

RNS    Final Results



## Preliminary Results 2021

### TEN LIFESTYLE GROUP PLC

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

### Preliminary results for the year ended 31 August 2021

Ten Lifestyle Group plc (AIM: TENG) a leading technology-enabled, global concierge platform for the world's wealthy and mass affluent, announces its preliminary results for the year ended 31 August 2021.

#### Financial

- Net Revenue<sup>1</sup> decreased 21.6% to £34.7m (2020: £44.2m) due to impact of COVID-19 on member activity and travel, mitigated by augmenting core services with relevant support services
  - Corporate revenue decreased by 22% to £31.9m (2020: £40.9m)
  - Supplier revenue decreased by 15.2% to £2.8m (2020: £3.3m)
- Adjusted EBITDA<sup>2</sup> of £4.4m (2020: £4.8m); improved adjusted EBITDA margin<sup>3</sup> of 12.8% (2020: 10.8%)
  - Improved efficiencies and prudent cost reduction actions
  - Maintained high level of investment in technology of £11.5m (2020: £12.2m)
- Reduced loss before tax of £(5.5)m (2020: £(5.9)m)
- Net cash at £6.7m (2020: £10.0m)
- Improved efficiencies (and government support) helped achieve £9.2m reduction in total operating expenses from £39.4m in 2020 to £30.3m in 2021

#### Operational

- Year-on-year record member satisfaction<sup>4</sup> which drives repeat use and value to our corporate clients
- Retained all Material Contracts<sup>5</sup> in the period, although a Large EMEA contract transitioned from a Large corporate to a Small affiliate contract
  - Launched a Medium contract with Westpac in Australia in September 2020
  - Won a Large contract with Credit Saison in Japan, launched in September 2021
- Eligible Member<sup>6</sup> base grew as a result of expansion of existing and addition of new corporate client programmes
- Active Members<sup>7</sup> fell by only 6% to 210k (2020: 229k) despite the impact of the pandemic, due to Ten adapting the member proposition and improving communications to engage members
- Continued digital development has driven business success
  - Ten Digital Platform live with 27 client brands (2020: 22) which drives engagement and service quality
  - £11.5m (2020: £12.2m) invested in proprietary digital platforms, communications and technologies to enhance member experience and create competitive advantage
  - Improved efficiencies and proposition from greater digital capabilities, operational maturity and stronger supplier partnerships mean over 70% of requests are now serviced using automation (2020: 63%)

#### Current Trading and Outlook

As the effects of COVID-19 ease globally, we expect that demand for our core services will recover and increase both from existing Active Members and from new "first time users" from our growing Eligible Member base, which will result in increased Net Revenue from our corporate accounts. In addition, some of our pandemic innovations will continue as important parts of our offering and create revenue. Since the year end, demand has increased and overall performance is in line with the Board's expectations.

Supplier revenue (largely generated by hotel bookings), which in pre-COVID) FY2019 amounted to £5.5m of Net Revenue, is increasing as travel recovers. We believe this will continue to improve in FY2022 as COVID-19 continues to ease and travel returns.



In the final quarter of FY2021, we saw travel bookings return to the pre-COVID-19 levels of FY2019 and in the first two months of the current financial year supplier revenue is running ahead of the same pre-COVID period. It is not yet certain if the level of activity will sustain throughout the year.

We expect the Group will benefit from the full year impact of new contract wins and extensions in 2021, which will increase the number of Eligible Members, Active Members and as a result, corporate revenue. We expect to increase revenue from existing clients as well as to continue to convert our strong pipeline of opportunities, helped by our proven ability to support clients to engage, retain and acquire their most valuable customers, and the increasing willingness of clients to commit to new initiatives.

We remain focused on continuing to increase Net Revenue and Adjusted EBITDA, maintaining a positive cash position whilst scaling up operations and maintaining our strategic investment in technology. As we await full recovery from the effects of COVID-19, we expect some reduction in net cash in the first half of the year.

There are encouraging signs of recovery, albeit we are still experiencing some COVID-19 headwinds in some markets. Our high contract retention, record service levels, increasing supplier revenue, improving margins, healthy sales pipeline and continued investment to improve our technology and proposition, mean that the Board is optimistic that the Group will take further steps on our mission to becoming the most trusted service platform in the world.

**Alex Cheatle, CEO of Ten Lifestyle Group, said;**

*"We have built a stronger business during the pandemic and delivered an improved Adjusted EBITDA margin, 100% client retention, record levels of Eligible Members and record service levels. We are now seeing demand and revenue starting to increase, which we expect will drive the Ten growth engine into 2022, taking further steps on our mission to become the most trusted service platform in the world."*

<sup>1</sup> Net Revenue excludes the direct cost of sales relating to certain member transactions managed by the Group.

<sup>2</sup> Adjusted EBITDA is operating profit/(loss) before interest, taxation, amortisation, depreciation, share-based payment expense and exceptional items.

<sup>3</sup> Adjusted EBITDA margin is Adjusted EBITDA as a percentage of Net Revenue.

<sup>4</sup> Ten measures member satisfaction using the Net Promoter Score management tool, which gauges the loyalty of a firm's customer relationships ([https://en.wikipedia.org/wiki/Net\\_Promoter](https://en.wikipedia.org/wiki/Net_Promoter)).

<sup>5</sup> 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 £2m); Large contracts (between £2m and £5m); and Extra Large contracts (over £5m). This does not include the revenue generated from suppliers through the provision of concierge services. Medium, Large and Extra Large contracts are collectively "Material Contracts".

<sup>6</sup> Eligible members are individuals who have an eligible product, employment, account or card offered by one of Ten's corporate partners and have legitimate access to the service.

<sup>7</sup> Active Members are members of Ten that have used the service at least once in the past twelve months.

## Analyst Presentation

An online analyst presentation will be held by video link at 9:00am on 24 November 2021. To attend, please email [investorrelations@tengroup.com](mailto:investorrelations@tengroup.com)

Dial-in details for the presentation are also available:

Dial-in number: +44 208 080 6592

Meeting ID: 893 8310 8943

## Investor Presentation

The Group will also be presenting an Investor Presentation, open to all existing and potential shareholders via the Investor Meet Company platform on 30 November 2021 at 5:30pm GMT. Investors can sign up to Investor Meet Company for free and "add to meet" Ten Lifestyle Group plc via:

<https://www.investormeetcompany.com/ten-lifestyle-group-plc/register-investor>

Investors who already follow Ten Lifestyle Group plc on the Investor Meet Company platform will automatically be invited.

For further information please visit [www.tenlifestylegroup.com/](http://www.tenlifestylegroup.com/) or call:

**Ten Lifestyle Group plc**

Alex Cheatle, Chief Executive Officer

Alan Donald, Chief Financial Officer

**+44 (0)20 7850 2796**

**Peel Hunt LLP, Nominated Advisor and Broker**

Edward Knight

Paul Gillam

James Smith

**+44 (0) 20 7418 8900**

## Notes to Editors:

### About Ten Lifestyle Group Plc

[Ten Lifestyle Group Plc](https://www.tenlifestylegroup.com/) is a leading technology-enabled, global concierge platform, helping wealthy and mass affluent individuals and their families to discover, organise, and enjoy dining, live entertainment, travel and premium retail (and other relevant services) with better results and more quickly than they could themselves. Many of the world's leading brands pay Ten to support their most valued customers.

