This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 ("MAR"). Upon the publication of this announcement, this inside information is now considered to be in the public domain.

Ten Lifestyle Group plc
("Ten", the "Company" or the "Group")

Preliminary results for the year ended 31 August 2018
& Trading Update for FY 2019

Ten Lifestyle Group plc (AIM: TENG), a leading technology-enabled lifestyle and travel platform for the world's wealthy and mass affluent, announces its Preliminary Results for the year ended 31 August 2018 (the "Year") and provides a Trading Update for FY 2019. We set out below (A) highlights from our Preliminary Announcement and Trading Update for FY 2019; and (B) our Preliminary Announcement.

(A) Highlights and Trading Update for FY 2019

Operational Highlights

- Large contracts increased from 4 to 6 and Medium contracts[1] increased from 11 to 18 in the Year.
- Seven new Medium or Large contracts won and launched in the Year, including Visa International, HSBC and OCBC Bank.
- Two Small contracts have grown into Medium contracts in the Year.
- Ten's enhanced proprietary digital platform launched during the Year in all three global regions.
- £10.5m spent on proprietary digital platform, communications and technologies.
- Member satisfaction improved in all three global regions.
- Admitted to AIM in November 2017.

Financial Highlights

- Net Revenue[2] up 13% to £37.4m (2017: £33.2m).
  - Growth in the first half of the Year followed by a marked increase in the growth rate as the Year progressed.
  - Especially strong growth in APAC[3] (43%) and good growth in the Americas (16%)
  - Net Revenue flat in EMEA[4].
- Adjusted EBITA[5]: -£3.9m (2017: +£1.7m) reflects significant investment in technology, investment in new markets and international roll out.
- Adjusted EBITA margin: -10.4% (2017: +5.1%).
- Strong cash position of £20.7m, following £25.1m raised at IPO.

£m	**2018**	**2017**
Net Revenue	37.4	33.2
Adjusted EBITA	(3.9)	1.7
Adjusted EBITA %	(10.4)%	5.1%
Operating Loss before interest and tax	(8.0)	(1.7)
Loss for the Year	(8.1)	(1.6)

[1] Ten categorises its 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: Small contracts (below £0.25m); Medium contracts (between £0.25m and £2 million); Large contracts (over £2 million); and Extra Large contracts (over £5 million). This does not include the revenue generated from suppliers through the provision of concierge services.

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

[3] The Asia-Pacific region.

[4] The Europe, the Middle East and Africa region.

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

Trading Update for FY 2019

In respect of post year end activities and outlook:

- Net Revenue for the financial year ending 31 August 2019 is expected to show continued growth, materially above the 13% growth in Net Revenue that the Group achieved in the year ending 31 August 2018, but materially below previous expectations.

- This is partly due to the delayed launch of Ten's enhanced digital platform which only became fully operational at the beginning of November 2018, following initial launch in June 2018.

- Following the full launch of the enhanced digital platform we were pleased that an existing Large contract in the Americas converted to an Extra Large contract[6]. However, the rate of roll out to other existing customers has been slower than expected.

- There has also been a reduction in expected new contract wins which have been below expectations, despite a strong pipeline.

- In addition, the Group expects a Large contract to reduce Net Revenue in the coming year, as some services may be brought in-house by the client.

- Notwithstanding a slower start to the year, the Board remains confident in the Group's strong growth potential which is further underpinned by its strengthening competitive position, its differentiated proposition, as reflected in record member satisfaction ratings, and its market leading technology platform.

- We plan continued investment in the enhanced digital platform and new vertical markets (notably the Employee Loyalty and Luxury Brand markets) to add to Ten's existing Financial Services vertical as well as development of our immature and new geographies (where new offices have been set up or expanded).

- Adjusted EBITA for 2019 is also expected to be below previous expectations, largely due to continued investment in the platform and lower than expected Net Revenues. The Board expects the Group's operational gearing to increase as the year progresses, especially in the second half as the investment in the technology platform takes effect.

- We anticipate a strong net cash position at the end of 2019.

[6] Extra Large contracts (over £5million).

(B) Preliminary announcement - results for the year ended 31 August 2018

Operational Highlights

- Large contracts increased from 4 to 6 and Medium contracts[7] increased from 11 to 18 in the Year.
- Seven new Medium or Large contracts won and launched in the Year, including Visa International, HSBC and OCBC Bank.
- Two Small contracts have grown into Medium contracts in the Year.
- Ten's enhanced proprietary digital platform launched during the Year in all three global regions.
- £10.5m spent on proprietary digital platform, communications and technologies.
- Member satisfaction improved in all three global regions.
- Admitted to AIM in November 2017.

Financial Highlights

- Net Revenue[8] up 13% to £37.4m (2017: £33.2m).
    - Growth in the first half of the Year followed by a marked increase in the growth rate as the Year progressed.
    - Especially strong growth in APAC[9] (43%) and good growth in the Americas (16%)
    - Net Revenue flat in EMEA[10].
- Adjusted EBITA[11]: -£3.9m (2017: +£1.7m) reflects significant investment in technology, investment in new markets and international roll out.
- Adjusted EBITA margin: -10.4% (2017: +5.1%).
- Strong cash position of £20.7m, following £25.1m raised at IPO.

