

## APPENDIX 4E

FOR THE YEAR ENDED 30 JUNE 2022

(PREVIOUS CORRESPONDING PERIOD BEING THE YEAR ENDED 30 JUNE 2021)

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

	2022	2021
	\$000	\$000
Revenue from continuing operations	55,818	44,449
Profit before impairment, interest, taxes, depreciation and amortisation (EBITDA) from continuing operations	(5,286)	6,359
Loss before tax from continuing operations	(17,910)	(3,046)
Loss after tax from continuing operations attributable to shareholders	(13,583)	(4,759)
Net loss after tax from continuing and discontinued operations attributable to shareholders	(13,583)	(4,301)
<b>Net tangible assets</b>	<b>65,308</b>	<b>64,164</b>
Net tangible assets cents per share	8.7 cents	11.5 cents

### DIVIDENDS

No dividend has been paid or declared during the period.

### AUDITOR'S REPORT

This Appendix 4E is based on the Annual Report for the year ended 30 June 2022 (as attached) which has been audited by Experience Co Limited's auditors.

### OTHER INFORMATION

The remainder of the information requiring disclosure to comply with the Listing Rule 4.3A is contained in the Annual Report that follows.

### ANNUAL GENERAL MEETING

Experience Co Limited advises that its Annual General Meeting is scheduled to be held on Wednesday, 26 October 2022, 11:30AM (Australian Eastern Standard Time).

Details relating to the meeting will be advised in the Notice of Meeting to be sent to all shareholders and released to the ASX.

In accordance with ASX listing rules, valid nominations for the position of Director are required to be lodged at the registered office of the Company by 5PM (Australian Eastern Standard Time) on Monday, 6 September 2022.

# FY22

## ANNUAL REPORT



REEF MAGIC 'REMOORA' | CAIRNS | AUSTRALIA

**EXPERIENCECO**

ABN 56 167 320 470

# ABOUT US

Experience Co Limited (EXP) aims to be Australia and New Zealand's most recognised and respected adventure tourism and leisure business.

We are all about helping you escape the ordinary, with safety and adventure at the core of what we do.

Founded in 1999 as a tandem skydiving operation in Wollongong, Australia, the EXP Group has grown to be a diversified adventure tourism business comprising skydiving, dive and snorkel, premium and family adventure experiences.

Our experiences are primarily located on Australia's seaboard from the Great Ocean Road in Victoria to Tropical North Queensland's Cape Tribulation, and a Perth based operation on the western seaboard.

Complemented by our world leading tandem skydive drop zones located in Queenstown, New Zealand and luxury lodging and walking experiences in some of Australia's premier wilderness areas, such as Kakadu, Flinders Ranges and Maria Island our footprint showcases Australasia's natural beauty through the lens of adventure





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# CHAIRMAN & CEO REPORT

On behalf of the Experience Co Limited Board and Management, we are pleased to present the Annual Report for the year ended 30 June 2022.

The pandemic evolved through the year, and along with the emergence of further externalities, has delayed the expected recovery. Demand remained a domestic story however we expect increasing international inbound visitation from late 2022 to be positive for demand and labour supply across the portfolio.

The Underlying EBITDA loss of \$2.4m reflected the significant externalities that impacted the Group's operations throughout the period and accordingly the Directors have determined that a final dividend for FY22 will not be declared.

## YEAR IN REVIEW

The optimism leading into the year, was swiftly curtailed by the pandemic with the impact of the Delta variant in key markets in Australia and New Zealand, significantly impacting Q1 and early Q2.

Omicron adversely impacted demand and workforce capacity and efficiency, and led to the third consecutive summer where operations were significantly restricted. Into the second half, an improved demand was welcomed, however the challenges of labour shortages and extreme La Nina weather events caused trading conditions to remain unpredictable.

