NS Half-year/Interim Report

INTERIM RESULTS FOR THE 6 MONTHS ENDED 29 FEB 2024

TEN LIFESTYLE GROUP PLC

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

Interim results for the six months ended 29 February 2024

Ten Lifestyle Group plc (AIM: TENG), the global concierge platform driving customer loyalty for global financial institutions and other premium brands, announces its unaudited interim results for the six months ended 29 February 2024 ("H1").

Financial highlights

- Net Revenue[1] at £30.9m in line with the first half of prior year (H1 2023: £30.9m) and up £1.1m (4%) at constant currency
  - corporate revenue[2] of £27.1m in line with the first half of prior year (H1 2023: £27.5m)
  - supplier revenue[3] of £3.8m up £0.5m (15%) on the first half of prior year (H1 2023: £3.3m)
- Adjusted EBITDA[4] up £0.3m (7%) to £5.3m (H1 2023: £5.0m) and up £0.5m (10%) at constant currency
  - Adjusted EBITDA margin[5] increased to 17.2% (H1 2023: 16.1%)
- Profit before tax of £0.3m in line with the first half of prior year (H1 2023: £0.4m)
- Cash and cash equivalents up on the first half of the prior year to £8.0m (H1 2023: £7.2m, FY 2023: £8.2m). Net cash was £1.9m (H1 2023: £0.5m; FY 2023: £3.7m)

Operational highlights

- Material Contract[6] developments expected to generate revenue in the second half of the year, include:
  - a multiple year extension of an existing Large contract on renegotiated terms, with options to extend the scope of the current services
  - Medium contract with a new global Private Bank client with customers across AMEA[7]
- £6.4m (H1 2023: £7.1m) investment in proprietary digital platforms, communications and technologies to continue to enhance member experience and further extend competitive advantage
  - developed a new Entertainment module of the Ten Digital Platform, including Ten Box Office, allowing members to book tickets, including exclusive inventory, on the platform
  - launched and iterating generative AI solutions to improve service quality and efficiency
- Record number of Active Members[8], up 13% on first half of the prior year to 356k (H1 2023: 316k)
- Member satisfaction levels[9] have improved during the period, a key indicator of repeat usage and of Ten's value to our corporate clients

CURRENT TRADING AND OUTLOOK

Since the end of the first half of the financial year, Ten has launched new contracts, most notably a Medium contract with Emirates NBD Bank, and continues to convert its strong pipeline of new business. These contract developments at the beginning of H2 2024 are expected to underpin revenue growth in the remainder of the year and into 2025.

Ten remains focused on delivering against its digital roadmap, leveraging in-house generative AI to drive personalisation, service efficiency and quality. The Group expects to generate net cash in the second half of the year and the Board's expectations for the full financial year remain unchanged.

Alex Cheatle, CEO of Ten Lifestyle Group, said;

"We have continued to build on the step change in Net Revenue and profitability achieved in FY 2023. This has been achieved whilst maintaining a net cash position, improving service levels, enhancing our technology platform and winning new corporate clients, underpinning expected revenue growth and improved Adjusted EBITDA profitability in the remainder of the year and into 2025."

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

Investor Webinar
Additionally, an Investor Webinar tailored for current and prospective investors will be presented on Thursday 25 April 2024 at 5:30 pm, providing participants a deeper insight into the Group's interim results and a chance to engage directly with the leadership team.

If you wish to attend either the Analyst Presentation or the Investor Webinar, kindly email investorrelations@tengroup.com. This will ensure that you receive the necessary details and access information for these events.

For further information, please visit https://www.tenlifestylegroup.com/ or contact:

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

[2] 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.

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

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

[5] Adjusted EBITDA margin is Adjusted EBITDA as a percentage of Net Revenue.

[6] 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".

[7] Asia Middle East and Africa.

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

[9] 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".