£m	**2018**	**2017**
Net Revenue	37.4	33.2
Adjusted EBITA	(3.9)	1.7
Adjusted EBITA %	(10.4)%	5.1%
Operating Loss before interest and tax	(8.0)	(1.7)
Loss for the Year	(8.1)	(1.6)

Alex Cheatle, CEO of Ten Lifestyle Group, said;

"This has been an important year for Ten's development. Following our IPO, we have won new contracts with some of the largest global financial institutions, expanded into new regions, and we launched our enhanced proprietary digital platform. While the launch was later than planned, and has affected our revenue expectations, it is a world first in the concierge market and we believe that it creates significant competitive advantage for Ten. Although we are disappointed not to meet the Net Revenue expectations that we set at IPO, we are confident about our future success.

Our Net Revenue grew 13% and 2018 has seen significant spend including £10.5m into our enhanced technology platform, communications and IT infrastructure. Following the IPO capital raise, we end the Year with over £20m in cash which will enable us to continue our international and digital expansion and become the most trusted service business in the world, working behind global brands.I would like to extend thanks to the Ten team worldwide, for their hard work and immense contribution in the Year."

[7] Ten categorises its 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: Small contracts (below £0.25m); Medium contracts (between £0.25m and £2 million); Large contracts (over £2 million); and Extra Large contracts (over £5 million). This does not include the revenue generated from suppliers through the provision of concierge services.

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

[9] The Asia-Pacific region.

[10] The Europe, the Middle East and Africa region.

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

For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is being made on behalf of the Company by the Company Secretary.

Analyst Presentation
An analyst presentation will be held at 10:00am at the offices of Tavistock, 1 Cornhill, London EC3V 3ND. Please RSVP to tengroup@tavistock.co.uk.
Dial-in details for the presentation are also available:
Dial-in number: +44 (0)2031394830
Participant PIN Code: 13786545#

For further information please visit www.tengroup.com or call:

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Chairman's Statement

Introduction

I am pleased to deliver my first Chairman's Statement since joining the Board in October 2017 to update shareholders on what has been a transformational year for the business.

In the year in which we celebrated our 20th anniversary, the Group operates from 20 offices worldwide and serves over 2m registered users, working with over 50 corporate partners. To achieve our objective of becoming the world's most trusted service platform, we have combined investment in technology innovation with expert travel and lifestyle knowledge. The strength of this proposition was reflected in our IPO on the AIM market of the London Stock Exchange in November 2017, which raised over £25m to finance the next phase of our growth.

Strategy

Ten provides concierge services to its corporate customers using a combination of its market-leading lifestyle and travel proprietary digital platform and the expertise of its Lifestyle Managers. Ten's corporate clients include private banks, retail banks, premium payment card providers and luxury brands who offer Ten's services to segments of their premium customers.

Ten assists its members to discover, organise and book services including 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. 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.

Our ambitious objective is to become the most trusted service platform globally. Our strategic goals to achieve this ambition are: to continuously improve service levels to our members; to deliver value to our corporate partners; to continue to invest in our proprietary technology; and to grow Net Revenue by enhancing existing corporate partnerships and entering new geographic and vertical markets.

Results

I can report that we have made good progress during the Year towards each of these goals and while Net Revenue has come in below expectations set at IPO, at 13% growth, we saw several important new client wins, including a Large contract with Visa International and our first contracts with HSBC, OCBC Bank and Japanese MI Card. During the Year we continued to invest - both in people and technology - to underpin our growth plans. We maintained excellent client retention levels and 2018 saw the much-anticipated launch of our significantly enhanced proprietary member-facing platform. We enter 2019 with our strongest ever service levels, a larger client base, new hires in place and our enhanced technology offering, which will help achieve our future growth goals.

Lower Net Revenue than expected by the Board at IPO was caused by several factors, but principally reflected slower revenue growth from new and existing territories, slower roll out into new verticals and slower roll out of larger, more integrated contracts.

We ended the Year with a strong cash position of £20.7m (2017: £8.2m), reflecting the proceeds from the IPO and improved working capital performance in the Year, offset by significant investment in infrastructure and people during the Year. While we remain in an investment phase, the focus is on future business growth which clearly impacts profitability in the short term.

We run our business based on three regions: EMEA, the Americas and APAC. Our most mature region is EMEA which continued to perform strongly although Adjusted EBITA was held back by the investment in our proprietary technology platform and enhancement of content. The effects of the investment programme were more pronounced in the two higher-growth regions of the Americas and APAC. In the Americas, we set up two new offices, made a number of significant senior hires and committed resource to support the contracts won to date, and to build the platform to allow for further growth. We have now built the scale required to support operations for our existing and future corporate partners in the region. In APAC, we saw strong Net Revenue growth and Adjusted EBITA again close to break-even but reflecting investment to support recent and expected contract wins.

