £9.6m after capital investment
- On transition to IFRS 16, Assets include Right of Use Asset of £6.8m and liabilities include £7.4m of Lease liabilities
- The Group is debt free at the end of the period

£m	H1 2020	FY 2019
Intangible assets	10.4	9.0
Property, plant and equipment	1.9	1.8
Right of Use Asset	6.8	-
Cash	9.6	12.3
Other current assets	9.1	11.1
Lease liabilities	(7.4)	-
Other liabilities	(12.6)	(13.4)
Net assets	17.8	20.9
Share capital/Share premium	28.6	28.6
Reserves	(10.8)	(7.6)
Total equity	17.8	20.9

Operational update and response to Coronavirus

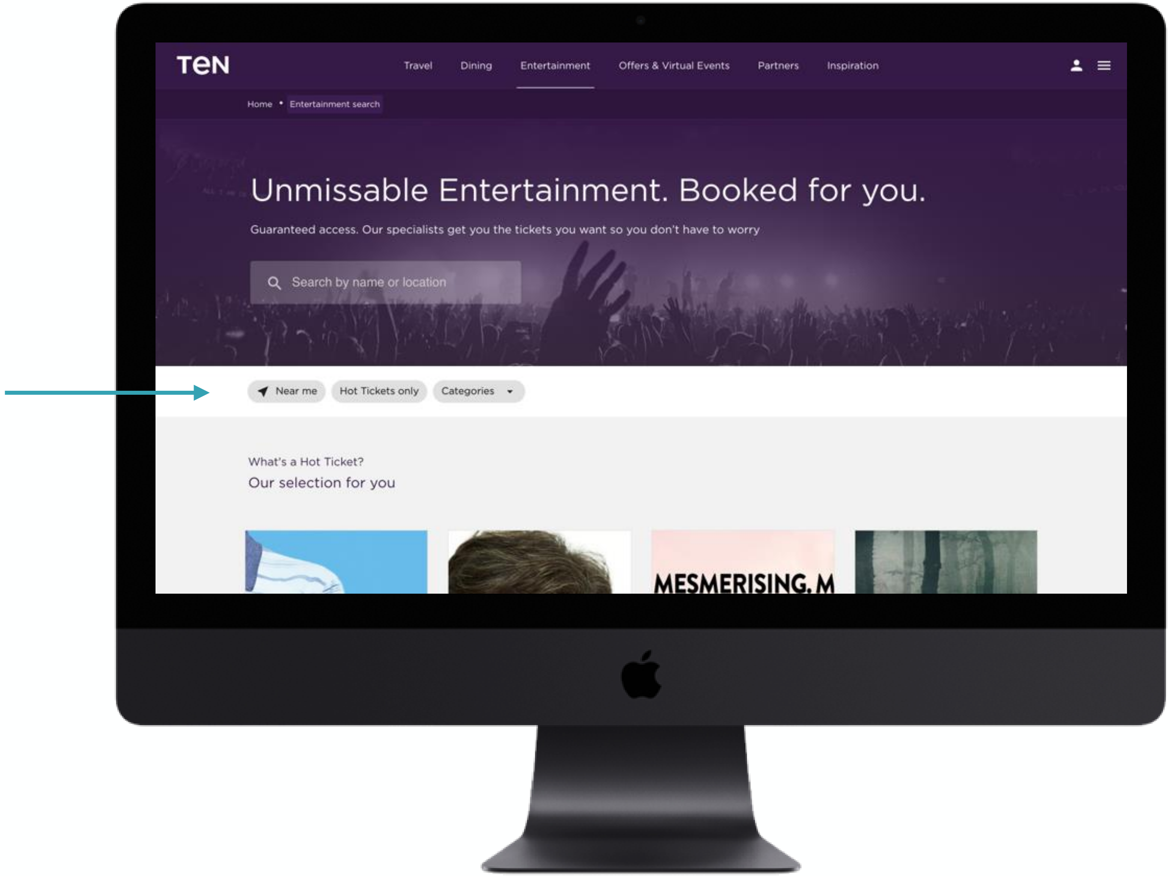
Operational Highlights

- Sustained high member satisfaction globally, even during COVID-19 crisis
- Ten’s proprietary technology continues to drive member satisfaction, efficiency and competitive advantage globally
- Product enhancements
- Operating efficiency improved behind
  - technology improvements
  - improved internal operations
  - maturing supplier base