OPERATING AND FINANCIAL REVIEW

CHIEF EXECUTIVE'S STATEMENT

Ten has maintained and, on a constant currency basis, built on the step change in Net Revenue and profitability achieved in FY 2023, whilst maintaining a net cash position. Ten has also continued to invest in technology, including generative AI, and its overall proposition throughout the period. These investments are succeeding in enhancing service levels, improving efficiencies, and further strengthening Ten's competitive advantage, ultimately driving improved member engagement and operating leverage at scale.

We have continued to support and grow with our existing corporate clients and convert our strong pipeline of contract opportunities with global financial institutions and premium brands, securing multiple new contract developments since the start of the financial year, which are due to deliver revenues from in the second half of the financial year.

Net Revenue remained in line with the first half of prior year (H1 2023: £30.9m) but increased £1.1m (4%) at constant currency, with supplier revenue up 15% on the first half of prior year (H1 2023: £3.3m). Active Members continued to grow, up 13% on first half of the prior year to 356k (H1 2023: 316k).

Adjusted EBITDA increased by £0.3m (7%) to £5.3m on the prior year (H1 2023: £5.0m), £0.5m (10%) at constant currency and Adjusted EBITDA margin increased to 17.2% (H1 2023: 16.1%). A positive profit before tax (PBT), of £0.3m was generated, marking the third consecutive half-year period of positive PBT.

At the end of the period, Ten's cash and cash equivalents position was £8.0m (FY 2023: £8.2m), with net cash of £1.9m (H1 2023: £0.5m; FY 2023: £3.7m). This balance reflects the Group's normal seasonality, to consume working capital in the first half of the year, and the timing of client receipts.

Delivering Adjusted EBITDA profitability and maintaining a net cash position, whilst maintaining investments in technology, are key performance indicators of the Group's strategic Growth Engine.

Corporate client developments

Contract By Size	H2 2024 (to date)	H1 2024	FY 2023*
		3	
Extra Large	3		3
Large	7	7	6
Medium	20	19	19
	30	**29**	**28**

Contract by Region			
Europe	8	8	9
Americas	12	12	11
AMEA	9	8	7
Global	1	1	1
	30	**29**	**28**

*FY 2023 contracts restated to reflect the appropriate classification by region under the new reporting structure.

Since the end of FY 2023, Ten has upgraded two Medium contracts into Large contracts and has secured three Medium contracts with new corporate clients, in addition to significant contractual developments with existing corporate clients and multiple Small contract wins. The contract wins have recently launched or are expected to launch by the end of the financial year. These are expected to generate revenue from the second half of the year and, based on previous precedent, will likely increase in volume and value over time.

Most notably, Ten has secured and launched Medium contracts with a new global Private Bank client with customers across AMEA and with Emirates NBD Bank in the UAE. Ten has also partnered with Global Travel Collection to provide luxury lifestyle expertise to their 1,300 travel advisors, enhancing their global reach and premium travel services and is expected to be a Medium contract in the first full year.

Ten has a Framework Agreement with a corporate client group, encompassing the equivalent of two Large contracts. Ten has secured a multiple year extension of one of the Large contracts on renegotiated terms, with options to extend the scope of the current services. However, the client has chosen to withdraw concierge services from its customer engagement strategy, under the other contract. Consequently, Ten will lose a Large contract (c. 5.5% of Net Revenue in FY 2023) from the end of this financial year, albeit we expect the loss of this contract to be partially offset by initiatives that are underway to increase our footprint within the existing client base as well as other mitigations.

Some of the users of the exiting concierge services are expected to transition to Ten's 'paid-for' Private Membership. This is expected to grow Ten's Private Membership by the equivalent of a Medium contract during FY 2025. The combined growth initiatives plus retention of the Large contract and Ten's Private Membership is expected to mitigate the loss of thecontract, such that the total Net Revenue impact of this contract loss will be £1.5m to £2.5m in FY 2025.

