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Ten Lifestyle Group PLC
03 May 2023

3 May 2023

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

Interim results for the six months ended 28 February 2023

Ten Lifestyle Group plc (AIM: TENG), the platform driving customer loyalty for global financial institutions and other premium brands, is pleased to announce its unaudited Interim Results for the six months ended 28 February 2023 ("H1").

Financial

- Net Revenue[1] at £30.9m, an increase of 49%, compared to the first half of the prior year (H1 2022: £20.8m); 18% higher than the second half of the prior year (H2 2022: £26.1m)
    - supplier revenue[2] increased 42% to £3.4m (H1 2022: £2.4m)
    - corporate revenue[3] increased 49% to £27.5m (H1 2022: £18.4m)
    - Net Corporate Revenue Retention Rate[4] of 144% (H1 2022: 105%)
- Adjusted EBITDA[5] of £5.0m, an increase of £4.1m compared to first half of the prior year (H1 2022: £0.9m) and above the second half of the prior year (H2 2022: £4.0m)
- Profit before tax of £0.4m, a £3.2m increase compared to the first half of the prior year (H1 2022: £(2.8)m)
- Cash and cash equivalents of £7.2m (FY 2022: £6.6m) and net cash of £0.5m (FY 2022: £3.2m)

Operational

- Record number of Active Members[6], up 43% compared to the first half of the prior year to 316k (H1 2022: 221k, H2 2022: 275k)
- New mandate won in the Americas and 100% of Material Contracts retained, a number of key contract renewals and contract extensions signed
  Maintained investment in proprietary digital platforms, communications, and technologies to improve service quality and efficiency, £7.1m (H1 2022: £6.5m)
- Member satisfaction levels[7] have improved during the period, a key indicator of repeat use and value to our corporate clients

CURRENT TRADING AND OUTLOOK

Since the end of the first half of the financial year, member activity remains robust in all regions. Ten continues to develop its proposition and technology, having retained all Material Contracts during the period and developed a healthy pipeline of future potential launches.

The Board's expectations for the full financial year are unchanged.

Alex Cheatle, CEO of Ten Lifestyle Group, said;

"We are pleased to report our first profit before tax since our IPO in 2017, which provided capital to invest primarily in new geographical markets and technology. Our digital platform is now rolled out in over 40 countries. We reported an impressive 49% Net Revenue growth year-on-year, meaning Ten is well positioned to continue to drive our growth engine, even as we target sustained cash generation."

Analyst Presentation
An online analyst presentation will be held by video link today at 9:00am.

The Group will also be presenting an Investor Webinar for current and prospective investors tomorrow, Thursday 4 May 2023 at 5:30pm BST.

To attend either the Analyst Presentation or the Investor Webinar, please email investorrelations@tengroup.com.

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

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Alan Donald, Chief Financial Officer	
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Paul Gillam	
James Smith	

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

[2] Supplier revenue is Net Revenue from Ten's supplier base, such as hotels, airlines and event promoters which sometimes pay commission to Ten.

[3] Corporate revenue is Net Revenue from Ten's corporate clients, including service fees, implementation fees and fees for the customisation of the Ten Digital Platform.

[4] Net Corporate Revenue Retention Rate is the annual percentage change in corporate revenue, less non-recurring revenue (i.e., non-recurring service fees, implementation fees and fees for the customisation of the Ten Digital Platform), from corporate client programmes operating in the previous year.

[5] Adjusted EBITDA is operating profit/(loss) before interest, taxation, amortisation, depreciation, share-based payment expense and exceptional items.

[6] Individuals holding an eligible product, employment, account or card with one of Ten's corporate clients are "Eligible Members", with access to Ten's platform, configured under the relevant corporate client's programme, with Eligible Members who have used the platform in the past twelve months becoming "Active Members".

[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 £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 Ten's "Material Contracts".

[8] 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).