People

The Board is committed to a strict corporate governance code and, as Chairman, I am the custodian of the corporate governance approach adopted by the Board to ensure that the Group has the right people, strategy and culture to deliver success. The Board comprises four Executive Directors and three independent Non-Executive Directors, of which I am one. At the same time as my appointment, two other Non-Executive Directors were appointed: Julian ("Jules") Pancholi and Gillian Davies.

In addition to these Board appointments, the Group has invested in quality Lifestyle Managers around the world and has made a number of senior hires globally. We were pleased to appoint a global Chief Technology Officer ("CTO") and a Global Head of IT Infrastructure. Both of these appointments reflect the importance of the growth and development of our technology offering.

Corporate Governance

With effect from 28 September 2018, all AIM companies are required to adopt a recognised corporate governance code and to make additional corporate governance related disclosures on their websites. I am pleased to announce that the Company has adopted the Quoted Companies Alliance's Corporate Governance Code (the "QCA Code").

Summary

When I was approached to become Chairman, I was attracted by the Company's market-leading service proposition, the potential to accelerate its international expansion and the opportunity to leverage technology to drive service levels and profitability. I write today, one year on, with just as much excitement as I did when I joined. Ten is a business in growth mode with a unique technology service offering which sets it apart from its peer group and offers a unique consumer value proposition which provides an excellent platform for the business to achieve its goals.

I would like to extend a huge thanks to my fellow Board members and to Ten employees worldwide, who have worked tirelessly to enhance our proposition and build the required technology platform to enable us to grow in the future. This was Ten's 20th year, and its first as a listed business and I look forward to updating shareholders further in 2019 as the business develops.

Bruce Weatherill
Chairman
27 November 2018

Chief Executive's statement

In my first Chief Executive's Statement for Ten as a listed business, I can report a year of improving service levels, Net Revenue growth and continued development of our digital technologies that will help drive future increases in revenues and margin, as well as improvements in competitive advantage and service levels.

Our objective is to become the world's most trusted service business. In each quarter of the Year we have: grown the number of affluent and wealthy members who we help; improved member experience of our service in each global region; grown our global reach and developed technologies that underpin our future success. All these achievements build on our competitive advantage, take us closer to our objective and provide a solid foundation for the future.

Net Revenue grew at a slower rate than initially expected, developing at an increased rate as the year progressed. Other key financial metrics – notably cash and Adjusted EBITA – have been at, or better than, the levels the Board anticipated at IPO.

How did we do in 2017/2018?

- We secured the capital for the next phase of Ten's development.
  We believed at the start of 2017 that we should raise capital to be able to execute on two strategies. Firstly, to increase our investment into technology to improve service levels, reduce costs of service delivery, improve scalability and develop a winning competitive position. Secondly, to continue to expand regionally into our key growth markets. To achieve this, we listed on the AIM market of the London Stock Exchange in November 2017. The resulting £25.2m of net cash to the Group is allowing us to finance planned growth into immature or new markets as well as continue investment into our technology platform, which we believe will drive increased member satisfaction, maintain our competitive advantage and drive further major contract wins globally.

- We improved service quality.
  This underpins our success. The higher our service levels, the more our members trust our service; the more they use our service, the more they advocate our service and justify our corporate partners spending more with us.

  We are delighted to have achieved record member satisfaction levels, measured by both Net Promoter Score ("NPS") and our internal quality assurance. We have had positive client feedback on our service on both existing programmes and new launches. We believe this grows our reputation and credibility in the market.

- We have developed and launched a competitive digital platform into multiple global markets.
  Ten's proprietary digital platform is now available in 9 languages and 36 currencies. The enhanced platform went live in June 2018 behind HSBC's High-Net-Worth 'Jade' proposition into all three global regions and has now been launched by multiple other client brands into a total of 52 countries.

  The launch of our enhanced digital platform was delayed with new and existing corporate partners. This was to help ensure optimal impact by launching the platform with a more complete offering. The consequence of this was that some new client launches have been pushed back, and some existing contracts have delayed marketing of the service, which grows usage and hence revenues, until the platform is in-market. The platform is now live in market in all global regions and we believe this will unlock revenue growth on existing contracts. The high hurdles that we have successfully overcome in developing the platform have resulted in a more robust and more valuable platform. We are now in a strong position with what we believe to be the only multi-category transactional lifestyle and travel platform in-market and available to our corporate partners and prospects. Most new contract tenders mandate a strong digital platform as part of their desired specification.

- We have made great progress in globalising our service.
  Our global reach has grown, we have won new contracts in each of our three regions and we have opened two new offices in the Americas in the Year. We have seen efficiency improvements to our high touch service in maturing markets. In the Americas, we grew from 195 staff at 31 August 2017 to 326 staff at 31 August 2018 to support contract growth and have now achieved scale in Spanish, Portuguese and French Canadian as well as English-speaking staff. In APAC, the HSBC win has allowed us to start to benefit from scale in the key High-Net-Worth centres of Hong Kong and Singapore, which is further supported by a contract launch in September 2018 with the Bank of Singapore/OCBC. Most of the growth in 2019 is expected to come in markets where we already have a presence, which should allow us to be more efficient, so we expect to see improving revenues per employee across 2019.