## GROWING THE BUSINESS

We are delighted to have successfully completed the acquisition of Wild Bush Luxury (including the Maria Island Walk) and Treetops Adventure, Australia's leading aerial ropes and ziplining provider. These acquisitions have improved the quality of our portfolio, increasing our exposure to domestic markets in complementary customer segments. Performance of these businesses to date, provide early validation of our strategy and we look forward to growing these businesses.

In April 2022 we welcomed our first customers onboard the newly constructed Reef Magic pontoon ('Remoora'). Requiring an investment of over \$7 million and in conjunction with the Queensland Government, Remoora is leading sustainability and science tourism on the Great Barrier Reef.

In July 2022, we opened Treetops Adventure second new site, Cape Tribulation, which followed the successful opening of St Ives in late 2021.

## INVESTING IN OUR PLATFORM

Capital discipline continued to be a focus, ensuring the Group is positioned for recovery. Investments in CRM systems and our consumer websites have been timely as demand has returned, yielding strong results late in the year. Integrating the acquisitions has been a priority in the period, and provided opportunities to leverage not only the technology investment, but also the broader corporate platform now in place.

People remain at the core of our business, and during the year we launched our first Group wide employee survey, and were pleased with both the participation levels and the employee satisfaction levels.

## OUTLOOK

Australia and NZ remain highly desirable destinations and we are confident our portfolio of experiences will continue to be attractive to both domestic and international markets.

Despite the challenges of FY22, the Group has a well capitalised balance sheet and is well placed for the recovery of the business to pre pandemic levels. Management continues to evaluate complementary acquisitions and organic growth opportunities.

The Group has commenced FY23 with cautious optimism and is expecting both domestic and international market conditions to improve as the year progresses, while acknowledging the heightened risk to macroeconomic conditions.

## ACKNOWLEDGEMENTS

We acknowledge the commitment and hard work of our colleagues throughout the business. We look forward to working with you as our business rebounds.

The Board acknowledges the strong support from our investors demonstrated by the successful capital raise in October 2021.

Thank you to our customers, trading partners and all other stakeholders for their ongoing support of the Group.



**Kerry (Bob) East**  
Chairman



**John O'Sullivan**  
Chief Executive Officer

# OUR DIRECTORS



## KERRY (BOB) EAST

**Independent Non-Executive Director (Chair of Board)**

**Appointed as Non-Executive Director on 30 April 2018**

**Appointed Chair of the Board on 26 October 2018**

**Executive Chairman from February 2019 until 29 July 2019**

**Chair – Remuneration & Nomination Committee**

**Member – Audit & Risk Committee**

### BACKGROUND

Bob has extensive leadership experience and more than 30 years' experience in the tourism and hospitality industries. Prior to joining Experience Co, Bob formed the Mantra Group (ASX 200) which listed on the ASX in 2014 with over 140 hotels across Australia, the US and Asia. Bob holds Non- Executive Director roles in Gold Coast Football Club Ltd, Australia Venue Company Pty Ltd (Chair) and Cettire Limited (Chair).

Bob holds an MBA and is a Member of the Australian Institute of Company Directors (AICD).

### Listed Company Directorships in last 3 years

Cettire Limited (ASX: CTT) Non-Executive Chair

### Equity Interests (Direct/Indirect)

2,235,657 Ordinary shares



## ANTHONY BOUCAUT

**Transition to Non-Executive Director 2 September 2019**

**Prior to transition, CEO of the Group from 1999 to February 2017 & Managing Director of Group to 2019**

### BACKGROUND

Anthony successfully completed Australia's first Adventure tourism IPO in 2015, listing his business, Skydive The Beach and acquired several skydiving businesses across Australia and New Zealand.

Anthony has 35 years' experience in the aviation industry and over 30 years' experience in skydiving. During his final years at university, Anthony formed a skydiving business known as Skydive The Beach, a new business model that brought tandem skydiving to the public in populated areas landing predominantly near or on the beach. Anthony led the business as Chief Executive Officer from inception in 1999 until 2017 with a break for ill health.