Underpinned by industry-first technology, Ten provides its trusted concierge services to millions of members, in over 15 languages, 24/7, 365 days a year, wherever they are in the world. Founded in 1998, the business listed on the AIM market of the London Stock Exchange in November 2017 (AIM: TENG).

The growth engine at the heart of Ten's business model is the driving force behind its progress towards its objective to become the most trusted service platform in the world.

For further information about Ten Lifestyle Group Plc, please go to: [www.tenlifestylegroup.com](http://www.tenlifestylegroup.com)



## Chairman's Statement

### Overview

I am pleased to present our annual results for the year ended 31 August 2021, which sets out the Group's progress towards becoming the world's most trusted service by using expertise and a digital engagement platform to create unique experiences for our members, which generates brand loyalty for our clients and revenue for Ten.

It would be easy to underestimate the effects the COVID-19 pandemic has had on our business over the last twelve months and is indeed still having on our business. However, it is remarkable how the business has responded to the challenges, developed its offerings, continued to invest in technology and maintained member and client focus.

In this difficult environment, the Group maintained Adjusted EBITDA profitability and ends the year with net cash. Net Revenue was impacted by the effects of the COVID-19 pandemic throughout the year. Adjusted EBITDA Margin improved due to the resilience and flexibility of our team, our technology-enabled service proposition and the strength of the underlying business model. This enabled us to tailor existing offerings and develop new services to meet the needs of our members during the pandemic and enhance their loyalty to our corporate clients.

Our technology also underpins the Group's competitive position as a leading digitally enabled, global lifestyle and travel service platform for individuals and their families. Continued investment into technology, strategic partnerships and our people has enabled the Group to build healthy foundations for growth through an improved service and client proposition whilst also achieving further efficiencies.

### Strategy

The Group remains committed to its mission to become the world's most trusted service. Our stated purpose is to allow valued members to organise their travel, dining, entertainment and other lifestyle needs by optimising our market-leading proprietary platform, together with our unique access, our buying power and our expert Lifestyle Managers. This in turn helps build the value and the loyalty of the customers to our corporate clients, who enable them to use our service. With offices with Lifestyle Managers in over 20 cities globally, we can help improve our members' lives wherever they are, in business or in leisure, in over 15 languages, 24 hours a day. High Net Promotor Scores (NPSs) evidence that our services are appreciated by our members and drive value for our corporate clients.

To achieve this, the Group utilises the Ten growth engine at the heart of our business model by building an ever-stronger member proposition, resulting in investment from corporate clients who in turn are seeking to improve the profitability and loyalty of their most valuable customers. Income from corporate clients is invested back into technology, content and service quality, building member proposition and further driving the growth engine.

The Group continues to benefit from strong partnerships with corporate clients, primarily in the financial services sector, seeking to improve the engagement, retention and acquisition of their most valuable customers by offering access to our technology-enabled travel and lifestyle services. The Group also offers individuals the opportunity to access its services through a private membership proposition, although this is a far smaller part of our total business.

Ten offers its members access to a wide range of propositions across key consumer markets, including dining, travel, entertainment and premium retail. By combining the buying power of its membership, the Group helps members secure attractive, and often unique, access, service levels, offers and benefits, meaning they can achieve better and more cost-effective outcomes, more conveniently than they could on their own.

These services are all made available to members to search and book online through Ten's market-leading lifestyle and travel proprietary digital platform, the "Ten Digital Platform", or from our expert Lifestyle Managers by phone, email, live chat and WhatsApp.

### Results

The Group's ongoing focus on efficiencies has contributed to an improved Adjusted EBITDA margin of 12.8% (2020: 10.8%), resulting in Adjusted EBITDA profitability for a second consecutive year with Adjusted EBITDA of £4.4m (2020: £4.8m) and a net cash position of £6.7m (2020: £10.0m). A decline in Net Revenue, largely because of the pandemic (2021: £34.7m; 2020: £44.2m), led to the small reduction in Adjusted EBITDA. The improved efficiencies were backed by prudent cash management, including the implementation of a Salary Sacrifice Scheme.

Adjusted EBITDA profitability and maintaining a net cash position, whilst continuing to invest in technology, are key performance indicators of the Group's strategic growth engine.

Net Revenue declined by 21.6% in the year to £34.7m (2020: £44.2m), caused by COVID-19 and the resulting public health actions throughout the year reducing member activity and revenue from corporate clients paying for their customers' use of the service. Lower rates of member travel bookings also caused supplier revenue to be down 45% on pre-COVID-19 levels<sup>8</sup>.

The Board believes that the decline in Net Revenue caused by COVID-19 was less than may have been expected at the beginning of the crisis from a business that, pre-pandemic, had travel, eating out and live entertainment as its core service categories. The Group's agile response to our members' changing needs has allowed the service proposition to remain relevant to our members and corporate clients, partly mitigating the effects on our relevant markets.

In a challenging commercial environment, the Group secured new contract wins during the year, including a Large contract with Credit Saison, a leading credit card issuer in APAC, which launched in September 2021, a Medium contract with a wealth management business in EMEA and a Medium contract with Westpac Banking Corporation in Australia, which launched in September 2020.

The Group also benefited from multi-year contract extensions and significant expansions of contracts with our existing corporate clients, including a significant new mandate with an existing client in EMEA, expanding the Extra Large contract with the addition of a premium, high-engagement programme. I am delighted that we have retained all Material Contracts in all markets, although one Large contract in EMEA transitioned from a Large corporate to a Small affiliate contract model. Both the new contracts won and launched in the period and growth of existing mandates have resulted in a record number of Eligible Members which bodes well for a return to growth with returning consumer activity.

Both growth from new contract wins and the development of existing corporate programmes were held back in the year due to wider economic uncertainty and the continued impact of the pandemic on consumer behaviour. Nonetheless, by investing in technology and content during the year, we have maintained a strong sales pipeline. We believe that we remain differentiated from our competitors and during the year continued to invest in our proven ability to help clients engage, retain and acquire their most valuable customers.

The digital transformation of the service since IPO accelerated during the year, with over 70% of requests now serviced using automation and a 74% increase in the number of fully automated requests. Increased automation drives the speed and efficiency



of our service, which contributes to increased cash generation and the improved Adjusted EBITDA margin of 12.8% (2020: 10.8%). This was achieved whilst improving the quality of the service, reflected in the record levels of member satisfaction in all regions.