- New hires have strengthened the leadership team and the operational and technology teams.
  We have grown the business from 570 to 823 people globally, which is indicative of our investment strategy. In addition, we have made senior hires in the first half of the Year including a Global Head of IT Infrastructure and a Business Development Leader in each of the US and Europe. New hires in the second half of the Year included a new Head of Employee Loyalty, senior finance hires and a Head of Legal and Compliance.

  In summer 2018, we also hired a leader specifically responsible for developing the customer acquisition strategy in the region of North America, with a focus on financial services.

  In addition, we made the important hire in August 2018 of a new, highly experienced CTO who has, since joining, further strengthened our technology teams, processes and output. We are benefiting from his twenty-plus years of experience of developing complex consumer facing enterprise platforms and personalisation.

  We have benefited from a Board that includes three Non-Executive Directors, including our Chairman who joined us shortly before the IPO. I have very much appreciated their experience and guidance this year.

Summary

We believe our competitive position is stronger than ever driven by our enhanced proprietary technology platform, our market leading service levels, our integrated global infrastructure and the strength of our management team. We have won multiple contracts from competitors in the last year and are targeting more wins from competitors and new contracts in 2019.

Continued improvements in service levels increase engagement, repeat use and justify higher levels of investment from our corporate partners. We have seen this in recent weeks as one Large contract has grown to become an Extra Large contract in the current financial year. We then believe that increasing scale can drive increasing service levels and the efficiency that drives profitability, helping us progress towards our objective of becoming the most trusted service business in the world.

2018 has been a year of significant investment and product development and we enter 2019 with a unique platform to meet the needs of our members and global corporate clients. I would like to extend thanks to the Ten team worldwide, for their hard work and immense contribution this year.

Alex Cheatle

Co-Founder and Chief Executive Officer

27 November 2018

Financial and Operating review

Net Revenue increased by 13% compared to the previous year. Our planned investment in technology and international expansion has, as expected, impacted profitability in 2018 but leaves the Group well placed for growth going forward.

- Net Revenue: £37.4m (2017: £33.2m) +13%.
- Adjusted EBITA: -£3.9m (2017: +£1.7m).
- Adjusted EBITA margin: -10.4% (2017: +5.1%).
- 16% Net Revenue growth in the Americas.
- 43% Net Revenue growth in APAC.

£m	**2018**	**2017**
Revenue	40.1	34.9
Net Revenue	**37.4**	**33.2**
Operating expenses and Other Income	(41.3)	(31.5)
Adjusted EBITA	**(3.9)**	**1.7**
Adjusted EBITA %	(10.4%)	5.1%
Amortisation	(2.8)	(2.3)
Share-based payments and exceptional items charge	(1.3)	(1.1)
Operating loss before interest and tax	**(8.0)**	**(1.7)**
Net finance expense	(0.5)	(0.5)
Loss before taxation	**(8.5)**	**(2.2)**
Taxation credit	0.4	0.5
Loss for the Year	**(8.1)**	**(1.6)**
Net Cash at 31 August	**20.7**	**8.2**

Revenue

Revenue for twelve months to 31 August 2018 was £40.1m, up 15% on the twelve months to 31 August 2017. Net Revenue, which 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) is Ten's preferred measure of operating revenues. Net Revenue for twelve months to 31 August 2018 was £37.4m, up 13% compared to the prior year.

This revenue growth has been supported by new contract launches. In the year to 31 August 2018, we launched Large contracts across multiple countries with Visa and HSBC as well as a series of Medium contracts with Mastercard, amongst others. We have seen good organic growth with two Small contracts becoming Medium contracts in the Year. We also benefitted from additional revenue relating to the delivery and licencing of our digital platform launched this year.

Large and Medium Contracts

Contracts	2018	2017	Increase
Large	6	4	+2
Medium	18	11	+7
	24	**15**	**+9**

Almost all of the new contract wins have been in the Americas and APAC. HSBC is considered a global contract as it covers all regions.

Contracts by region

	2018	2017	Increase
EMEA	9	9	-
Americas	10	4	+6
APAC	4	2	+2
Global	1	-	+1
	24	**15**	**+9**

This pattern of contract growth is reflected in the regional segmentation of our Net Revenue. While there is a clear overlap between the geographic location of our clients and their members' requests, members use our concierge services across all the regions. Therefore, our segmental revenue reporting reflects our servicing location rather than the location of our corporate clients. This allows us to understand and track the efficiency and profitability of our operations around the world, so our segmental financial reporting is a more relevant measure on this basis.

Net Revenue by region

£m	2018	2017	% change
EMEA	17.4	17.4	0%
Americas	11.4	9.8	16%
APAC	8.6	6.0	43%
	37.4	**33.2**	**13%**

EMEA revenue was flat compared to the same period of the prior year.

In the Americas, we have experienced 16% growth chiefly as a result of contract wins already noted.