OPERATING AND FINANCIAL REVIEW

CHIEF EXECUTIVE'S STATEMENT

The positive momentum seen in the business during 2022 has continued, with Ten seeing increased Net Revenue and Active Members for the fourth consecutive half-year period. Alongside this record Net Revenue, Ten generated its first half year profit before tax since its IPO in 2017, even whilst continuing to invest in its proprietary technology and other innovations.

Net Revenue increased 49% to £30.9m (H1 2022: £20.8m), 39% at constant currency, and Adjusted EBITDA increased £4.1m to £5.0m (H1 2022: £0.9m), £3.9m at constant currency. Growth has been achieved in all regions, with broad success in developing existing contracts and winning new mandates with existing and new corporate clients. This success has resulted in a 49% increase in corporate revenue (H1: £27.5m; H1 2022: £18.4m).

Growth was especially high in the Americas following new programme launches and good continued recovery in member activity. Growth was slowest in APAC, where travel is still restricted in some areas.

Throughout the period, we have focused on improving Ten's proprietary technology, content, and service quality, further improving our member proposition, which continued to boost the number of Active Members.

	FY 2019	FY 2020	FY 2021	H1 2022	FY 2022	H1 2023
Total Active Members ('000)	192	226	203*	221	275	316

*Impacted by COVID-19.

Member satisfaction, as measured by Net Promoter Score (NPS), has also improved during the period. Our member engagement and satisfaction metrics continue to be instrumental in demonstrating a positive return on corporate client investment in the service. This has helped us retain 100% of our Material Contracts.

We have maintained investment in technology, communications, and content, with £7.1m invested in the period (H1 2022: £6.5m). This includes development of the digital experience, personalisation, automation and AI technology that drives member engagement as well as greater efficiencies and scale. We believe that our market-leading digital capability continues to clearly differentiate us from our competition and that our strong client retention and contract tender successes validate our strategy.

In addition to new contract wins and development of existing contracts, such as the expansion of Large contracts in each of Latin America and EMEA, we have continued to grow the penetration of our service amongst Eligible Members, resulting in an increase in the number of Active Members. This is enabled through a stronger proposition, communicated even more effectively due to improved automation and personalisation.

Our corporate clients often measure the usage of our platform as a key metric to evaluate the Return on Investment from our service. As we continue to expand our digital service, this will, in turn help to reduce the cost "per interaction" to the Corporate Client and further demonstrate the cost-effectiveness of our service.

Our proposition improvements are focused in our four service pillars - dining, travel, live entertainment and retail - and include improved access, better pricing (typically not available to the public), value-add benefits and insightful editorial content. Ten's high-quality concierge, content and support services are delivered to our members and corporate clients from committed experts in over 20 offices globally, led by an outstanding management team.

We believe these results further strengthen Ten's position as the platform driving customer loyalty for global financial institutions and other premium brands, through service delivery, technology integration, personalisation and unique content projects that enhance member experience and improve customer loyalty metrics for our corporate clients.

We remain committed to building a sustainable business and are more aware than ever of the impact our business and members have on the world around us. That's why we continue to expand our range of ESG partners and services across travel, dining, retail and entertainment to deliver increased member choice. Enhancing the visibility of these options across all channels, including our inspirational content, and digital platform will drive sustainable decisions amongst our members.

FINANCIAL REVIEW

Results

	H1 2023	**H1 2022**	**change**
	£m	**£m**	**£m**
Revenue	32.4	21.3	11.1
Net Revenue	**30.9**	**20.8**	**10.1**
Operating expenses and Other income	(25.9)	(19.9)	(6.0)
Adjusted EBITDA	**5.0**	**0.9**	**4.1**
Adjusted EBITDA %	16.1%	4.3%	

Depreciation	(1.5)	(1.3)	(0.2)
Amortisation	(2.5)	(2.2)	(0.4)
Share-based payments	(0.4)	(0.3)	(0.1)
Operating Profit/(Loss) before interest and tax	**0.6**	**(2.9)**	**(0.1)**
Net finance (expense)/income	(0.1)	0.1	(0.2)
Profit/(Loss) before taxation	**0.4**	**(2.8)**	**3.2**
Taxation expense	(0.6)	(0.4)	(0.3)
Loss for the period	**(0.2)**	**(3.2)**	**3.0**