### People

The Group continues to benefit from a stable, founder-led executive management team which has shown strong leadership, innovation and resilience in all regions to overcome the challenges faced since the start of the pandemic. We continued to develop our people including graduating 26 employees from eight countries through Ten's Global Leadership Programme, a twelve months' internal development programme aimed at developing the Group's future leaders.

The Group reduced its levels of full-time equivalent (FTE) employees for the second consecutive year, in response to regional growth rates, improved efficiencies and regional cost optimisation.

On behalf of the Board I would like to thank the whole Ten team for demonstrating adaptability, professionalism and steadfast commitment throughout the year, for which we are extremely grateful and proud.

### Summary

In last year's Annual Report, Alex Cheatle, CEO, stated: "Despite generating less Net Revenue, we are cautiously optimistic that we can maintain healthy EBITDA profitability by continuing to deliver efficiencies and cost savings, whilst maintaining decent levels of investment into our technology."

I am very pleased to report that the Group has delivered on this statement, despite the effects of the pandemic throughout the financial year, by continuing to invest in technology and content to improve the member proposition whilst maintaining a positive net cash position as well as improving margin percentage. Restrictions on consumer activity globally did, however, cause a decline in Net Revenue.

We remain confident in the strength of our relationships with our existing clients because we have proven our value in helping corporate clients engage, retain and acquire their most valuable customers. This bodes well for the future as we emerge from the pandemic with a healthy business, strong service levels, improved technology and an opportunity for our growth engine to prove itself further with sustained increases in Net Revenue and profitability.

**Bruce Weatherill**  
**Chairman**  
**23 November 2021**

<sup>8</sup> Ten's revenue from its supplier base, such as hotels, airlines and event promoters which sometimes pay commission to Ten, constituted 9% of Net Revenue in 2021, 7% of Net Revenue for the 2020 financial year (as reported in the 2020 Annual Report and Accounts) and 12% of Net Revenue in 2019 (pre-COVID-19) (as reported in the 2019 Annual Report and Accounts).

## Chief Executive's statement

### Overview

Our business has continued to prove itself, remaining healthy with an Adjusted EBITDA of £4.4m (2020: £4.8m), despite the effects of COVID-19, which caused Net Revenue to decline to £34.7m (2020: £44.2m).

The success of the "growth engine" that lies at the heart of our business has created efficiencies that have allowed us to continue to invest into our technology and to improve our proposition to both members and our corporate clients. After that investment, we increased our Adjusted EBITDA percentage margin to 12.8% (2020: 10.8%), through a mixture of cost management, government funded COVID-19 receipts and improving efficiencies, notwithstanding the impact of the pandemic on Net Revenue.

We have continued our strategy of investing in technology, content and supplier partnerships to improve our member proposition. During the pandemic, we have expanded our service to include virtual events, home delivery management and staycations. These services have not fully compensated for the effective freeze on international travel in some markets and the general reduction in social activity globally but have helped mitigate the impact on the business - and will remain important to our service in future years too.

Member activity was down in the year, following the trend of consumer activity in our core service categories globally, due to COVID-19. The majority of our Net Revenue comes from service or subscription fees, paid by our corporate clients or private members. In contrast, almost all other providers of similar services (e.g. travel agents or ticket portals) rely on commission or mark-ups on bookings. This advantage allowed us to continue to provide market-leading value and service to our members. Unlike much of the travel industry in the UK and internationally, we did not issue any Refund Credit Notes to members and returned all cash to members when bookings were cancelled due to the pandemic. This has helped build loyalty and trust.

Towards the end of the period and since the period end, we saw member activity increase as restrictions eased in most regions, particularly in travel, dining and live events. Commissions from our travel bookings in the final quarter of FY2021 rose 28% when compared with the same pre-COVID-19 period in 2019. Increased member activity improves revenue from corporate clients and suppliers, which has a positive effect on efficiencies and service quality.

We have achieved record levels of satisfaction with our members, for the fourth year in a row since IPO, and we continue to prove our value to our corporate clients at a time when traditional customer benefits have proven less relevant and flexible during the pandemic (e.g. airport lounge access, travel insurance and physical hospitality events).

I am extremely proud of our committed people, across over 20 cities globally, who have continued to deliver high-quality services to our members and corporate clients in a challenging environment.

### REGIONAL ANALYSIS

We continued to operate in all existing markets from over 20 cities globally in the year and we have improved our Adjusted EBITDA margin in APAC and the Americas as our business there has matured.

We retained all Material Contracts globally, although one Large contract in EMEA transitioned from a Large corporate to a Small affiliate contract model.

### EMEA

In EMEA we successfully maintained the relevance of our service to our members and corporate clients, achieving record levels of member satisfaction in the region.

Regional Net Revenue declined by 18% as a result of a full year of the effects of the pandemic being felt in the region and the replacement of a Large corporate-pay model contract with a Small affiliate model contract in September 2020. We did not lose



any Material Contracts, won a Medium contract with a wealth management business and extended as well as expanded some key contracts with corporate clients in the region.

The overall decline in Net Revenue to £18.1m (2020: £22m) was caused by corporate revenue reduction, due to reduced overall levels of member activity as well as a significant decline in supplier revenue, caused by lower travel commissions across the region.

We continued to make prudent cost saving actions across the region in the year, including office costs and headcount reductions, and we participated in a limited number of the available government funded COVID-19 initiatives. These actions, along with the continued improvements in operational efficiencies, limited the decline in Adjusted EBITDA margin to 34% in 2021 (2020: 37%).

#### **Americas**

A full year of the pandemic resulted in a decline of 28% in regional Net Revenue to £9.9m (2020: £13.8m) due to a decline in member activity. Further decline was mitigated through successfully replacing core service activities with other support services relevant to members during COVID-19 measures. This resulted in record levels of member satisfaction in the region.

We retained all Material Contracts in the region and expanded some mandates, supported by the opening of a new office in Denver towards the end of the year.

Although Net Revenue declined, we reduced our Adjusted EBITDA losses, to £2.2m (2020: £3.9m). This was achieved through improved efficiency and various cost saving measures including the US Payroll Protection Program (US PPP) loan forgiveness of £1.0m which is reported in other income.

#### **APAC**

Our business in APAC has shown tremendous resilience during a full year of tough COVID-19 restrictions, achieving record levels of member satisfaction in the region. We retained all Material Contracts and won a Large contract with Credit Saison, a leading credit card issuer in Japan.

There has been very little international travel and few large live events, and national lockdowns have reduced demand for our dining services. However, our teams adapted well to the changing local restrictions and offered relevant services to our members. This mitigated the decline in Net Revenue to £6.7m (2020: £8.5m). Net Revenue also benefited from the launch in September 2020 of a multi-year contract with Westpac Banking Corporation, which now delivers Ten's concierge services to premium credit card customers primarily from our Melbourne office and includes access to the customised Ten Platform.

Although the effects of COVID-19 dampened the activity of existing client contracts in the region, we improved operational efficiencies, primarily driven by our continued digital transformation, as well as significant cost saving measures and our participation in relevant government funded COVID-19 initiatives. This resulted in a small increase in Adjusted EBITDA to £0.5m (2020: £0.4m).