We believe that Ten's pipeline of new business has never been stronger and primarily consists of global financial institutions and premium brands aiming to enhance their customer loyalty metrics, particularly since the conclusion of the pandemic. The sales and launch cycle typically spans 12-24 months, and Ten is currently in the process of converting this pipeline, which is anticipated to generate revenue starting from the second half of this financial year and continuing into 2025.

While the majority of recent contract wins are with first-time concierge service adopters, Ten has a very strong record of winning competitive tenders and re-tenders (>90% success rate over the last 5 years) and remains confident in securing contracts with incumbent competitors when they come up for tender.

We remain confident in the strength and depth of our partnerships with corporate clients. These clients increasingly engage Ten to deliver premium product marketing, customer engagement, and insight initiatives, alongside technology integration, personalisation, and unique content projects that enhance member experiences and reinforce Ten's position as the preferred partner for financial institutions and premium brands seeking to attract and retain affluent customers.

Our investments in technology, AI and content underpins enhanced member proposition, satisfaction, and engagement

Ten continues to benefit from the operational, and competitive advantages of our digital capability with £6.4m (H1 2023: £7.1m) invested in technology, communications, and content in the period. We believe that our strategic focus on market-leading digital capability clearly differentiates us from our competitors and underpins our long-term "Growth Engine" strategy to become the world's most trusted service.

Throughout the period, significant advancements in Ten's digital roadmap have been achieved that we believe are driving member engagement as well as greater efficiencies and scale. Notable improvements include enhanced personalisation, user experience and the introduction of a new "Entertainment" module to the Ten Digital Platform with a fully integrated "Ten Box Office". Ten's closed user group of high-net-worth members can enjoy presales, preferential pricing, and bespoke access to ticketing and VIP hospitality packages, alongside publicly available inventory delivered via APIs with industry leading distributors. From H2 2023, inventory will be managed through Ten's proprietary digital ticketing technology. Some of our corporate clients have held back on marketing entertainment tickets, fulfilled via high-touch servicing, until the digital platform functionality is complete in H2 2024. Clients are enthusiastic about ramping up marketing, once the digital fulfilment is launched, because of the improved CX and lower cost per interaction.

Work is underway to deliver on further planned releases throughout calendar year (CY) 2024 aimed at improving Ten's digital offerings by leveraging Ten's ever-improving "not available on the internet" inventory of offers, benefits and access across restaurants, travel, entertainment and editorial content with technology innovations, including in-house generative AI to drive personalisation, service efficiency and quality.

Ten has joined Microsoft AI Cloud Partner Program to support our in-house AI capabilities. This partnership has facilitated the development and expansion of Ten's AI "CoPilot" tool for Lifestyle Managers. By combining data from Ten's proprietary travel and dining inventory with AI technology, our Lifestyle Managers can now provide faster and more efficient service, improving overall service quality. Additionally, we are using large language models to enhance the speed, cost-effectiveness, and efficiency of content translation, as well as other business functions.

Member satisfaction, as measured by Net Promoter Score (NPS) has improved during the period and the number of Active Members using the service is up 13% on first half of the prior year to 356k (H1 2023: 316k). Member engagement and satisfaction are key to building value for corporate clients, who want to improve the engagement, retention, and acquisition of their most valued customers. This, in turn, justifies increased corporate spending with us and attracts new corporate clients and new supplier partners to work with us.

Notably, we have, in early 2024, attracted talent at all levels from the luxury travel sector to help drive engagement with our most valuable members in this profitable, cash generative area and this is likely to impact results by CY 2025.

Since securing B Corp certification last year, we have re-doubled our efforts to build a sustainable business. This includes broadening our ESG partners and services across travel, dining, retail, and entertainment to give members more choice. Promoting these choices through all channels encourages sustainable decisions amongst our members.