Revenue

Revenue for the current period has increased significantly to £32.4m, a 52% increase compared to the first half of the prior year (H1 2022: £21.3m). Net Revenue has increased to £30.9m, a 49% increase compared to the first half of the prior year (H1 2022: £20.8m), 39% at constant currency. This increase in Net Revenue was driven by an increase in activity across the existing business as well as new mandates won and launched. Revenue for the period is now higher than pre-pandemic levels, with a 27% increase compared to H1 2020 (£25.6m), the last undisturbed period prior to the pandemic.

Corporate revenue for H1 2023 was £27.5m, a 49% increase compared to the first half of the prior year (H1 2022: £18.4m) (38% at constant currency) and now 29% above pre-COVID levels (H1 2020: £21.3m), with a Net Corporate Revenue Retention Rate of 144% (H1 2022: 105%), as core recurring revenue increased from £16.9m to £24.3m. Supplier revenue (predominantly travel related) was £3.4m, a 42% increase compared to the first half of the prior year (H1 2022: £2.4m) and 36% higher than pre-COVID levels (H1 2020: £2.5m).

Operating expenses & other income excluding depreciation, amortisation, share-based payments and exceptional items

Operating expenses and other income for the period was £25.9m, an increase of £6.0m (30%), compared to the first half of the prior year (H1 2022: £19.9m), mainly due to an increase in employee costs, reflecting higher headcount to support growth as activity increased.

Adjusted EBITDA

Adjusted EBITDA, as reported, takes into account all Group operating costs, other than the depreciation of £1.5m (H1 2022: £1.3m), amortisation of £2.5m (H1 2022: £2.2m), and share-based payment expenses of £0.4m (H1 2022: £0.4m). On this basis, Adjusted EBITDA was a profit of £5.0m (H1 2022: £0.9m), £3.9m at constant currency rates.

Depreciation has increased by £0.2m and amortisation increased by £0.3m, reflecting our continued technology investment. Share-based payment expenses increased by £0.1m as the number of options granted in the period was higher than in the prior year.

Profit before tax

Profit before tax was £0.4m, a £3.2m improvement compared to the first half of the prior year (H1 2022: £(2.8)m), and our first reported half year profit before tax since IPO in November 2017.

Regional performance

Segmental Net 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.

£m	**H1 2023**	**H1 2022**	**% change**
EMEA	13.3	10.0	**+33%**
Americas	13.1	6.5	**+102%**
APAC	4.5	4.3	**+6%**

Total	**30.9**	**20.8**	**+49%**

After fully allocating our indirect central costs including IT, platform support, non-lease costs and management across the regions, in line with headcount, the Adjusted EBITDA profitability of each regional segment is:

£m	**H1 2023**	**H1 2022**
EMEA	4.0	1.8
Americas	1.0	(1.1)
APAC	(0.1)	0.2
Total	**5.0**	**0.9**
Adjusted EBITDA % of Net Revenue	**16.1%**	**4.3%**

EMEA

Net Revenue in the region during the period increased by 33% compared to the first half of the prior year, to £13.3m (H1 2022: £10.0m). The increase in Net Revenue was primarily driven by a recovery of the base business, new business launched together with higher supplier revenue due to increased member requests across dining, entertainment, travel and events. We also improved operational efficiency across the region. This has resulted in Adjusted EBITDA of £4.0m (H1 2022: £1.8m), an increase of £2.2m.

Americas

Net Revenue from the region during the period increased by 102% compared to the first half of the prior year, to £13.1m (H1 2022: £6.5m). The £6.6m increase in revenue in the region reflected the recovery in base business activity and new business launched together with an increase in supplier revenue as travel activity returned. As the region grew it drove operational efficiencies as we leveraged the Net Revenue growth. As a result, Adjusted EBITDA was a profit of £1.0m (H1 2022 loss: £(1.1)m).