#### **Our investment in technology and content continues to drive our market-leading digital capability**

We continued to invest in the quality, operational and competitive advantages that result from our digital capability. We invested £11.5m into technology, communications and content (2020: £12.2m) in the year and a total of £46.4m since IPO.

We believe that this clearly differentiates us from our competitors, and that our market-leading digital capabilities are at the core of the Group's health. Technology underpins our long-term "growth engine" strategy to become the world's most trusted service.

In the year, we delivered key milestones in our digital transformation.

#### **Stronger member proposition, satisfaction and engagement**

Building a valued service and strong member proposition is the key objective of the growth engine that underpins the business model as it delivers member engagement, which is a key objective for our corporate clients, who invest in our service to acquire, engage and retain their most valued customers.

In the year we have strengthened our core propositions.

The more attractive and accessible our proposition is to new and existing members, the more members engage, use and advocate for our service. Member engagement and satisfaction is the key to building value for corporate partners, looking to improve the engagement, retention and acquisition of their most valued customers. This justified their spending more with us - and encourages new corporate partners and new suppliers to work with us.

We are delighted to have achieved another year-on-year record level of member satisfaction, as measured by Net Promoter Score (NPS).

We believe that our strengthened member proposition and member satisfaction levels have resulted in an increase in repeat usage of our service and sustained levels of Active Members using the service. Strong member satisfaction levels also help us demonstrate the return on corporate client investment into the service, which contributes to the high levels of corporate client retention.

#### **Summary**

Our service is well positioned to add new contracts and grow existing contracts. We have maintained all our Material Contracts in the year and launched two new Material Contracts. This provides a strong platform for growth as demand for our services increases.

We believe our competitive position is stronger than ever, backed by a market-leading member proposition, which delivers a strong return on investment from our corporate clients. This has been achieved by continuing to invest in our technology, content and market expertise and better pricing, access, benefits and integration with our supplier partners.

Although the effects of COVID-19 have constrained some of our prospective clients from signing contracts, our pipeline is robust, and we have secured some important new mandates and contract extensions. We have maintained our record of never having lost a material corporate client where we have launched our Ten Digital Platform. By developing the relevance of our service to our members, and in turn our corporate clients, we have limited Net Revenue reduction from corporate clients to 22% during the year and retained all our Material Contracts in the year. That said, it is important that we recognise that the effects of COVID-19 have had an impact upon the length of time it takes to convert our pipeline. Whilst the "pitch process" has been taking longer, we have a healthy pipeline of prospective clients.

Despite prudent cost controls we have maintained investments in technology, content and supplier partnerships, which has enhanced the service to clients. This was a deliberate strategy taken by management as we recognise the importance of continued innovation in building our market position and improving service levels. The greater efficiencies that result, along with



careful cash management, have helped us to maintain a net cash position of £6.7m (2020: £10.0m) and Adjusted EBITDA of £4.6m (2020: £4.8m).

Our record service levels, strong technology platform, EBITDA profitability and strong contract pipeline all combine to create confidence in a strong future for our business.

The strong "trusted expert" culture at Ten, member focus and commitment to innovation continues to make me proud. These values have been especially evident during this year of challenge. We have taken the opportunity during this period to strengthen our operational effectiveness, nurture our corporate clients and have communicated our longer-term strategic plans and ambitious vision to continue to keep our people focused.

**Alex Cheatle**  
Group Chief Executive Officer  
23 November 2021

#### Financial review

We continued to experience challenging conditions as the impact of the pandemic during the year reduced our Net Revenue by 21.6% to £34.7m (2020: £44.2m). However, continued cost actions and operational efficiencies ensured we again achieved Adjusted EBITDA profitability of £4.4m (2020: £4.8m) with an improved Adjusted EBITDA margin of 12.8% (2020: 10.8%).

£m	2021 £m	2020 £m
Revenue	35.1	46.4
<b>Net Revenue</b>	<b>34.7</b>	<b>44.2</b>
Operating expenses and other income	(30.3)	(39.4)
<b>Adjusted EBITDA</b>	<b>4.4</b>	<b>4.8</b>
<b>Adjusted EBITDA %</b>	<b>12.8%</b>	<b>10.8%</b>
Depreciation	(3.2)	(4.4)
Amortisation	(4.0)	(3.4)
Share-based payments expense	(1.6)	(1.5)
Exceptional items	(0.6)	(0.4)
<b>Operating loss before interest and tax</b>	<b>(5.0)</b>	<b>(4.9)</b>
Net finance (expense)	(0.5)	(1.0)
<b>Loss before taxation</b>	<b>(5.5)</b>	<b>(5.9)</b>
Taxation	(0.2)	(1.0)
<b>Loss for the period</b>	<b>(5.7)</b>	<b>(6.9)</b>
<b>Net cash</b>	<b>6.7</b>	<b>10.0</b>

#### Adjusted EBITDA

Whilst Adjusted EBITDA is not a statutory measure, the Board believes it is appropriate to include this as an additional metric as it is one of the main measures of performance used by the Board. It reflects the underlying profitability of our business operations, excluding amortisation of investment in platform infrastructures, exceptional charges and share-based payment expenses.

#### Revenue and Net Revenue

Net Revenue<sup>9</sup> for the twelve months to 31 August 2021 was £34.7m, down 21.6% compared to the prior year. Revenue for the twelve months to 31 August 2021 was £35.1m, down 24.4% on the twelve months to 31 August 2020. Net Revenue, which excludes the direct cost of sales relating to member transactions managed by the Group, is Ten's preferred measure of operating revenue as it excludes the cost of member transactions where Ten is the principal service provider (i.e., cost of airline tickets packaged with hotels under the Group's ATOL licences).

The reduction in Net Revenue of 21.6% was principally due to the impact of the COVID-19 pandemic. Whilst we continued to remain relevant to our clients and members throughout the year by continuing to offer relevant services including virtual events and home delivery management, this did not fully compensate for lower activity across our main service categories of travel, dining and entertainment due to the various lockdown measures instigated across all regions.

Our corporate revenue (paid by our corporate clients to service their customers) decreased year on year by 22%, whilst our supplier revenue (predominantly travel related) reduced by 15.2% against prior year and by 49.8% against FY 2019 (pre-COVID-19). Note, some of our corporate contracts have a guaranteed minimum which helped support the activities we provided throughout the year. The lower reduction in supplier revenue was due to travel activity starting to pick up in the last quarter of the year as travel restrictions eased across many countries. The table below sets out analysis of H1 and H2 and demonstrates the recovery in supplier revenue from H2 2020 onwards (note: H1 2020 is prior to the impact of the pandemic).

	H1 2020 (unaudited)	H2 2020 (unaudited)	FY 2020	H1 2021 (unaudited)	H2 2021 (unaudited)	FY 2021
Supplier revenue	£2.5m	£0.8m	£3.3m	£0.9m	£1.9m	£2.8m
Percentage of Net revenue	10.7%	3.4%	7.4%	5.1%	10.8%	8%

<sup>9</sup>Net Revenue excludes the direct cost of sales relating to certain member transactions managed by the Group.