In APAC, we have continued to grow existing contracts. Furthermore, contracts with Mastercard and the launch of HSBC concierge has benefited the APAC region in the second half of the year resulting in an annual growth rate in the region of over 40%.

Operating expenses

As the year to 31 August 2018 was a period of investment for the Group, operating expenses increased from £31.5m in the same period in 2017 to £41.1m. A large proportion of growth was due to increased headcount which grew to 823 by 31 August 2018 (2018 average: 750; 2017 average: 550). This increase in headcount is due to expansion in American and APAC markets, where we hired ahead of contract launch date and reflects Ten's market expansion strategy in the Year where were hired proportionally more operational staff in our expanding markets (including regional leadership, local quality assurance and account managers). This rate of increase is not expected to continue as we are now established in those markets. There were also some shorter term increases this year in our technology and content teams, where we also brought in contractor support ahead of our digital platform launches. The remainder of this cost reflects the running costs of our additional offices and additional spend on IT infrastructure to build platform resilience as we scaled up.

Adjusted EBITA margin

Whilst Adjusted EBITA is not a statutory measure, the Board believe it is necessary to include this as an additional metric as it is one of the main measures of performance used within the business and the principal profit measure for senior management. It reflects the underlying profitability of our business operations, excluding amortisation of historic investment in platform infrastructures, exceptional costs and share-based payment expense.

Adjusted EBITA, as reported, takes account of all remaining operating costs in the Group, other than amortisation £2.8m (2017: £2.3m) share-based payment expenses of £0.9m (2017: £0.7m) and exceptional costs of £0.4m primarily relating to the IPO in November 2017 (2017: £0.3m). On this basis, Adjusted EBITA was a loss of £3.9m (2017: profit of £1.7m).

After allocating our indirect costs of IT, platform support, real estate and senior management, the Adjusted EBITA for each regional segment is as below:

Adjusted EBITA by region

£m	**2018**	**2017**
EMEA	3.1	3.9
Americas	(6.8)	(1.5)
APAC	(0.2)	(0.7)
Total	**(3.9)**	**1.7**
Adjusted EBITA margin %	**(10.4%)**	**5.1%**

Adjusted EBITA margin in EMEA, defined as our Adjusted EBITA as a percentage of Net Revenue, remains strong and reflects our most mature market, which has continued to deliver operational efficiency even though revenue growth has been slower. Overall, margin has declined from 23% to 18% in EMEA due to the allocation of our increased spend in content and technology.

This impact has been felt even more strongly in the Americas region where Adjusted EBITA margin has declined year on year reflecting the short-term impact of the market expansion where we have invested in training, service quality and building our local expertise as we build scale in this market. We have hired significant new teams, set up two new offices and created new content and supplier relationships to support the contracts won in the region. We expect this 'launch' investment to continue into the first half of 2019 before increasing operational maturity brings this region to a profitable level over time. We now have the footprint, offices and staff in place to manage English, Spanish, Portuguese and French Canadian at scale – which will allow efficiencies to flow. Beyond the 2018 financial year, no major 'new' market launches are planned in the Americas.

APAC has benefited from improving efficiencies in countries where we have had a longer-term presence as we have built scale within the existing business. Adjusted EBITA remained close to breakeven in 2018, with strong revenue and contribution growth in the region offset by increased investment in IT and support functions to expand our capability in APAC to support recent and expected contract wins. Once these markets mature, they are expected to generate positive margins in line with our strategy.

Amortisation

Amortisation costs, relating to our internal platform (TenMAID) and our customer facing platforms were higher at £2.8m in 2018 (2017: £2.3m) reflecting increased development activity over the previous years.

Net finance expenses

Net finance expense in the year was £0.5m (2017: £0.5m). This included the interest cost of shareholder debt until repayment on 30 November 2018 following the AIM listing of £0.2m; (2017: £0.4m); finance expense related to the convertible loan that was converted to equity on listing (2018: £0.2m; 2017: £0.1m). In addition, the translation of balances denominated in foreign currencies in the Year resulted in a £0.1m expense (2017: £nil).

Exceptional costs and Share-based payments expense

The share-based payment charge in the year were £0.9m (2017: £0.7m) which reflected grants made under new management incentive plans established after listing on AIM. The exceptional costs of our IPO listing on AIM were £0.4m (2017: £0.3m).

Loss before tax

The loss before tax increased from £2.2m in 2017 to £8.5m.

Taxation

The tax credit for the Year was £0.4m (2017: £0.5m) which included £0.8m (2017: £1m), of R&D tax credit received.

Loss 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. In addition, on admission to AIM, 13.4m new ordinary shares were issued, convertible loan notes of £3.2m were converted to 3.1m ordinary shares and 13.6m share options were exercised.

The weighted average number of shares increased from 48.7m to 73.1m as a result of the above shares issued. The total comprehensive loss for the Year was £8.2m (2017: £1.6m), resulting in a loss per share of 11.1p (2017: loss of 3.4p). The Board does not recommend the payment of a dividend.