APAC

Net Revenue from the region during the period has increased by 6% compared to the first half of the prior year, to £4.5m (H1 2022: £4.3m). Adjusted EBITDA loss for the region was £(0.1)m (H1 2022: £0.2m),slightly below prior year as we invested additional resources specifically in Japan to service the post Covid increase in activity.

Cash flow

	H1 2023 £m
Profit before tax	**0.4**
Net finance expense	0.1
Working capital changes	(1.4)
Non-cash items (share-based payments, depreciation and amortisation)	4.4
Operating cash flow	**3.5**
Capital expenditure	(0.2)
Investment in intangibles	(3.7)
Taxation	(0.4)
Cash outflow	**(0.8)**
Cash flows from financing activities	
Interest on loan paid	(0.2)
Loan Receipts - Invoice financing	2.1
Loan Receipts - Loan notes	1.2
Repayment of leases and net interest	(1.4)
Net cash generated by financing activities	**1.7**
Foreign currency movements	(0.3)
Net increase in cash and cash equivalents	**0.6**

Cash and cash equivalents	**7.2**

The pre-tax operating cash inflows of £3.5m reflected a profit before tax of £0.4m, decreased net working capital of £1.4m (due to a specific late client receipt of £1.0m; now received) and add-back of non-cash items of £4.4m.

Additionally, during the period, we made £3.7m of capital investment into our global content, internal CRM platform (TenMAID) and the continued development of our digital platform.

Additional loan notes of £1.2m were issued during the period and a new £2.1m invoice financing facility was entered into during the period with the Group's bank. Repayment of leases and net interest of £1.4m resulted in an increase in cash and cash equivalents during the period of £0.6m.

Balance sheet

	H1 2023 £'m	**FY 2022 £'m**
Intangible assets	14.5	13.4
Property, plant and equipment	0.9	0.9
Right-of-use assets	1.9	2.2
Cash	7.2	6.6
Other current assets	11.7	10.1
Current lease liabilities	(1.8)	(1.8)
Current liabilities	(17.6)	(17.3)
Short term borrowings	(3.6)	(1.5)
Long term borrowings	(3.1)	(1.9)
Non-current lease liabilities	(0.4)	(0.9)
Net assets	**9.7**	**9.8**
Share capital/Share premium	30.8	30.7
Reserves	(21.1)	(20.9)
Total equity	**9.7**	**9.8**

Net assets decreased slightly to £9.7m at 28 February 2023 compared to £9.8m at 31 August 2022. This was primarily due to an increase in long term borrowings, increasing to £3.1m (FY 2022: £1.9m) and short-term borrowings, increasing to £3.6m (FY 2022: £1.5m) to support the continued growth in the business.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Group remain broadly consistent with the principal risks and uncertainties reported in Ten's 2022 Annual Report. Regional inflation and cost of living pressures have increased costs and led to some price increases with corporate clients in the year. Macroeconomic changes in each region are monitored by the Senior Leadership Team as well as by the Board. The Group reviews its pricing in line with changes in the macroeconomic environment and external cost pressures.

Alex Cheatle
Chief Executive Officer
03 May 2023

Alan Donald
Chief Finance Officer
03 May 2023

Consolidated statement of comprehensive income

	Note	6 months to 28 Feb 2023 Unaudited £'000	6 months to 28 Feb 2022 Unaudited £'000
Revenue	2	32,382	21,326
Cost of sales on principal member transactions		(1,528)	(574)
Net Revenue	**2**	**30,854**	**20,752**
Other cost of sales		(849)	(638)
Gross profit		**30,005**	**20,114**
Administrative expenses		(29,767)	(23,139)
Other income		300	150
Operating profit before amortisation, depreciation, interest, share based payments, exceptional items and taxation ("Adjusted EBITDA")		4,953	886
Depreciation		(1,473)	(1,305)
Amortisation	**3**	(2,526)	(2,156)
Share-based payment expense		(416)	(300)
Exceptional items		-	-
Operating profit		**538**	**(2,875)**
Net finance (expense) / income		(149)	36
Profit / (loss) before taxation		**389**	**(2,839)**
Taxation expense	4	(574)	(316)
Loss for the period		**(185)**	**(3,155)**
Other comprehensive (expense)/income:			
Foreign currency translation differences		(407)	(174)
Total comprehensive loss for the period		**(592)**	**(3,329)**
Basic and diluted loss per ordinary share	**5**	(0.2)p	(3.8)p