Anthony holds a Bachelor of Science (Bsc), is a qualified Aviation Electronics Engineer (ATC), Former Australian Defence Force member (for 7 years) an approved member of the Australian Parachuting Federation (APF), a Senior Person and Aviation CEO approved by the Civil Aviation Authority (CAA) New Zealand in both Adventure Aviation and Aircraft Maintenance, and an approved Maintenance CEO by the Civil Aviation Safety Authority (CASA) Australia.

Anthony is also owner and director of numerous private companies

### Listed Company Directorships in last 3 years

None

### Equity Interests (Direct/Indirect)

180,898,814 Fully Paid Ordinary Shares

3,000,000 Options over Ordinary Shares



## NEIL CATHIE

**Independent Non-Executive Director**

**Appointed on 16 October 2019**

**Chair – Audit & Risk Committee**

**Member – Remuneration & Nomination Committee**

### BACKGROUND

Neil is currently Non-Executive Chair of Coventry Group Limited, independent Board advisor and Chair at Middendorp Electric and independent Board advisor at Bowens Timber & Hardware.

Previously Chief Financial Officer, Company Secretary and GM Finance and IT of Australia's largest and most successful plumbing and bathroom distributor Reece Ltd and Non-Executive director of Millennium Services Group Ltd.

Neil is a Fellow of CPA Australia (FCPA), graduate member of the Australian Institute of Company Directors (AICD) and a Fellow of the Governance Institute of Australia (FGIA).

### Listed Company Directorships in last 3 years

Coventry Group Limited (ASX: CYG) Non-Executive Chair

### Equity Interests (Direct/Indirect)

891,865 Fully Paid Ordinary Shares



# OUR DIRECTORS

## MICHELLE COX



**Independent Non-Executive Director**

**Appointed on 1 January 2020**

**Member – Audit & Risk Committee**

**Member – Remuneration & Nomination Committee**

**BACKGROUND**

Michelle has held executive roles at Bastion Collective, STA Travel and APT Group of Companies. She also held Non-Executive roles, among others, with Australian Tourism Export Council (NT Chair), Central Australia Tourism Industry Association (Deputy Chair) and the NT Business Women's Consultative Council Advisory Board.

Michelle is currently a Board Member of Tourism Tasmania, BSA Limited, The Linchpin Company and a number of private companies.

Michelle is also a Graduate Member of the Australian Institute of Company Directors (GAICD).

**Listed Company Directorships in last 3 years**

BSA Limited (ASX: BSA) Non-Executive Director

**Equity Interests (Direct/Indirect)**

Nil

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## JOHN O'SULLIVAN



**Executive Director and Chief Executive Officer**

**Appointed on 29 July 2019**

**BACKGROUND**

John has over 25 years' experience in the tourism & travel, sport & entertainment and media industries, having held senior executive roles with Football Federation Australia (Chief Commercial Officer), Events Queensland (Chief Executive Officer), Fox Sports (Chief Operating Officer). Prior to joining Experience Co, John was Managing Director of Tourism Australia where he managed a team of more than 200 staff in 15 locations, including Shanghai, London, Los Angeles and Mumbai, and oversaw a period of record growth of international visitation and expenditure to Australia..

John has extensive leadership capabilities and experience in sales and marketing, strategic planning, event management and digital technology.

John is a Board Member of Tourism Tropical North Queensland and Netball Australia. He holds an Executive MBA and is a Graduate Member of the Australian Institute of Company Directors (GAICD)

**Listed Company Directorships in last 3 years**

None

**Equity Interests (Direct/Indirect)**

1,333,426 Ordinary shares

401,671 Service Rights over Ordinary Shares

3,809,326 Performance Rights over Ordinary Shares

# DIRECTORS' REPORT

The directors present their report on the consolidated entity (referred to herein as the Group) consisting of Experience Co Limited and its controlled entities for the year ended 30 June 2022.