#### Contract analysis

The following tables set out an analysis of our contracts by size and by region. We have analysed only our Material Contracts. Note, the contract size is 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. This does not include the revenue generated from suppliers through the provision of these concierge services

Contract Size	by 2021	2020	change
Extra Large	3	3	-
Large	5	6	-1
Medium	16	14	+2



	24	23	+1
<b>Contract by region</b>	<b>2021</b>	<b>2020</b>	<b>change</b>
EMEA	8	8	-
Americas	10	10	-
APAC	5	4	+1
Global	1	1	-
	<b>24</b>	<b>23</b>	<b>+1</b>

During the year we won and launched two Medium contracts, one Large contract transitioned from a Large corporate to a Small affiliate contract model. We also won a Large contract, which launched in September 2021, after year end (and so is not included in the tables above), whereby Ten took over from an existing in-house concierge service and external travel service provider. This is an example of a contract with an existing "run rate" meaning corporate revenue ramps-up more quickly than a contract for the launch of an entirely new service.

#### Regional analysis

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. Net Revenue by region reflects our servicing location rather than the location of our corporate clients. This allows us to track the efficiency and profitability of our operations around the world and is therefore presented on this basis.

Net Revenue	2021 £m	2020 £m	% change
EMEA	18.1	22.0	-18%
Americas	9.9	13.8	-28%
APAC	6.7	8.5	-21%
	<b>34.7</b>	<b>44.2</b>	<b>-21.6%</b>

In EMEA Net Revenue decreased by 18% due primarily to the pandemic impacting both corporate and supplier revenue. In addition, as previously reported we lost a Large contract which transitioned from a corporate to an affiliate contract model from September 2020, and partially offsetting this loss, won a Medium contract during the year. Supplier revenue started to recover in the last quarter of the year as travel restrictions were gradually lifted in the region.

In the Americas, Net Revenue reduced by 28% and in APAC Net Revenue reduced by 21% again due to the impact of the pandemic on both concierge revenue and supplier commissions in the regions. A Medium contract was won and launched in APAC during the year.

#### Operating expenses and other income

Operating expenses and other income reduced by £9.1m to £30.3m (2020: £39.4m).

As our business model has developed, we benefited from cost reduction actions which helped offset the impact of the pandemic. These actions included, but are not limited to:

- ongoing improvements in operational efficiency due to more developed technology and content and a more mature supplier base;
- successful renegotiation with suppliers where operationally it made sense;
- a review of projects to focus on the most strategic core investments (including development of our core technology platform, where we continue to invest);
- a freeze on employee bonuses and salary increases together with some redundancies;
- voluntary Salary Sacrifice Scheme in exchange for share options (£1.2m (2019: £0.9m));
- use of various countries', COVID-19 government support schemes (e.g. furlough and Kurzarbeit) which totalled £2m (2020: £1.6m); and
- US Payroll Protection Program (US PPP) loan of £1m fully forgiven in the second half of the year.

Average headcount in the year has decreased to 824 (2020: 970), due to actions taken to manage our cost base as a result of the reduced activity in the year.

Note, all Group property leases are short to medium term or have appropriate break clauses incorporated, allowing flexibility when assessing space requirements across the world, especially in the current and future working environment.

#### Regional Adjusted EBITDA

Adjusted EBITDA is after expenses, other than depreciation of £3.2m (2020: £4.4m), amortisation of £4.0m (2020: £3.4m), and share-based payment and exceptional items expenses of £2.2m (2020: £1.9m). On this basis, Adjusted EBITDA was £4.4m (2020: £4.8m).

After allocating the costs of central IT infrastructure, software development, property, senior management and other central costs, the Adjusted EBITDA for each region is set out below:

Adjusted EBITDA	2021 £m	2020 £m
EMEA	6.1	8.2
Americas	(2.2)	(3.9)
APAC	0.5	0.4
<b>Total</b>	<b>4.4</b>	<b>4.8</b>
<b>Adjusted EBITDA %</b>	<b>12.8%</b>	<b>10.8%</b>

#### EMEA

Adjusted EBITDA of £6.1m (2020: £8.2m) is a reduction year on year of £2.1m. However, Adjusted EBITDA margin, defined as Adjusted EBITDA as a percentage of Net Revenue, only decreased by 3.5% to 33.8% as a result of operational efficiencies and the various cost actions taken.



**Americas**

The Americas region Adjusted EBITDA loss has decreased by £1.7m to £(2.2)m (2020: £(3.9)m). This improvement is despite lower Net Revenue and is principally driven by cost actions and operational efficiencies implemented including full forgiveness of the US PPP loan of £1m taken out in the prior year which was used to pay for predominantly salary costs through the period.

**APAC**

The APAC region Adjusted EBITDA of £0.5m (2020: £0.4m) has improved in the year by £0.1m. The improved performance has also been driven by operational efficiencies as well as cost saving measures.

**Amortisation**

Amortisation costs, relating to the internal platform (TenMAID) and the customer-facing platforms, were £4.0m in 2021 (2020: £3.4m) reflecting continued investment in technology to drive improvements in service levels, efficiency and competitive advantage.

**Net finance (expense)/income**

Net finance expense in the year was £0.5m (2020: £1.0m); the expense included IFRS 16 lease interest expense of £0.4m as well as foreign exchange losses on the translation of inter-company balances in the year.

**Share-based payments**

The share-based payments expense in the year was £1.6m (2020: £1.5m). These related to share-based payments expense reflecting share grants made under management incentive plans and also three salary sacrifice share option schemes implemented during the year (see note 27).

**Exceptional items expense**

The exceptional items expense of £0.6m (2020: £0.4m) was an impairment expense following a review of a database previously capitalised of £0.4m where a specific portion of this was less likely to generate future economic benefits due to the fall-out from the COVID-19 pandemic. In addition, there were some exceptional project costs incurred during the year of £0.2m.

**Loss before tax**

The loss before tax improved to £(5.5)m from £(5.9)m in 2020.

**Taxation**

The taxation expense for the year was £0.2m (2020: £1.0m) which related to tax liabilities and payments due to overseas entities recording a statutory profit.

**Loss per share**

The total comprehensive loss for the year was £(5.8)m (2020: £(6.9)m), resulting in a loss per share (excluding treasury shares) of 7.2p (2020: loss per share of 8.6p). The Board does not recommend the payment of a dividend.