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

Consolidated statement of financial position

	Note	28 Feb 2023 Unaudited £'000	31 August 2022 Audited £'000
Non-current assets			
Intangible assets	**3**	14,554	13,397
Property, plant and equipment		886	939
Right-of-use assets		1,880	2,274
Total non-current assets		**17,320**	**16,610**
Current assets			
Inventories		67	118
Trade and other receivables		11,619	9,930
Cash and cash equivalents		7,158	6,584

	Note		
Total current assets		**18,844**	**16,632**
Total assets		**36,164**	**33,242**
Current liabilities			
Trade and other payables		(16,759)	(16,459)
Provisions		(850)	(846)
Borrowings	**6**	(3,591)	(1,500)
Lease Liabilities		(1,755)	(1,834)
Total current liabilities		**(22,955)**	**(20,639)**
Net current liabilities		**(4,111)**	**(4,007)**
Non-current liabilities			
Borrowings	**6**	(3,086)	(1,940)
Lease liabilities		(441)	(820)
Total non-current liabilities		**(3,527)**	**(2,760)**
Total liabilities		**(26,482)**	**(23,399)**
Net assets		**9,682**	**9,843**
Equity			
Called up share capital		84	84
Share premium account		30,673	30,658
Merger relief reserve		1,993	1,993
Treasury reserve		513	513
Foreign exchange reserve		(954)	(547)
Retained deficit		(22,627)	(22,858)
Total equity		**9,682**	**9,843**

Consolidated statement of changes in equity

	Share capital £'000	Share premium account £'000	Merger relief reserve £'000	Foreign exchange reserve £'000	Treasury reserve £'000	Retained deficit £'000	Total £'000
Balance at 1 September 2021 (Audited)	**82**	**29,356**	**1,993**	**(410)**	**5**	**(19,079)**	**11,947**
Loss for the year	-	-	-	-	-	(4,316)	**(4,316)**
Foreign exchange	-	-	-	(137)	-	-	**(137)**
Total comprehensive income for the year	-	-	-	(137)	-	(4,316)	**(4,453)**
Shares purchased by Employee Benefit Trust (EBT)	-	-	-	-	508	-	**508**
Issue of share capital	2	1,302	-	-	-	-	**1,304**
Equity-settled share-based payments charge	-	-	-	-	-	537	**537**
Balance at 31 August 2022 (Audited)	**84**	**30,658**	**1,993**	**(547)**	**513**	**(22,858)**	**9,843**
Loss for the period	-	-	-	-	-	(185)	**(185)**
Foreign exchange	-	-	-	(407)	-	-	**(407)**

Total comprehensive income for the period	-	-	-	(407)	-	(185)	**(592)**
Issue of share capital	-	15	-	-	-	-	**15**
Equity-settled share-based payments charge	-	-	-	-	-	416	**416**
Balance at 28 February 2023 (Unaudited)	**84**	**30,673**	**1,993**	**(954)**	**513**	**(22,627)**	**9,682**