During the period, changes were made to the Non-Executive Board. Jules Pancholi, Non-Executive Director, has assumed the role as Chairman and Chair of the Nomination Committee. Edward Knapp has been appointed as Non-Executive Director and Chair of the Audit & Risk Committee, while Carolyn Jameson has been appointed as Non-Executive Director and Chair of the Remuneration Committee and, as of today, will also chair the Nomination Committee. On behalf of the Board, I extend our sincere thanks to our former Chair, Bruce Weatherill, and Gillian Davies, who both retired from the Board during the period, for their dedication and invaluable guidance since the Company's IPO in 2017.

FINANCIAL REVIEW

Results

£m	**H1 2024**	**H1 2023**
	£m	**£m**
Revenue	33.3	32.4
Net Revenue	**30.9**	**30.9**
Operating expenses and other income	(25.6)	(25.9)
Adjusted EBITDA	**5.3**	**5.0**
Adjusted EBITDA %	*17.2%*	*16.1%*
Depreciation	(1.4)	(1.5)
Amortisation	(2.8)	(2.5)
Share based payments	(0.4)	(0.4)
Operating profit before interest and tax	**0.7**	**0.6**
Net finance expense and foreign exchange	(0.4)	(0.1)
Profit before taxation	**0.3**	**0.4**
Taxation charge	(0.3)	(0.6)
Profit / (loss) for the period	**-**	**(0.2)**

Revenue

Revenue for the period was £33.3m, a 3% increase on H1 2023 (£32.4m). Net Revenue (which is our key revenue measure) for the period was £30.9m, which was consistent with the prior period (H1 2023: £30.9m) and up 4% at constant currency.

Corporate revenue for H1 2024 was £27.1m, a 1% decrease compared to the first half of the prior year (H1 2023: £27.5m), mainly due to the fluctuation in foreign exchange rates (3% growth at constant currency), with a Net Corporate Revenue Retention Rate of 101% (H1 2023: 144%). Supplier revenue (predominantly travel related) was £3.8m a 15% increase compared to the first half of the prior year (H1 2023: £3.3m).

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

Operating expenses and other income for the period was £25.6m, a decrease of £0.3m, compared to the first half of the prior year (H1 2023: £25.9m), as the Group benefits from improved operational efficiencies offsetting cost and wage inflation.

Adjusted EBITDA

Adjusted EBITDA, as reported, takes into account all Group operating costs, other than depreciation of £1.4m (H1 2023: £1.5m), amortisation of £2.8m (H1 2023: £2.5m), share-based payment expenses of £0.4m (H1

2023: £0.4m). On this basis, Adjusted EBITDA was £5.3m (H1 2023: £5.0m) and EBITDA margin of 17.2% improved by 1.1% vs prior year.

Depreciation has slightly decreased by £0.1m, primarily due to a reduction in leases as they reach the end of their useful lives, with the Group taking on smaller office space following the change in working habits. Amortisation increased by £0.3m, reflecting our continued investment in technology.

Profit before tax

Profit before tax of £0.3m (H1 2023: £0.4m). Net finance expenses increased to £0.4m (H1 2023: £0.1m) due to interest on additional £1.1m of loan notes secured during the period and FX differences of £0.2m year on year.

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 2024	H1 2023	% change	% change at constant currency
Europe	12.9	12.4	4%	5%
Americas	12.5	13.1	-4%	-1%
AMEA	5.5	5.4	3%	11%
Total	**30.9**	**30.9**	**0%**	**4%**

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

£m	H1 2024	H1 2023
Europe	4.6	4.0
Americas	0.2	0.8
AMEA	0.6	0.1
Total	**5.3**	**5.0**
Adjusted EBITDA % of Net Revenue	**17.2%**	**16.1%**

EUROPE
Net Revenue in the region increased by 4% to £12.9m (H1 2023: £12.4m) and by 5% at constant currency. The increase in Net Revenue of £0.5m is primarily driven by both corporate and supplier revenue due to increased demand. Adjusted EBITDA of £4.6m is higher than prior year of £4.0m through the Net Revenue increase as well as continued operational efficiencies.