**Group cash flow**

£m	2021 £m	2020 £m
<b>Loss before tax</b>	<b>(5.5)</b>	<b>(5.9)</b>
Net finance expense	0.5	0.5
Working capital changes	0.7	2.9
Non-cash items (share-based payments, depreciation and amortisation charges)	8.3	9.7
<b>Operating cash flow</b>	<b>4.0</b>	<b>7.2</b>
Capital expenditure	(0.2)	(0.2)
Investment in intangibles	(5.4)	(5.3)
Taxation	(0.5)	(0.2)
<b>Cash (outflow)/inflow</b>	<b>(2.1)</b>	<b>1.5</b>
<b>Cash flows from financing activities</b>		
Receipts on exercise of options	0.9	-
Loan receipts	-	1.0
Repayment of leases and net interest	(2.9)	(3.6)
<b>Net cash used by financing activities</b>	<b>(2.0)</b>	<b>(2.6)</b>
Foreign currency movements	(0.2)	(0.3)
<b>Net decrease in cash and cash equivalents</b>	<b>(4.3)</b>	<b>(1.4)</b>
<b>Cash and cash equivalents</b>	<b>6.7</b>	<b>11.0</b>

Cash generated by operations was £4.0m (2020: £7.2m). The cash generated in the year has been achieved by continuing operational efficiencies and cost saving actions taken across the business. Non-cash items in the year of £8.3m included the increased amortisation charges, offset by the US PP loan forgiveness and a reduction in depreciation charge relating to IFRS 16 Right-of-Use assets as we downsized or terminated property leases across the Group. The expenditure that was capitalised on IT infrastructure, the Ten Digital Platform and TenMAID totalled £5.4m as we continue to invest in our technology. Cash inflow of £0.9m was generated from share options exercised by employees. Net cash used in financing activities is primarily due to IFRS 16 lease payments and interest of £2.9m. This has led to an overall decrease in cash of £4.3m during the year.

Following the end of the period, a number of individuals chose to exercise and sell a total of 1,510,860 options received pursuant to the First Salary Sacrifice Scheme. The Company received £1.06m of cash from the exercise of these options.

**Group balance sheet****Summary balance sheet**

£'m	2021	2020
Intangible assets	11.6	10.5
Property, plant and equipment	0.6	1.1
Right-of-use assets	2.6	5.1
Cash	6.7	11.0
Other current assets	5.8	7.0



Lease liabilities	(1.5)	(3.3)
Current liabilities	(12.2)	(12.5)
Long-term borrowings	-	(1.0)
Other non-current liabilities	(1.7)	(2.7)
<b>Net assets</b>	<b>11.9</b>	<b>15.2</b>
Share capital/share premium	29.4	28.6
Reserves	(17.5)	(13.4)
<b>Total equity</b>	<b>11.9</b>	<b>15.2</b>

Net assets were £11.9m (2020: £15.2m). The reduction in the year is principally due to a reduction in cash of £4.3m as we continued to invest in our technology and support our operations. Right-of-use assets of £2.6m (2020: £5.1m) reduced together with corresponding lease liabilities of £1.5m (2020: £3.3m) as we downsized our office capacity and costs across all regions. Long-term borrowings of £nil (2020: £1.0m) related to the US PPP loan which was fully forgiven in the second half of the year.

#### Key Financial Performance Indicators (KFPIs)

Management accounts are prepared on a monthly basis and include KPIs covering revenue, Adjusted EBITDA, Adjusted EBITDA margin, cash balances and Material Contracts, and are measured against both the Group's budget and the previous years' actual results. The KFPIs for the year are:

	2021	2020	2019	2018
<b>Net Revenue (£m)</b>	<b>34.7</b>	<b>44.2</b>	<b>45.8</b>	<b>37.4</b>
<b>Corporate (£m)</b>	<b>31.9</b>	<b>40.9</b>	<b>40.3</b>	<b>32.9</b>
<b>Supplier (£m)</b>	<b>2.8</b>	<b>3.3</b>	<b>5.5</b>	<b>4.5</b>
<b>Net Revenue growth %</b>	<b>-21.6%</b>	<b>-3.5%</b>	<b>23.0%</b>	<b>13.0%</b>
<b>Adjusted EBITDA (Pre-IFRS16)</b>	<b>—</b>	<b>—</b>	<b>-3.3</b>	<b>-3.2</b>
<b>Adjusted EBITDA</b>	<b>4.4</b>	<b>4.8</b>	<b>—</b>	<b>—</b>
<b>Adjusted EBITDA margin (pre-IFRS16) (%)</b>	<b>—</b>	<b>—</b>	<b>-7.2%</b>	<b>-8.6%</b>
<b>Adjusted EBITDA margin (%)</b>	<b>12.8%</b>	<b>10.8%</b>	<b>—</b>	<b>—</b>
<b>Net Cash (£m)</b>	<b>6.7</b>	<b>10.0</b>	<b>12.3</b>	<b>20.7</b>
<b>Material Contracts</b>	<b>24</b>	<b>23</b>	<b>24</b>	<b>24</b>

Each month the Board assesses the performance of the Group based on these KFPIs, operational performance indicators, including the number of Active Members, sales performance, client development, technology updates. The Group's performance against its KFPIs has been impacted by the effects of COVID-19 on the business, as described above.

#### Going concern

The impact of COVID-19 on Ten's business still warrants focus and real-time management. Net Revenue since the year end has been in line with our expectations as the COVID-19 pandemic continues to have some impact. It is not yet fully clear when global economic activity in travel and hospitality will recover to pre-pandemic levels and whilst we have already seen some recovery in travel, we must prepare the business for varying levels of revenue. To that end, we have modelled the effects of differing levels of revenue along with the measures we can take to ensure that the Group remains within its available working capital, and we have prepared cash flow forecasts for a period in excess of twelve months.

The Group has set its budget for FY2022 but we recognise that there is a risk that the Group will continue to be impacted by reductions in the number of member engagements and by prospective corporate clients delaying launches. If revenue is not in line with cash flow forecasts, the Directors have identified cost savings associated with the reduction in revenue and can identify further cost savings if necessary.

The Directors have no reason to believe that corporate revenue and receipts will decline to the point that the Group no longer has sufficient resources to fund its operations. However, in the unlikely event that this should occur, the Group will continue to manage its working capital position, as well as making significant reductions in its fixed cost expenses.

#### Post Year End contract events

In September, the Group launched a Large contract with Credit Saison, a leading credit card issuer in Japan making Ten's concierge and lifestyle services, including Ten's proprietary Digital Platform, available to many of the client's premium cardholders.

The expansion of an Extra Large contract with a corporate client in EMEA towards the end of 2021 has resulted in an increased rate of member engagement, NPS and requests via the Ten Digital Platform; a key success metric for the corporate client.

Since the year end, the Group has also won and renewed contracts with new and existing corporate clients, including:

1. a multiple-year renewal of its Medium contract with Barclays Bank UK plc with a mandate to move the service to an 'on-sale' banking product with a larger customer base, which will grow revenue;
2. a second contract with DNB Bank ASA to take over the provision of concierge services to selected Private Banking customers and launch its digital services in the spring; and
3. a contract to deliver Content services for an existing major global financial services client to increase customer engagement with Ten's digitally enabled concierge service and with the client's customer proposition more generally.