Condensed consolidated statement of cash flows

	6 months to 28 Feb 2023 £'000	**6 months to 28 Feb 2022 £'000**
Cash flows from operating activities		
Loss for the period, after tax	(185)	(3,155)
Adjustments for:		
Taxation expense	574	316
Net finance expense	149	(36)
Amortisation of intangible assets	2,526	2,156
Depreciation of property, plant and equipment	254	229
Depreciation of right-of-use asset	1,219	1,076
Equity-settled share-based payment expense	416	300
Movement in working capital:		
Decrease in inventories	51	28
Increase/(Decrease) in trade and other payables	205	(2,723)
(Increase)/Decrease in trade and other receivables	(1,689)	3,201
Cash from/(used in) by operations	**3,520**	**1,392**
Tax paid	(401)	(236)
Net cash from by operating activities	**3,119**	**1,156**
Cashflows from Investing activities		
Purchase of intangible assets	(3,683)	(2,927)
Purchase of property, plant and equipment	(250)	(457)
Finance income	6	-
Net cash used by investing activities	**(3,927)**	**(3,384)**
Cash flows from financing activities		
Lease Liability repayments	(1,280)	(1,093)
Sale of treasury shares	-	518
Interest paid	(178)	-
Loan Receipts - Invoice financing	2,084	-
Loan Receipts - Loan notes	1,185	-
Interest paid on IFRS 16 lease liabilities	(81)	(93)
Cash receipts from issue of share capital	15	1,302
Net cash used by financing activities	**1,745**	**634**
Foreign currency movements	(363)	54
Net increase /(decrease) in cash and cash equivalents	574	(1,540)

Cash and cash equivalents at beginning of period	**6,584**	**6,662**
Cash and cash equivalents at end of period		
Cash at bank and in hand	7,158	5,122
Cash and cash equivalents	**7,158**	**5,122**

Notes to the Interim Financial Information

1. Basis of preparation

These condensed consolidated financial statements have been prepared using accounting policies based on International Financial Reporting Standards (IFRS and IFRIC Interpretations) issued by the International Accounting Standards Board ("IASB") as contained in UK-adopted IFRS. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 31 August 2022 Annual Report. The financial information for the half years ended 28 February 2023 and 28 February 2022 does not constitute statutory accounts within the meaning of Section 434 (3) of the Companies Act 2006 and both periods are unaudited.

The annual financial statements of Ten Lifestyle Group plc ('the Group') are prepared in accordance with International standards in conformity with the requirements of the Companies Act 2006 ('IFRS') and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS (except as otherwise stated). The comparative financial information for the year ended 31 August 2022 included within this report does not constitute the full statutory Annual Report for that period. The statutory Annual Report and Financial Statements for year ended 31 August 2022 have been filed with the Registrar of Companies. The Independent Auditors' Report in the Annual Report and Financial Statements for the year ended 31 August 2022 was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under 498(2)-(3) of the Companies Act 2006.

The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its year ended 31 August 2022 annual financial statements other than the Groups tax charge is not accounted for under the same basis as IAS 34. The tax charge is calculated using the expected effective tax rate at the reporting date. There are no new standards effective yet and that would be expected to have a material impact on the entity in the current period.

Going Concern

The ability of the Group 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. As at 28 February 2023, the date of the interim consolidated financial statements, the Group had cash of £7.2m. The Group also has loans totalling £4.6m, of which £1.5m is short term and due to be repaid in June 2023 and £3.1m which are long term and due to be repaid in August 2025. Additionally, £2.1m of debt was raised during the period under a new invoice financing facility, which was entered into in January 2023, to support the Group's working capital requirements

To evaluate the Group's ability to operate as a going concern, the Directors have reviewed the cash flow forecasts covering a period of at least twelve months from the date of approval of the interim consolidated financial statements. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance for the principal risks, show that the Group expects to be able to operate as a going concern within the level of its current cash resources.

The Directors have considered the following scenarios when considering forecasts to support their going concern conclusion

- Base case cashflow forecast to 31 August 2024

- Downside cashflow forecast to 31 August 2024 and mitigating actions available

Base Case Scenario
The Base Case forecast reviewed by the Directors is in line with expectations for the current financial year and FY 2024. The Net Revenue assumptions are consistent with growth trends around base business growth, net contract wins and supplier revenue growth. Cost assumptions reflect changes in Net Revenue as well as continual improvements in operational efficiencies.

Downside scenario and mitigating actions
This scenario assumes a reduction of 20% in our variable Net Revenue for the year to 31st August 2024. If this scenario was to develop. The Group has a number of mitigating actions available to it, including reducing direct operating costs to align to Net Revenue growth rates as well as reducing indirect costs supporting the business. Note, as per base case long term debt of £3.1m (repayable in August 2025) and invoice discounting facility of £2.1m remains in place with short term debt of £1.5m repaid in June 2023.