AMERICAS
Net Revenue from the region decreased by 4% to £12.5m (H1 2023: £13.1m) and by 1% at constant currency (principally driven by US$). Adjusted EBITDA profit of £0.2m is lower than prior year by £0.6m. The reduction is primarily foreign exchange driven as well as additional set up costs incurred for contracts due to launch in the second half of the year.

AMEA
Net Revenue increased by 3% to £5.5m (H1 2023: £5.4m) and by 11% at constant currency (principally driven by Japanese Yen). Adjusted EBITDA profit of £0.6m compared to an Adjusted EBITDA profit of £0.1m in the same period last year. This has been driven by increased supplier revenue plus operational efficiencies and cost saving measures taken across the region.

Cash flow

	H1 - 2024 £m
Profit before tax	**0.3**
Net finance expense	0.4
Working capital changes	(1.9)
Non-cash items (share-based payments, depreciation and amortisation charges, exceptional items)	4.6
Operating cash flow	**3.4**
Capital expenditure	(0.1)
Investment in intangibles	(3.7)
Taxation paid	(0.5)
Cash (outflow)	**(1.0)**
Cash flows from financing activities	
Receipts on exercising of options	1.0
Loan receipts	1.1
Invoice financing facility	0.6
Loan payments - loan notes	(0.3)
Interest on loan paid	(0.2)
Repayment of leases and net interest	(1.4)

Net cash from financing activities	**0.8**
Net decrease in cash and cash equivalents	**(0.2)**
Cash and cash equivalents at beginning of period	**8.0**
Net cash	**1.9**

Pre-tax operating cash inflows of £3.4m, reflected a profit before tax of £0.3m, increased net working capital of £1.9m, and add back of non-cash items of £4.6m.

Additionally, during the period, there was £3.7m (H1 2023: £3.7m) of capital investment, in both our global content, our internal CRM platform (TenMAID) and the continued development of our digital platform.

Additional loan notes of £1.1m were raised during the period and the invoice financing facility was at £0.8m (H1 2023: £2.0m) at the end of the period. Repayment of loans £0.3m (H1 2023: nil), and increased interest paid on the outstanding borrowings, resulted in a decrease in cash and cash equivalents during the period of £0.2m.

Balance sheet	**H1 2024**	**FY 2023**
	£m	**£m**
Intangible assets	16.3	15.4
Property, plant and equipment	0.8	0.9
Right-of-use assets	2.4	1.9
Deferred tax asset	4.4	4.3
Cash	8.0	8.2
Other current assets	12.1	12.1
Current lease liabilities	(1.5)	(1.7)
Current liabilities	(18.9)	(21.0)
Short term borrowings	(2.0)	(1.6)
Non-current lease liabilities	(1.1)	(0.4)
Long-term borrowings	(4.2)	(3.0)
Net assets	**16.3**	**15.2**
Share capital/share premium	32.3	31.3
Reserves	(16.0)	(16.1)
Total equity	**16.3**	**15.2**

Net assets increased by £1.1m to £16.3m at 29 February 2024 compared to £15.2m at 31 August 2023. This was primarily due to continued investment in software development. Net assets of £16.3m includes cash of £8.0m as at 29 February 2024.

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 2023 Annual Report with no new risks or uncertainties being identified in the period.

Alex Cheatle
Chief Executive Officer
19 April 2024

Alan Donald
Chief Financial Officer
19 April 2024

Consolidated statement of comprehensive income

	Note	**6 months to 29 Feb 2024 Unaudited £'000**	**6 months to 28 Feb 2023 Unaudited £'000**
Revenue	**2**	**33,266**	**32,382**