Alan Donald  
Chief Financial Officer  
23 November 2021

Consolidated Statement of Comprehensive Income  
for the year ended 31 August 2021

	Note	2021 £'000	2020 £'000
Revenue	4	35,059	46,369



<b>Cost of sales on principal member transactions</b>		(394)	(2,145)
Net Revenue	4	34,665	44,224
<b>Other cost of sales</b>		(797)	(828)
Gross profit		33,868	43,396
<b>Administrative expenses</b>		(40,232)	(48,943)
<b>Other income</b>		1,380	620
<b>Operating profit/(loss) before amortisation, depreciation, interest, share based payments, exceptional items and taxation ("Adjusted EBITDA")</b>		4,431	4,778
<b>Depreciation</b>	16 & 17	(3,186)	(4,395)
<b>Amortisation</b>	15	(3,957)	(3,380)
<b>Share-based payment expense</b>	27	(1,627)	(1,525)
<b>Exceptional items</b>	4.1	(645)	(405)
<b>Operating loss</b>	5	(4,984)	(4,927)
Finance income	12	1	2
Finance expense	12	(554)	(966)
<b>Loss before taxation</b>		(5,537)	(5,891)
Taxation expense	13	(237)	(1,005)
<b>Loss for the year</b>		(5,774)	(6,896)
<b>Other comprehensive (expense)/income:</b>			
Foreign currency translation differences		(5)	(60)
<b>Total comprehensive loss for the year</b>		(5,779)	(6,956)

<b>Basic and diluted loss per ordinary share</b>	14	(7.2)p	(8.6)p
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## Consolidated Statement of Financial Position as at 31 August 2021

	Note	2021 £'000	2020 £'000
<b>Non-current assets</b>			
Intangible assets	5	11,555	10,532
Property, plant and equipment		561	1,126
Right of use assets		2,601	5,116
<b>Total non-current assets</b>		<b>14,717</b>	<b>16,774</b>
<b>Current assets</b>			
Inventories		98	66
Trade and other receivables		5,707	6,941
Cash and cash equivalents		6,662	10,957
<b>Total current assets</b>		<b>12,467</b>	<b>17,964</b>
<b>Total assets</b>		<b>27,184</b>	<b>34,738</b>
<b>Current liabilities</b>			
Trade and other payables		(11,487)	(11,906)
Provisions		(568)	(596)
Lease Liabilities		(1,504)	(3,335)
<b>Total current liabilities</b>		<b>(13,559)</b>	<b>(15,837)</b>
<b>Net current (liabilities)/assets</b>		<b>(1,092)</b>	<b>2,127</b>
<b>Non-current liabilities</b>			
Borrowings		-	(1,000)
Lease Liabilities		(1,678)	(2,668)
<b>Total non-current liabilities</b>		<b>(1,678)</b>	<b>(3,668)</b>
<b>Total liabilities</b>		<b>(15,237)</b>	<b>(19,505)</b>
<b>Net assets</b>		<b>11,947</b>	<b>15,233</b>
<b>Equity</b>			
Called up share capital		82	81
Share premium account		29,356	28,480
Merger relief reserve		1,993	1,993
Treasury reserve		5	15
Foreign exchange reserve		(410)	(405)
Retained deficit		(19,079)	(14,931)
<b>Total equity</b>		<b>11,947</b>	<b>15,233</b>

## Consolidated Statement of Changes in Equity for the year ended 31 August 2021



Note	Share capital £'000	Share premium account £'000	Merger relief reserve £'000	Foreign exchange reserve £'000	Treasury reserve £'000	Retained deficit £'000	Total £'000
<b>Balance at 31 August 2019</b>	<b>81</b>	<b>28,480</b>	<b>1,993</b>	<b>(345)</b>	<b>(30)</b>	<b>(9,234)</b>	<b>20,945</b>
<b>Period ended 31 August 2019:</b>							
Loss for the year	-	-	-	-	-	(6,896)	(6,896)
<b>Change in accounting policy</b>						(326)	(326)
Foreign exchange	-	-	-	(60)	-	-	(60)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(60)</b>	<b>-</b>	<b>(7,222)</b>	<b>(7,282)</b>
Shares sold by Employee Benefit Trust (EBT)	-	-	-	-	45	-	45
Equity-settled share-based payments charge	-	-	-	-	-	1,525	1,525
<b>Balance at 31 August 2020</b>	<b>81</b>	<b>28,480</b>	<b>1,993</b>	<b>(405)</b>	<b>15</b>	<b>(14,931)</b>	<b>15,233</b>
Loss for the year	-	-	-	-	-	(5,774)	(5,774)
Foreign exchange	-	-	-	(5)	-	-	(5)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5)</b>	<b>-</b>	<b>(5,774)</b>	<b>(5,779)</b>
Shares purchased by Employee Benefit Trust (EBT)	-	-	-	-	(10)	-	(10)
Equity-settled share-based payments charge	-	-	-	-	-	1,626	1,626
Issue of new share capital	1	876	-	-	-	-	877
<b>Balance at 31 August 2021</b>	<b>82</b>	<b>29,356</b>	<b>1,993</b>	<b>(410)</b>	<b>5</b>	<b>(19,079)</b>	<b>11,947</b>

## Consolidated Statement of Cash Flows for the year ended 31 August 2021

Note	2021 £'000	2020 £'000
<b>Cash flows from operating activities</b>		
Loss for the year, after tax	(5,774)	(6,896)
<b>Adjustments for:</b>		
Taxation expense	237	1,005
Finance expense	547	455
Investment income	(1)	(2)
Amortisation of intangible assets	3,957	3,380
Depreciation of property, plant and equipment	687	913
Depreciation of right-of-use asset	2,499	3,482
Equity-settled share based payment expense	1,627	1,525
Exceptional items	445	405
Forgiven Loan	1,000	-
<b>Movement in working capital:</b>		
Increase in inventories	(32)	(9)
Decrease in trade and other receivables	1,234	4,128
Increase in trade and other payables	(429)	(1,190)
<b>Cash from by operations</b>	<b>3,997</b>	<b>7,196</b>
Tax paid	(470)	(150)
<b>Net cash from by operating activities</b>	<b>3,527</b>	<b>7,046</b>
<b>Cashflows from Investing activities</b>		
Purchase of intangible assets	(5,393)	(5,308)
Purchase of property, plant and equipment	(177)	(217)
Finance income	1	2
<b>Net cash used by investing activities</b>	<b>(5,569)</b>	<b>(5,523)</b>
<b>Cash flows from financing activities</b>		
Lease Liability repayments	(2,599)	(3,162)
Sale/(Purchase) of treasury shares	10	(45)
Loan receipts	-	1,000
Interest paid on loan	(15)	-
Interest received	-	5
Interest paid on IFRS16 lease liabilities	(284)	(448)
Cash receipts from issue of share capital	876	-
<b>Net cash used in financing activities</b>	<b>(2,012)</b>	<b>(2,650)</b>
Foreign currency movements	(241)	(257)
<b>Net decrease in cash and cash equivalents</b>	<b>(4,295)</b>	<b>(1,384)</b>