Conclusion
The Directors have evaluated the Groups ability to operate as a going concern under the above scenarios and has determined that it has adequate resources to continue in operational existence for the foreseeable future. The Group's cash flow forecasts show that it expects to be able to operate as a going concern within the level of its current cash resources. The Group has also identified cost savings available to it should it experience a reduction in revenue. The Group has assessed the principal risks and other matters discussed in connection with the going concern statement and has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The Board of Directors approved this interim report on 3 May 2023.

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

	6 months to 28 Feb 2023 (Unaudited) £'000	**6 months to 28 Feb 2022 (Unaudited) £'000**
EMEA	13,278	10,014
Americas	13,069	6,483
APAC	4,507	4,255
Net Revenue	**30,854**	**20,752**
Add back: Cost of sales on principal transactions	1,528	574
Revenue	**32,382**	**21,326**
EMEA	4,036	1,830
Americas	1,007	(1,143)
APAC	(90)	199
Adjusted EBITDA	**4,953**	**886**
Amortisation	(2,526)	(2,156)
Depreciation	(1,473)	(1,305)
Share-based payment expense	(416)	(300)
Operating profit / (loss)	**538**	**(2,875)**
Foreign exchange (loss)/gain	106	129
Other net finance expense	(255)	(93)
Profit / (loss) before taxation	**389**	**(2,839)**
Taxation expense	(574)	(316)

Loss for the period	**(185)**	**(3,155)**

Net Revenue is a non-GAAP Group 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 non-GAAP Company specific measure excluding interest, taxation, amortisation, depreciation, share-based payment, and exceptional costs. Adjusted EBITDA is the main measure of performance used by the Board, who are considered to be the chief operating decision makers. 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 a Group level.

3. Intangible Assets

The Group capitalised £3.7m (H1 2022: £2.9m, FY 2022: £6.6m) of costs representing the development of Ten's global digital platform, TenMAID (Ten's proprietary customer relationship management system) resulting in a net book value of £14.6m (H1 2022: £12.3m, FY 2022: £13.4m) after an amortisation charge of £2.5m (H1 2022: £2.2m, FY 2022: £4.6m).

4. Taxation

The income tax expense has been recognised based on the best estimate of the weighted average annual effective Group tax rate expected for the full financial year. The income tax expense of £0.6m (H1 2022: £0.4m) includes foreign taxes recognised by overseas Group companies on a territory-by-territory basis using the expected effective tax rate for the full year.

5. Earnings Per Share

	6 months to 28 Feb 2023	**6 months to 28 Feb 2022**
	£'000	**£'000**
Loss attributable to equity shareholders of the parent	(185)	(3,155)
Weighted average number of ordinary shares in issue (net of treasury)	83,808,935	83,195,255
Basic loss per share (pence)	(0.2)p	(3.8)p

Where the Group has incurred a loss in the six-month period to 28 February 2023, the diluted earnings per share is the same as the basic loss per share as the loss has an anti-dilutive effect.

6. Borrowings

In addition to the Group's £4.6m of loans (FY 2022: £3.4m), on the 25th of January 2023 the Group entered an invoice financing facility available up to a maximum of £2.1m, of which the full facility of £2.1m has been utilised at 28 February 2023. The Group has invoice financing facilities in place relating to trade receivables due from large corporate clients of Ten Lifestyle Management Ltd that are denominated in USD$ and GBP£. The trade receivables guaranteed under the arrangement totalled £3.3m (PY: £nil). The Group retains the credit risk associated to these trade receivables and therefore presents these trade receivables gross within the reported current assets. The liability arising from the invoice financing is presented as borrowings within current liabilities. The invoice financing facility is guaranteed to the value of the debts advanced and accrues interest at a rate of 2% over the base rate.

8. Cautionary Statement

This document contains certain forward-looking statements relating to Ten Lifestyle Group plc. 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.

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