Cost of sales on principal member transactions		(2,353)	(1,528)
Net revenue	**2**	**30,913**	**30,854**
Other cost of sales		(967)	(849)
Gross profit		**29,946**	**30,005**
Administrative expenses		(29,628)	(29,767)
Other income		356	300
Operating profit before amortisation, depreciation, interest, share based payments, exceptional items and taxation ("Adjusted EBITDA")		**5,308**	**4,953**
Depreciation		(1,429)	(1,473)
Amortisation	**3**	(2,846)	(2,526)
Share-based payment expense		(359)	(416)
Operating profit		**674**	**538**
Net finance expense		(413)	(149)
Profit before taxation		**261**	**389**
Taxation expense	**4**	(259)	(574)
Profit / (loss) for the period		**2**	**(185)**
Other comprehensive expense:			
Foreign currency translation differences		(96)	(407)
Total comprehensive loss for the period		**(94)**	**(592)**
Basic and diluted profit / (loss) per ordinary share	**5**	0.0p	(0.2)p
Diluted profit / (loss) per ordinary share		0.0p	(0.2)p
Basic underlying (loss) per ordinary share		(0.5)p	(0.2)p
Diluted underlying (loss) per ordinary share		(0.5)p	(0.2)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	6 months to 29 Feb 2024 Unaudited £'000	31 August 2023 Audited £'000
Non-current assets			
Intangible assets	**3**	16,278	15,394
Property, plant and equipment		764	912
Right of use assets		2,442	1,911
Deferred tax asset		4,419	4,297
Total non-current assets		**23,903**	**22,514**
Current assets			
Inventories		451	511
Trade and other receivables		11,614	11,608
Cash and cash equivalents		7,955	8,229
Total current assets		**20,020**	**20,348**
Total assets		**43,923**	**42,862**
Current liabilities			
Trade and other payables		(18,292)	(20,059)

Provisions		(597)	(931)
Lease liabilities		(1,491)	(1,738)
Borrowings	**6**	(1,963)	(1,622)
Total current liabilities		**(22,343)**	**(24,350)**
Net current liabilities		**(2,323)**	**(4,002)**
Non-current liabilities			
Lease liabilities		(1,087)	(399)
Borrowings	**6**	(4,177)	(2,950)
Total non-current liabilities		**(5,264)**	**(3,349)**
Total liabilities		**(27,607)**	**(27,699)**
Net assets		**16,316**	**15,163**
Equity			
Called up share capital		86	85
Share premium account		32,256	31,272
Merger relief reserve		1,993	1,993
Foreign exchange reserve		(1,207)	(1,111)
Treasury reserve		606	606
Retained deficit		(17,418)	(17,682)
Total equity		**16,316**	**15,163**

Consolidated statement of changes in equity

	Called up share capital	**Share premium account**	**Merger relief reserve**	**Foreign exchange reserve**	**Treasury reserve**	**Retained deficit**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Balance at 1 September 2022	**84**	**30,658**	**1,993**	**(547)**	**513**	**(22,858)**	**9,843**
Period ended 31 August 2022:							
Profit for the year	-	-	-	-	-	4,547	4,547
Foreign Exchange	-	-	-	(564)	-	-	(564)
Total comprehensive income for the year	**-**	**-**	**-**	**(564)**		**4,547**	**3,983**
Issue of new share capital	1	614	-	-	-	-	615
Shares purchased by Employee Benefit Trust (EBT)	-	-	-	-	93	-	93
Equity-settled share-based payments charge	-	-	-	-	-	629	629
Balance at 31 August 2023 (Audited)	**85**	**31,272**	**1,993**	**(1,111)**	**606**	**(17,682)**	**15,163**
Profit for the period	-	-	-	-	-	2	2
Foreign exchange	-	-	-	(96)	-	-	(96)
Total comprehensive income for the period	**-**	**-**	**-**	**(96)**	**-**	**2**	**(94)**
Issue of new share capital	1	984	-	-	-	-	985
Equity-settled share-based payments charge	-	-	-	-	-	262	262
Balance at 29 February 2024 (Unaudited)	**86**	**32,256**	**1,993**	**(1,207)**	**606**	**(17,418)**	**16,316**