Group balance sheet and Cash flow

£m	**2018**	**2017**
Loss before tax	**(8.5)**	**(2.2)**
Net finance expense	0.5	0.6
Working capital changes	0.5	(0.4)
Non-cash items (share based payments, depreciation and amortisation charges)	4.4	3.9
Operating cash flow	**(3.1)**	**1.9**
Capital expenditure	(1.5)	(0.4)
Investment in intangibles	(4.3)	(3.1)
Taxation	0.4	1.0
Cash outflow	**(8.5)**	**(0.6)**
Funded by		
Equity from listing on the AIM	25.1	

Other equity issued in the period	0.3	2.2
Movement in shareholder loans	(3.9)	4.1
Repayment of finance leases and interest paid	(0.2)	(0.6)
Net funding	**21.3**	**5.7**
Increase in cash	**12.8**	**5.1**
Cash balance	**20.7**	**7.9**

Operating cash outflows were £3.1m, (2017: £1.9m inflow), reflecting the operating loss previously noted offset by a positive change in working capital. Further investment in our IT infrastructure as well as our digital platform, held in the balance sheet as an intangible asset, meant that the overall cash outflow was £8.5m. This cash outflow was funded by the equity fundraising noted above, meaning that the Group's cash position has significantly improved overall, with £20.7m cash at bank at the end of the year and a small amount of finance lease obligations outstanding as shown in the summary Balance sheet below.

Balance sheet

£'m	**2018**	**2017**
Intangible assets	7.7	6.1
Property, plant and equipment	1.7	0.9
Cash	20.7	8.2
Other current assets	9.1	7.2
Total current liabilities	(10.5)	(9.2)
Long term borrowings	-	(6.0)
Other non-current liabilities	-	(0.2)
Net assets	28.7	7.0
Share capital/Share premium	28.6	9.7
Reserves	0.1	(2.7)
Total equity	28.7	7.0

Net assets remain strong with a significant cash position after the noted investment in our platform and property, plant and equipment. Furthermore, prior year borrowings were extinguished with funds raised from our IPO.

Key performance indicators (KPIs)

The Group monitors its performance using a number of financial performance indicators which are agreed at Board meetings and monitored at operational and Board level.

- Number of Large contracts 6 (2017: 4)
- Number of Medium contracts 18 (2017: 11)
- Net Revenue growth: 13% (2017: 37%)
- Adjusted EBITA margin: -10.4% (2017: +5.1%)
- Loss after tax margin: -20.2% (2017: -4.7%)

Principal risks and uncertainties

The Board continually reviews the risks facing the Group and ensures appropriate steps are taken to mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Group. The Board considers the risks set out below to be the principal risks to the Group's business.

- Loss any of its Medium, Large or Extra Large corporate clients

  Most of our corporate clients are subject to multi-year contracts with multiple month notice periods (for convenience). The Group undertakes regular account reviews with all clients to ensure their ongoing satisfaction of the Group's service and aims to prove the commercial value of the services we offer in monthly and quarterly reporting. We aim to ensure all levels of management and leadership within our corporate clients understand the value that we deliver.

- International expansion may be below the strategic plan and may strain the Group's managerial, operational and control systems.

  The Board approves expansion plans into new markets presented by Executive management. Wherever possible the business seeks to hire experienced personnel in the new market who have clear reporting lines and support from experienced senior management.

- Loss of key suppliers of services supporting the Group's business.

  The Group maintains robust commercial and contractual relations with all critical suppliers and the business is clear on which alternative suppliers there are in the market should a change be required.

- Technology may underperform, fail or be subject to security breaches.

  The Group continues to make significant investment into technology upgrades of the Group's technology, including the Ten platform and what we believe to be 'best in class' security software and processes. The technology management team has been strengthened, including the appointment of a new highly experienced global CTO managing the technology roadmap. Robust back-up and recovery processes and procedures are in place to minimise disruption.

- The Group operates in a highly competitive industry.

  The Directors believe that the Group's investment in technology is competitive. The Board conducts competitive scans to identify key risks and opportunities.

Sean Hegarty

Chief Financial Officer

27 November 2018

Consolidated statement of comprehensive income for the year ended 31 August 2018

£'000	Note	2018	2017
Revenue	3	40,122	34,853
Air ticket cost of sales		(2,746)	(1,626)
Net Revenue	3	37,376	33,227
Other cost of sales		(762)	(577)
Gross profit		36,614	32,650
Administrative expenses		(44,769)	(34,302)
Other income		150	-
Operating (loss)/profit before interest, taxation amortisation, share-based payments and exceptional items ("**Adjusted EBITA**")		(3,882)	1,695
Amortisation	4	(2,758)	(2,287)
Share-based payment expense		(947)	(740)
Exceptional items	3	(418)	(320)
Operating loss		(8,005)	(1,652)
Finance income		18	8
Finance expense		(511)	(522)
Loss before taxation		**(8,498)**	**(2,166)**
Taxation credit		386	532
Loss for the year	3	**(8,112)**	**(1,634)**
Other comprehensive (expense)/income:			
Foreign currency translation differences		(110)	14
Total comprehensive loss for the year		**(8,222)**	**(1,620)**
Loss per ordinary share		(11.1)p	(3.4)p