<b>Cash and cash equivalents at beginning of period</b>	<b>10,957</b>	<b>12,341</b>
<b>Cash and cash equivalents at end of period</b>		
Cash at bank and in hand	6,662	10,957
<b>Cash and cash equivalents</b>	<b>6,662</b>	<b>10,957</b>

#### 4. 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 2021 or 2020. Statutory accounts for the years ended 31 August 2020 and 31 August 2021, which were approved by the directors on 23 November 2021, have been reported on by the Independent Auditors. The Independent Auditors' Reports on the Annual Report and Financial Statements for each of 2020 and 2021 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 2020 have been filed with the Registrar of Companies. The statutory accounts for the year ended 31 August 2021 will be delivered to the Registrar in due course, and are available from the Company's registered office at Floor 2, 355 Euston Road, London, England, NW1 3AL and are available from the Company's website:

<https://www.tenlifestylegroup.com/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 in conformity with the requirements of the Companies Act 2006. 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 financial statements for the year ended 31 August 2020. There are deemed to be no new standards, amendments and interpretations to existing standards, which have been adopted by the Group that have had a material impact on the financial statements

#### 2. Going concern

The consolidated financial statements have been prepared on a going concern basis. The ability of the Company to continue as a going concern is contingent on the ongoing viability of the Group. The Group meets its day-to-day working capital requirements through its cash balances and wider working capital management. The current economic conditions continue to create uncertainty, particularly over (a) corporate members' engagement; and (b) supplier revenue volumes. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group expects to be able to operate within the level of its current cash resources. Having assessed the principal risks and the other matters discussed in connection with the going concern statement, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing its consolidated financial statements.

Various sensitivity analyses have been performed to reflect a variety of possible cash flow scenarios, taking into account the continued impact of COVID-19 pandemic. Overall, the Directors have prepared cash flow forecasts covering a period of at least twelve months from the date of approval of the financial statements, which foresee that the Group will be able to operate within its existing working capital facilities.

The COVID-19 pandemic has had an impact on our business and the Company has managed costs firmly to ensure operating performances align with pre-COVID-19 levels so the Board believes that the business is able to navigate through the continued impact of COVID-19 due to the strength of its member proposition, its balance sheet and the net cash position of the Group.

The continued challenges of the coronavirus pandemic have caused significant disruption to many businesses where the implementation of various and changing social distancing measures, travel restrictions and related rules and this, had an implication for the wider global economy and specifically for the supply chain within which we reside - primarily our member's willingness or ability to use our services in the volumes planned. The selection of assistance services available to our members has been increased in the year, which has encouraged their engagement. There is, however, a risk that the Group will be further impacted by continued social distancing restrictions impacting the volume of member engagement and by prospective corporate clients delaying launches. If Net revenue is not in line with cash flow forecasts, the Directors have identified cost savings associated with the reduction in revenue and have the ability to identify further cost savings if necessary.

Having assessed the principal risks and other matters discussed in connection with the going concern statement, the Directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 3. Segment reporting

The total revenue for the Group has been derived from its principal activity, the provision of concierge services. This has been disaggregated appropriately into operational segment and geographical location.

The Group has three reportable segments: Europe, the Middle East and Africa (EMEA), North and South America ("The 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.

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
EMEA	18,120	21,975
Americas	9,875	13,784
Asia	6,670	8,465
<b>Net Revenue</b>	<b>34,665</b>	<b>44,224</b>
 Add back: Cost of sales on principal member transactions	 394	 2,145
<b>Revenue</b>	<b>35,059</b>	<b>46,369</b>
 EMEA	 6,157	 8,205
Americas	(2,192)	(3,862)
Asia	466	435
<b>Adjusted EBITDA</b>	<b>4,431</b>	<b>4,778</b>
 Amortisation	 (3,957)	 (3,380)
Depreciation	(3,186)	(4,395)
Share-based payment expense	(1,627)	(1,525)
Exceptional Items	(645)	(405)
<b>Operating loss</b>	<b>(4,984)</b>	<b>(4,927)</b>
 Foreign exchange loss	 (246)	 (511)
Other net finance expense	(307)	(453)
<b>Loss before taxation</b>	<b>(5,537)</b>	<b>(5,891)</b>



Taxation expense  
Loss for the year

(237)	(1,005)
<b>(5,774)</b>	<b>(6,896)</b>

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 EBITDA is a company non-GAAP specific measure excluding interest, taxation, amortisation, depreciation, share-based payment and exceptional costs.

Adjusted EBITDA is the main measure of performance used by the Group's Chief Executive Officer, who is considered to be the chief operating decision maker. Adjusted EBITDA is the principal operating metric for a segment.

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

#### 4. Exceptional items

	2021 £'000	2020 £'000
Impairment of intangible asset	(445)	(405)
Other exceptional costs	(200)	-
	<b>(645)</b>	<b>(405)</b>

The impairment charge in the year related to specific know-how, enabling more cost-efficient servicing of concierge requests. An assessment of the database capitalised determined that a specific portion of this was less likely to generate future economic benefits due to the fall-out of the COVID-19 pandemic. Such impairment is considered to be one-off in nature and therefore presented as an exceptional item.

In addition other exceptional costs were incurred in relation to a non-recurring project considered exceptional in nature.

#### 5. Intangible assets

	Capitalised development costs £'000	Website £'000	Trademarks £'000	Total £'000
<b>Cost</b>				
At 31 August 2019	25,122	1,909	55	27,086
Additions	5,308	-	-	5,308
Impairment	(405)	-	-	(405)
At 31 August 2020	30,025	1,909	55	31,989
Additions	5,393	-	-	5,393
Impairment	(445)	-	-	(445)
Reclassification (note 16)	63	-	-	63
Write-off	-	-	(55)	(55)
At 31 August 2021	35,036	1,909	-	36,945
<b>Accumulated amortisation</b>				
At 31 August 2019	16,143	1,879	55	18,077
Charge for the year	3,350	30	-	3,380
At 31 August 2020	19,493	1,909	55	21,457
Charge for the year	3,956	-	-	3,956
Reclassification (note 16)	32	-	-	32
Write-off	-	-	(55)	(55)
At 31 August 2021	23,481	1,909	-	25,390
<b>Carrying amount</b>				
At 31 August 2020	10,532	-	-	10,532
At 31 August 2021	11,555	-	-	11,555

All additions related to internal expenditure. The useful economic lives of the capitalised development platforms and website are assessed to be five years and three years respectively. The impairment charge in the year related to specific know-how, enabling more cost-efficient servicing of concierge requests. An assessment of the database capitalised determined that a specific portion of this was less likely to generate future economic benefits due to the fall-out of the COVID-19 pandemic.

#### 6. Cautionary Statement

This document contains certain forward-looking statements relating to Ten Lifestyle plc (the "Group"). The Group 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.



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