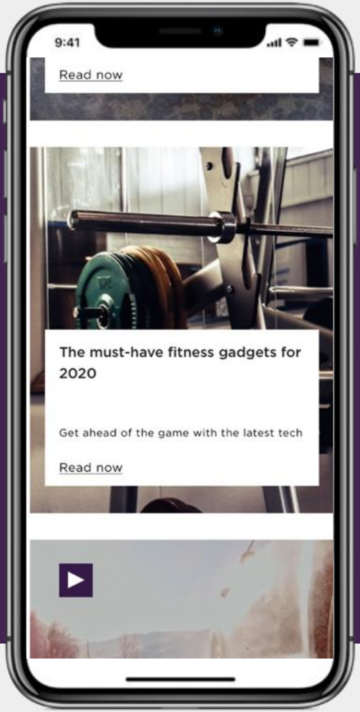


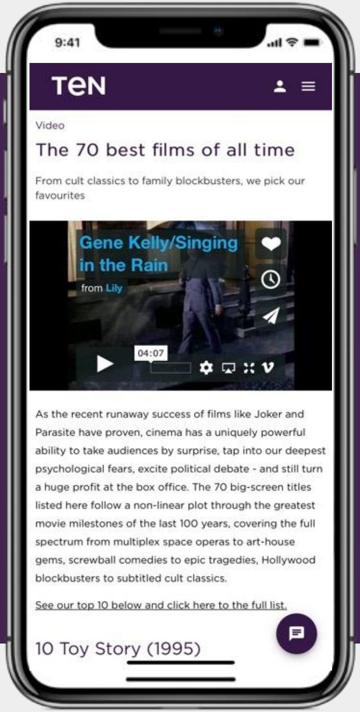
Geo-Location

Our Digital Platform offers a ‘near me’ function, so that members can find great experiences and benefits that are nearest to them across Dining, Entertainment, Events and Offers, wherever they are