Condensed consolidated statement of cash flows

	6 months to 29 Feb 2024 £'000	6 months to 28 Feb 2023 £'000
Cash flows from operating activities		
Loss for the period, after tax	2	(185)
Adjustments for:		
Taxation expense	259	574
Net finance expense	413	149
Amortisation of intangible assets	2,846	2,526
Depreciation of property, plant and equipment	245	254
Depreciation of right-of-use asset	1,184	1,219
Equity-settled share-based payment expense	359	416
Movement in working capital:		
Decrease in inventories	60	51
Decrease/(Increase) in trade and other receivables	552	(1,689)
(Decrease)/Increase in trade and other payables	(2,605)	205
Cash generated from operations	**3,315**	**3,520**
Tax paid	(525)	(401)
Net cash from operating activities	**2,790**	**3,119**
Cashflows from investing activities		
Purchase of intangible assets	(3,730)	(3,683)
Purchase of property, plant and equipment	(101)	(250)
Finance income	6	6
Net cash used by investing activities	**(3,825)**	**(3,927)**
Cash flows from financing activities		
Lease Liability repayments	(1,276)	(1,280)
Loan receipts - invoice discounting	641	2,084
Interest paid	(241)	(178)
Interest paid on IFRS16 lease liabilities	(108)	(81)
Cash receipts from issue of share capital	985	15
Loan receipts - loan notes	1,075	1,185
Loan payments - loan notes	(300)	-
Net cash generated by financing activities	**776**	**1,745**
Foreign currency cash and cash equivalents movements	(15)	(363)
Net decrease in cash and cash equivalents	(274)	574
Cash and cash equivalents at beginning of period	**8,229**	**6,584**
Cash and cash equivalents at end of period		
Cash at bank and in hand	7,955	7,158
Cash and cash equivalents	**7,955**	**7,158**

Notes to the Interim Financial Information

1. Basis of preparation

These interim 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 2023 Annual Report. The financial information for the half years ended 29 February 2024 and 28 February 2023 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 2023 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 2023 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 2023 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 2023 annual financial statements. 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 29 February 2024, the date of the interim consolidated financial statements, the Group had cash of £8.0m. During the period, the Group obtained an additional £1.1m of loan financing to replace existing debt as and when it comes due.

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 severe but plausible scenarios reflecting a potential reduction in variable revenue, as well as the potential failure to successfully renew contracts in the forecast periods. In response, the Directors have identified cost savings available to the Group should these scenarios arise such that the reduction in revenues would be offset by necessary costs savings. Having assessed these scenarios, the Group would be able to continue to operate with its existing working capital facilities.

The Directors have evaluated the Groups ability to operate as a going concern 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.

The Board of Directors approved this interim report on 19 April 2024.

2. **Segmental Information**

The total revenue for the Group has been derived from its principal activity; the provision of concierge services. Due to a change in management structure as referred to in the 2023 Annual Report, we have changed our segmental information to Europe, Americas and AMEA and both periods below reflect the same.

	6 months to 29 Feb 2024 (Unaudited) £'000	**6 months to 28 Feb 2023 (Unaudited) £'000**
Europe	12,911	12,422
Americas	12,485	13,069
AMEA	5,517	5,362
Net revenue	**30,913**	**30,854**
Add back: Cost of sales on principal transactions	2,353	1,528
Revenue	**33,266**	**32,382**

Europe	4,557	3,989
Americas	188	825
AMEA	562	139
Adjusted EBITDA	**5,308**	**4,953**
Amortisation	(2,846)	(2,526)
Depreciation	(1,429)	(1,473)
Share-based payment expense	(359)	(416)
Operating profit	**674**	**538**
Other net finance expense	(413)	(149)
Profit before taxation	**261**	**389**
Taxation credit	(259)	(574)
Profit / (Loss) for the period	**2**	**(185)**

Net Revenue is a non-GAAP Group measure that includes 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 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 Group level.