## DIRECTORS

The following persons were directors of Experience Co Limited during the year and up to the date of this report:

Kerry (Bob) East	Chair, Independent Non-Executive Director
Anthony Boucaut	Non-Executive Director
Neil Cathie	Independent Non-Executive Director
Michelle Cox	Independent Non-Executive Director
John O'Sullivan	Chief Executive Officer and Executive Director

## DIRECTORS' MEETINGS

The number of Board meetings held (including Board Committee meetings) and the number of meetings attended by each of the Directors of the Company, during the financial year are listed below:

	Board of Directors		Audit & Risk Management Committee		Remuneration & Nomination Committee	
	Held	Attended	Held	Attended	Held	Attended
Bob East	10	10	3	3	2	2
Anthony Boucaut	10	8	NA	NA	NA	NA
Neil Cathie	10	9	3	3	2	2
Michelle Cox	10	10	3	3	2	2
John O'Sullivan	10	10	NA	NA	NA	NA

**NA = not a member of the relevant Committee**

## Company Secretary

Fiona van Wyk rejoined the Group as Company Secretary on 6 November 2022 replacing Mark Licciardo who resigned on the same date.

Fiona has over 25 years' company secretarial, corporate governance and corporate compliance experience including 15 years as Company Secretary of ASX listed companies. Fiona is a Chartered Secretary and holds a Diploma in Corporate Law from the University of Johannesburg. Fiona is a Fellow of the Governance Institute of Australia and a Member of the Australian Institute of Company Directors.

## REVIEW OF OPERATIONS

### Principal Activities

The principal activities of the Group during the period were the provision of adventure tourism and leisure experiences. These activities have historically included tandem skydiving in Australian and New Zealand, and tours to the Great Barrier Reef and Daintree region.

During the year the Group completed acquisitions that broadened the portfolio of experiences to include nature based walking and lodge experiences (Wild Bush Luxury and Maria Island Walk) and high rope and zipline aerial adventures (Treetops Adventure).



# DIRECTORS' REPORT

## REVIEW OF OPERATIONS (CONTINUED)

### Group Financial Performance

	30 June 2022 \$000	30 June 2021 \$000	% change
Revenue	55,818	44,449	26%
Underlying EBITDA	(2,370)	6,761	n/a
Net loss after tax	(13,583)	(4,301)	n/a
Net cash / (debt)	3,015	(2,779)	n/a

<sup>1</sup> Underlying EBITDA is presented including the application of AASB 16. Refer to Note 2 to the FY22 audited financial statements for a reconciliation between statutory and underlying.

The Group incurred a net loss after tax from continuing operations of \$13.6 million (30 June 2021: \$4.3 million loss).

Throughout FY22, the Group experienced some of the most challenging trading conditions of the pandemic. With momentum building into the summer trading period, the emergence of the Omicron strain followed by record case levels, the compounding effect of health directives and overwhelmed testing capabilities adversely impacted consumer participation and staffing availability in our peak period.

In 2H22 these conditions eased somewhat however performance was further impacted by a delay in return of customer volumes as well as rising fuel prices and extreme wet weather hampering the recovery of our east coast operations.

Pleasingly, the second half saw Australia and New Zealand both open for international visitors for the first time since March 2020, and while this had no meaningful impact on trading in FY22, this is expected to support the international recovery as the calendar year progresses. On the domestic front, Easter trading exceeded expectations across the Group despite the extremely challenging trading conditions of Q322.

The slower recovery for the industry combined with a generational low level of unemployment across the economy, saw an intensification of labour shortages in our operations as the year progressed, impacting operating capacity and efficiency - a trend we expect to continue in the short term.

While the pandemic recovery has been delayed and global macroeconomic risks have heightened since our 1H22 update, the Group was encouraged to see robust trading across the Adventure Experiences segment in the final quarter of FY22 demonstrating that demand is robust when conditions allow. We remain optimistic this will be the case for the Skydiving segment as the spring season 2022 commences.

### BALANCE SHEET

The Group maintains a well capitalised balance sheet following the successful capital raise in October 2021 in support of the acquisition of Treetops Adventure. As at 30 June 2022 the Group had cash and cash equivalents of \$18.3 million and net cash of \$3.0 million.