Inspiration

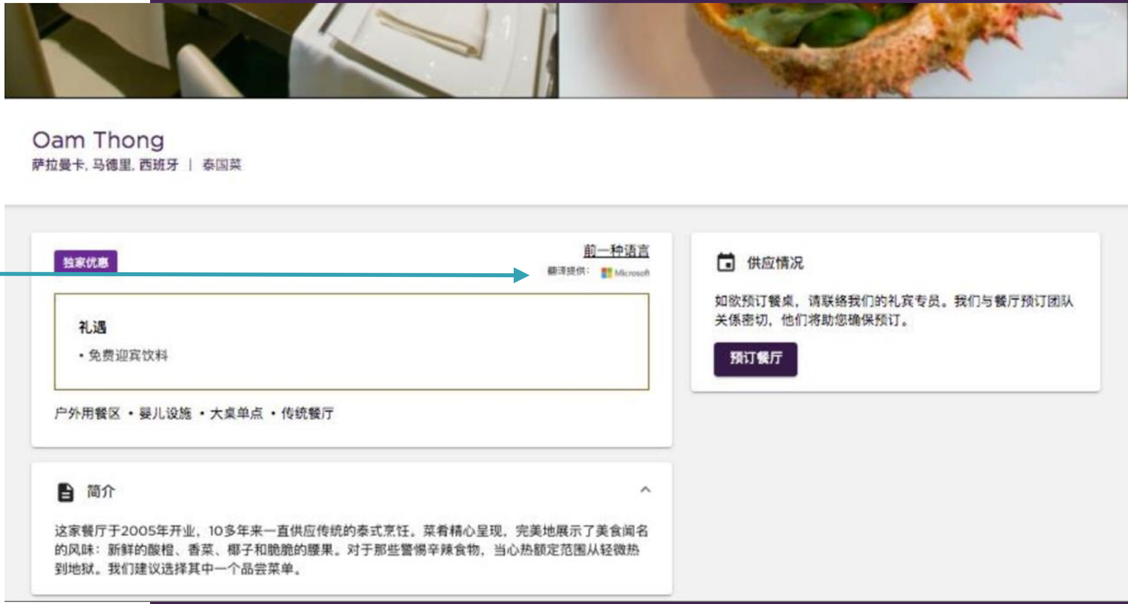




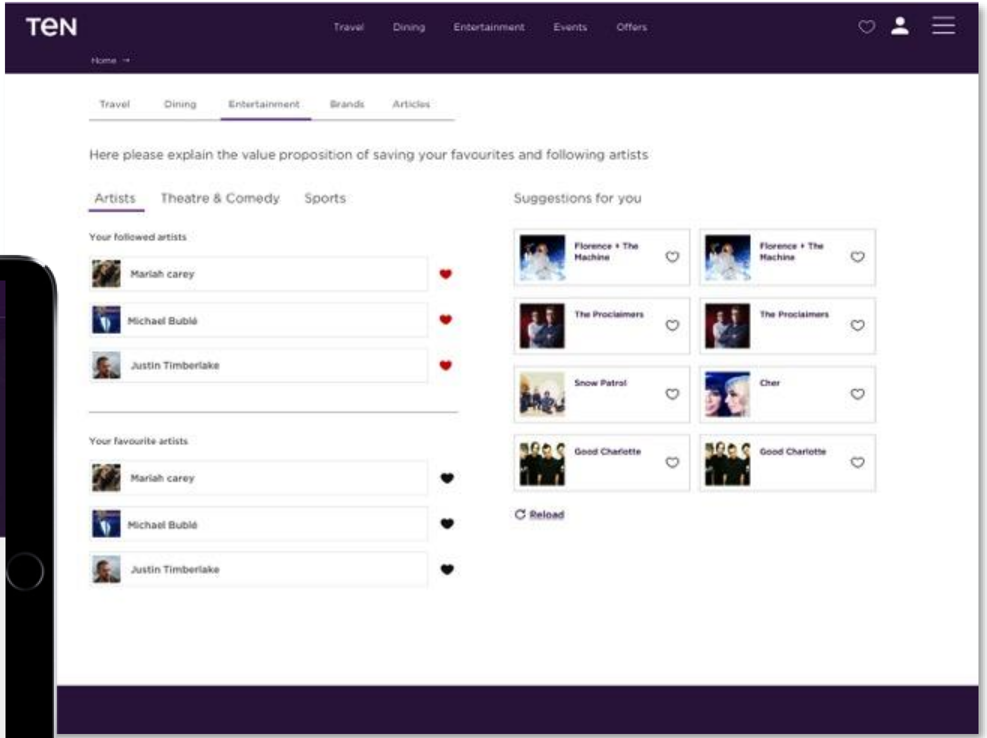
Auto Translate

Some content will not be available in secondary global languages but is translated using machine translation to allow, for instance, Brazilian Portuguese speakers to translate content in English about Edinburgh into their desired language.

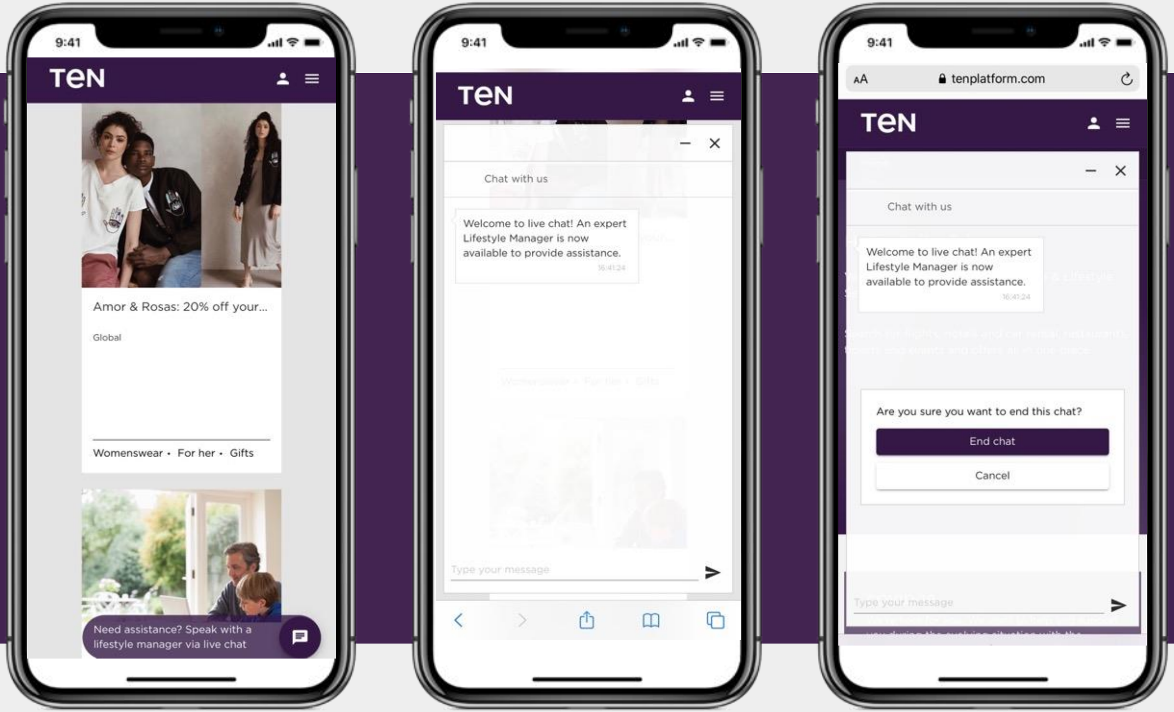
Or, for example, for Japanese speakers to translate Russian content in Moscow into Japanese.