3. Intangible Assets

The Group capitalised £3.7m (H1 2023: £3.7m, FY 2023: £7.3m) 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 £16.3m (H1 2023: £14.6m, FY 2023: £15.4m) after an amortisation charge of £2.8m (H1 2023: £2.5m, FY 2023: £5.3m).

4. Taxation

The income tax expense has been recognised based on the best estimate of the weighted average annual effective UK corporation tax rate expected for the full financial year. The income tax expense of £0.3m (H1 2023: £0.6m) includes foreign taxes recognised by overseas Group companies on a territory-by-territory basis using the expected effective tax rate for the full year. The Group has an effective tax rate of 100% (H1 2023: 150%). This is primarily the result of the geographical distribution of profits and the tax rates in those regions, the effect of which is a charge of £0.7m. This has been offset by the impact of recognition by deferred tax assets relating to historical losses of £0.5m (H1 2023: nil).

5. Earnings Per Share

Basic EPS	6 months to 29 Feb 2024 £'000	6 months to 28 Feb 2023 £'000
Profit / (loss) attributable to equity shareholders of the parent	2	(185)
Weighted average number of ordinary shares in issue (net of treasury)	85,038,465	83,808,935
Basic profit / (loss) per share (pence)	0.0p	(0.2)p

Basic profit per ordinary share

Basic profit per ordinary share is calculated by dividing the net result for the period attributable to shareholders by the weighted number of ordinary shares outstanding during the period (H1 2023: -0.2p)

Diluted EPS	6 months to 29 Feb 2024 £'000	6 months to 28 Feb 2023 £'000
Profit / (loss) attributable to equity shareholders of the parent	2	(185)

Weighted average number of ordinary shares in issue (net of treasury)	85,876,479	83,808,935
Basic profit / (loss) per share (pence)	0.0p	(0.2)p

Diluted earnings per ordinary share

Diluted earnings per share is calculated as per IAS 33 by adjusting the weighted average number of ordinary shares outstanding for the dilutive effect of 'in the money' share options, which are the only dilutive potential common shares for the Group. The net profit attributable to ordinary shareholders is divided by the adjusted weighted average number of shares. 'Out of the money' share options are excluded from the calculation as they are non-dilutive. Where the Group has incurred a loss in the period, the diluted loss per share is the same as the basic loss per share as the loss has an anti-dilutive effect.

	6 months to 29 Feb 2024	**6 months to 28 Feb 2023**
Underlying EPS	**£'000**	**£'000**
Profit/(Loss) attributable to equity shareholders of the parent	2	(185)
Excluding Exceptional Items & Taxes		
Exceptional Items	-	-
Recognition of historical tax losses	(461)	-
Underlying loss attributable to equity shareholders of the parent	(459)	(185)
Basic weighted average number of ordinary shares in issue (net of treasury)	85,038,465	83,808,935
Basic underlying loss per share (pence)	(0.5)p	(0.2)p
Diluted weighted average number of ordinary shares in issue (net of treasury)	85,038,465	83,808,935
Diluted underlying loss per share (pence)	(0.5)p	(0.2)p

Underlying earnings per ordinary share

Underlying earnings per share is calculated by adjusting the profit/(loss) attributable to equity shareholders for exceptional items and associated taxes along with non-underlying tax items such as deferred tax arising from the recognition of historical losses. No changes are made to the weighted average number of ordinary shares.

6. Borrowings

The Group has £6.1m of loans (FY 2023: £4.6m), which includes the 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£. At 29 February 2024 the invoice financing facilities was £0.8m (H1 2023: £2.1m). 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.

During the period, the Group obtained a further £1.1m in loans from private lenders, interest is payable at a rate of 12% per annum.

7. Post-period events

The Company has evaluated subsequent events through the date of issuance of these financial statements, and determined that there were no significant events that occurred after the balance sheet date that would require disclosure.

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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