The Consolidated statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

Consolidated statement of financial position as at 31 August 2018

£'000	Note	2018	2017
Non-current assets			
Intangible assets	4	7,715	6,160
Property, plant and equipment		1,702	918
Total non-current assets		9,417	7,078
Current assets			
Inventories		88	43
Trade and other receivables		9,014	7,123
Cash and cash equivalents		20,659	8,193
Total current assets		29,761	15,359
Total assets		39,178	22,437
Current liabilities			
Trade and other payables		(10,027)	(7,336)
Obligations under finance leases		(64)	(74)
Borrowings		-	(1,441)
Provisions		(396)	(346)
Total current liabilities		(10,487)	(9,197)
Net current assets		19,274	6,162
Non-current liabilities			
Borrowings		-	(5,993)
Deferred tax liabilities		-	(200)
Obligations under finance leases		(32)	(47)
Total non-current liabilities		(32)	(6,240)
Total liabilities		(10,519)	(15,437)
Net assets		28,659	7,000
Equity			
Called up share capital		81	6
Share premium account		28,480	9,743
Merger relief reserve		1,993	1,993
Treasury reserve		77	(84)
Foreign exchange reserve		(498)	(388)
Retained deficit		(1,474)	(4,270)
Total equity		28,659	7,000

Consolidated statement of changes in equity for the year ended 31 August 2018

	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 31 August 2016	6	7,532	1,993	(402)	-	(3,376)	5,753
Loss for the year	-	-	-	-	-	(1,634)	(1,634)
Foreign exchange	-	-	-	14	-	-	14
Total comprehensive income for the year	-	-	-	14	-	(1,634)	(1,620)
Issue of share capital	-	2,211	-	-	-	-	2,211
Shares allocated to EBT	-	-	-	-	(84)	-	(84)
Equity settled share-based payments charge	-	-	-	-	-	740	740
Balance at 31 August 2017	6	9,743	1,993	(388)	(84)	(4,270)	7,000
Loss for the year	-	-	-	-	-	(8,112)	(8,112)
Foreign exchange	-	-	-	(110)	-	-	(110)
Total comprehensive income for the year	-	-	-	(110)	-	(8,112)	(8,222)
Issue of share capital	14	18,248	-	-	-	-	18,262
Bonus issue of share capital	44	(44)	-	-	-	-	-
Cancellation of balance on share premium account	-	(9,961)	-	-	-	9,961	-
Costs relating to issue of shares on Initial Public Offering (IPO)	-	(655)	-	-	-	-	(655)
Exercise of share options	14	7,566	-	-	-	-	7,580
Shares issued on conversion of convertible loan	3	3,583	-	-	-	-	3,586
Shares sold by Employee Benefit Trust (EBT)	-	-	-	-	161	-	161
Equity-settled share-based payments charge	-	-	-	-	-	947	947
Balance at 31 August 2018	81	28,480	1,993	(498)	77	(1,474)	28,659

Consolidated statement of cash flows for the year ended 31 August 2018

£'000	Note	2018	2017
Cash flows from operating activities			
Loss for the year, after tax		(8,112)	(1,634)
Adjustments for:			
Taxation credit		(386)	(532)
Finance expense		324	522
Investment income		(18)	(8)
Amortisation of intangible assets		2,758	2,287
Depreciation of property, plant and equipment		661	855
Equity-settled share based payment expense		947	740
Change in value of derivatives		187	79
Movement in working capital:			
(Increase)/decrease in inventories		(45)	8
Increase in trade and other receivables		(1,891)	(2,104)
Increase in trade and other payables		2,435	1,679
Cash (used)/generated by operations		(3,140)	1,892
Tax received, net of tax paid		389	957
Net cash (used)/generated by operating activities		(2,751)	2,849
Cashflows from Investing activities			
Purchase of intangible assets	**4**	(4,313)	(3,059)
Purchase of property, plant and equipment		(1,445)	(379)
Proceeds from disposal of property, plant and equipment		-	2
Finance income		23	8
Net cash used by investing activities		(5,735)	(3,428)
Cash flows from financing activities			
Proceeds from issue of shares		25,884	2,211
Cost of the issue of shares		(655)	-
Proceeds from other loans		-	4,142
Proceeds from Treasury shares		161	-
Repayment of other loans		(3,895)	(92)
Payment of finance lease obligations		(90)	(137)
Interest paid		(134)	(395)
Finance lease interest paid		(12)	(48)
Net cash generated by financing activities		21,259	5,681
Net increase in cash and cash equivalents		12,773	5,102
Cash and cash equivalents at beginning of year		7,886	2,784
Cash and cash equivalents at end of year			
Cash at bank and in hand		20,659	8,193
Invoice financing facility		-	(307)
Cash and cash equivalents		20,659	7,886

Notes to the financial information

1. Basis of Preparation

The financial information set out in this document does not constitute the Company's statutory accounts for the years ended 31 August 2017 or 2018. Statutory accounts for the years ended 31 August 2017 and 31 August 2018, which were approved by the Directors on 27 November 2018, have been reported on by the Independent Auditors. The Independent Auditors' Reports on the Annual Report and Financial Statements for each of 2017 and 2018 were unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

Statutory accounts for the year ended 31 August 2017 have been filed with the Registrar of Companies. The statutory accounts for the year ended 31 August 2018 will be delivered to the Registrar in due course, and will be available from the Company's registered office at Floor 2 355 Euston Road, London, England, NW1 3AL and from the Company's website www.tengroup/investors/.