Favourite & Follow - User preferences



Live Chat


9:41
TEN
Amor & Rosas: 20% off your...
Global
Womenswear • For her • Gifts
Need assistance? Speak with a lifestyle manager via live chat
9:41
TEN
Chat with us
Welcome to live chat! An expert Lifestyle Manager is now available to provide assistance.
Type your message
9:41
tenplatform.com
TEN
Chat with us
Welcome to live chat! An expert Lifestyle Manager is now available to provide assistance.
Are you sure you want to end this chat?
End chat
Cancel
Type your message

Chat Feature Strategy

Enhanced Chat user interface, with new features and functions.

Smart routing through Chatbot category identification.

Instant FAQ responses via intelligent Virtual Assistant.

Brief-taking Virtual Assistants, designed to get to the heart of the Members' request efficiently.

Chat via popular messaging apps you're used to – WhatsApp, WeChat, Facebook Messenger and more.

Ten Chat API for our Clients to connect to, to provide our Chat to their customers within their own apps or websites.

Outlook

Our corporate clients need us more than ever

- Private Clients are suffering financial losses, financial insecurity and personal or family health concerns
- Operationally, customer service levels are stressed
- Pre-coronavirus client engagement tools are less suitable (e.g. face to face, networking events, sponsorship)
- Opportunity: Banks can win prospects who are unhappy with current providers. **An acquisition opportunity**
- Risk: Banks may lose current clients who are unhappy. **Retention focus required**
- **Ten can prove a positive ROI that drives retention, AuM and helps with Acquisition**

Ten's B2B proposition improves customer satisfaction / $ metrics

Pre-Coronavirus

Experience, Access, Value

Ten is proactive and responsive to individual's emerging needs, trends and behaviours.

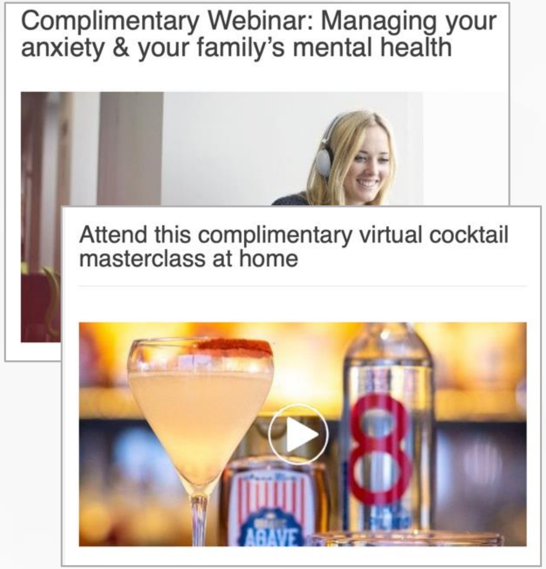
*NPS has remained high

Coronavirus

Help & Comfort

Our business is driven by what our members need, and not limited to travel, dining and entertainment

Ten Guides



Virtual Events and Webinars

Our corporate revenues are secure, blue-chip client list

Visa	RBS	HSBC	DNB (Norway)	RBC	OCBC
MI card	Coutts	American Express	City National Bank	CIBC	SMBC
Mastercard	Barclays	NatWest	SMTC	ABSA	Adam & Company
Diners Club	Merrill Lynch	Tokyo Tokai	Alfa Romeo	Hyundai Card	Revolut
SuMi TRUST	AlphaCard	SwissCard	Scotiabank	Bon Viva	Neiman Marcus
China Merchants Bank	Bank of China	ICBC	US Bank	TransAmerica	BCG

Current Trading

Current business
- Flexibility of service has maintained high service levels, request volumes and corporate client revenue
- Seamless transition to home working and PCI compliance
- Continued high levels of contract retention
- Many contracts include contractual minimum revenues

New business is slower during pandemic
- Delays to contract launches – including TMT client
- Business development team active with focus on customer loyalty and acquisition strategies

Suppliers
- Very low commissions from suppliers expected
- Working with suppliers to leverage opportunities and support partners

Costs savings
- Cost savings of at least £5m in second half of financial year
- Net cash at end of Feb 2020 £9.6m, broadly maintained
- Technology investment maintained

Outlook for 2020 and 2021

- Robust COVID-19 response but there is uncertainty on assessing outlook
- Driving efficiencies and costs will maintain a robust cash position
- Continuing investment in the technology platform
- Continued development of relevant service propositions
- Likely to be delays to new contract launches
- Business opportunities with prospective clients who recognise importance of that customer loyalty and acquisition strategies
- Commissions are expected to remain low for 2020 and into 2021
- Management and model will continue to adapt to changing environment
- The Board will provide further updates in a changing environment

For more insights, please

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- follow Ten Lifestyle Group and watch our B2B videos at www.linkedin.com/company/tenlifestylegroup/