The financial information set out in these results has been prepared using the recognition and measurement principles of International Accounting Standards, International Financial Reporting Standards and Interpretations adopted for use in the European Union (collectively Adopted IFRSs). The accounting policies adopted in these results have been consistently applied to all the years presented and are consistent with the policies used in the preparation of the statutory accounts for the period ended 31 August 2017. The principal accounting policies adopted are unchanged from those used in the preparation of the statutory accounts for the period ended 31 August 2017. New standards, amendments and interpretations to existing standards, which have been adopted by the Group have not been listed, since they have no material impact on the financial statements.

2. Going Concern

The statutory financial statements have been prepared on a going concern basis. In reaching their assessment, the Directors have considered a period extending at least 12 months from the date of approval of the financial statements. This assessment has included consideration of the forecast performance of the business for the foreseeable future and the cash and financing facilities available to the Group.

3. Segment reporting

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-Pacific (“APAC”). Each segment is a strategic business unit and includes businesses with similar operating characteristics. They are managed separately in similar time zones to reflect the geographical management structure.

£'000	2018	2017
EMEA	17,411	17,433
Americas	11,406	9,757
APAC	8,559	6,037
Net Revenue	**37,376**	**33,227**
Add back: Air ticket cost of sales	2,746	1,626
Revenue	**40,122**	**34,853**
EMEA	3,069	3,933
Americas	(6,785)	(1,520)
APAC	(166)	(718)
Adjusted EBITA	**(3,882)**	**1,695**
Amortisation	(2,758)	(2,287)
Share-based payment expense	(947)	(740)
Exceptional costs	(418)	(320)
Operating loss	**(8,005)**	**(1,652)**
Foreign exchange (loss)/gain	(117)	79
Other net finance expense	(376)	(593)
Loss before taxation	**(8,498)**	**(2,166)**
Taxation credit	386	532
Loss for the year	**(8,112)**	**(1,634)**

Statutory Revenues for the Americas and APAC segments are the same as the Net Revenues amounts disclosed above. Statutory Revenues for the EMEA segment were £20,157k (2017: £19,059k).

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:

£'000	2018	2017
UK	27,697	23,049
USA	2,852	2,978
Switzerland	7,430	7,836
Brazil	1,043	530
Rest of world	1,100	460
Revenue	40,122	34,853

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.

Adjusted EBITA is a Company non-GAAP specific measure excluding interest, taxation, amortisation, share-based payment and exceptional costs, the latter being expenses which are considered to be one-off and non-recurring in nature which relate to the IPO in the current year.

Adjusted EBITA 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.

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

One customer generated more than 10% of total revenue during the year ended 31 August 2018. The total revenue received from this customer was £5.5m (2017: £5.4m) and is reported in the EMEA segment.

3.1 Exceptional items

£'000	2018	2017
Cost of admission to the AIM	378	320
Employee share option advisory costs	40	-
	418	**320**

An additional £0.7m was recognised as a deduction against share premium in the year representing the costs associated with issuing equity on IPO and therefore are not included in exceptional items in the profit or loss account.

4. Intangible assets

£'000	Capitalised development costs	Website	Trademarks	Total
Cost				
At 31 August 2016	14,093	1,669	55	15,817
Additions	2,819	240	-	3,059
At 31 August 2017	16,912	1,909	55	18,876
Additions	4,313	-	-	4,313
Disposals	(408)	-	-	(408)
At 31 August 2018	20,817	1,909	55	22,781
Accumulated amortisation				
At 31 August 2016	9,939	435	55	10,429
Charge for the Year	1,681	606	-	2,287
At 31 August 2017	11,620	1,041	55	12,716
Charge for the Year	2,151	607	-	2,758
Disposal	(408)	-	-	(408)
At 31 August 2018	13,363	1,648	55	15,066
Carrying amount				
At 31 August 2017	5,292	868	-	6,160
At 31 August 2018	7,454	261	-	7,715

All additions relate to internal expenditure. The useful economic life of the capitalised development platforms and website are assessed to be five years and three years respectively.

5. Cautionary Statement

This document contains certain forward-looking statements relating to Ten Lifestyle Group plc (the "Company"). The Company considers any statements that are not historical facts as "forward-looking statements". They relate to events and trends that are subject to risk and uncertainty that may cause actual results and the financial performance of the Company to differ materially from those contained in any forward-looking statement. These statements are made by the Directors in good faith based on information available to them and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.