### ACQUISITIONS DURING THE PERIOD

#### Wild Bush Luxury and Maria Island Walk

On 19 July 2021 we completed the acquisition of Wild Bush Luxury and welcomed its founder, Charles Carlow to the Group to lead our newly established premium adventure category. Wild Bush Luxury includes luxury lodges Arkaba Homestead and Walk in South Australia's Flinders Ranges and Bamurru Plains in the Kakadu region of the Northern Territory.

On 30 November 2021 we completed the acquisition of the Maria Island Walk in Tasmania, which has been integrated into the Wild Bush Luxury brand portfolio.

These acquisitions are consistent with the Group's growth strategy to diversify the adventure experience portfolio. The Wild Bush Luxury and Maria Island Walk wilderness experiences are highly complementary and provide the Group exposure to a growth category with resilient domestic demand and strong international support when borders are open.

# DIRECTORS' REPORT

## ACQUISITIONS DURING THE PERIOD (CONTINUED)

### Treetops Adventure

On 30 November 2021 we completed the acquisition of the Treetops Adventure portfolio of high ropes courses and zip line activities.

Treetops Adventure provides an exposure to the growing family adventure market attracting customers seeking experiences with a connection to nature and targeted at a younger audience. With over 400,000 domestic visitors annually, Treetops Adventure improves the quality and scale of the Group's portfolio

Pleasingly, each of the acquired businesses were less impacted by pandemic related factors demonstrating the benefits of our strategy to reweight the Group's portfolio of assets and increase exposure to domestic markets.

## OUTLOOK

The Group has commenced FY23 with cautious optimism and is expecting improved domestic and international trading conditions from spring 2022 all the while acknowledging the heightened risk in global and domestic macroeconomic conditions.

The Group maintains high conviction that Australia and New Zealand will be highly desirable destinations for international markets. We expect our diversified adventure experience portfolio to continue to attract domestic markets, as international markets recover to pre pandemic levels through to 2025.

Despite the challenges of FY22, the Group has a well capitalised balance sheet and continues to evaluate complementary acquisitions and organic growth opportunities.

Due to continued uncertainty EXP is not providing earnings guidance for FY23.

## DIVIDENDS

No dividend was paid or declared during the period.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Except for the acquisitions during the year, in the opinion of the Directors, there have been no other significant changes in the Group's state of affairs during the year.

## SUBSEQUENT EVENTS

There have been no significant subsequent events since the end of the period.

## OPTIONS AND RIGHTS

Details on options and rights are set out in the Remuneration Report in relation to KMP.

## ENVIRONMENTAL

The Group holds relevant and valid permits under regulatory bodies such as the Great Barrier Reef Marine Park Authority (GBRMPA) and Queensland Parks and Wildlife Service (QPWS) and the Group carries out its activities within the guidelines prescribed by such regulators. Compliance with existing environmental regulations and new regulations are monitored annually. The Group continues to support best practice operations with a focus on protection of the Great Barrier Reef and the environment as a whole. The directors are not aware of any material breaches during the period covered by this report.

For the financial year ended 30 June 2022 and as at the date of this report, the Group has not been prosecuted nor incurred any infringement penalty for environmental incidents.

Respecting the environment in which we operate is a core value of the Group.



# DIRECTORS' REPORT

## CORPORATE GOVERNANCE STATEMENT

The Group's corporate governance statement current as at the date of this report can be found on the Company's website ([www.experienceco.com](http://www.experienceco.com)).

## PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company, or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

## INSURANCE OF OFFICERS AND AUDITOR

The Company insures all past, present and future directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity as directors of the company, other than conduct involving a willful breach of duty in relation to the Company. These contracts prohibit further disclosure of the nature of the liabilities and the amounts of premiums.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to ensure the auditor of the Company or any related entity.

## NON-AUDIT SERVICES

The Board of Directors, in accordance with advice from the Audit and Risk Committee, are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- The nature of the non-audit services provided do not materially affect the integrity and objectivity of the auditor; and
- The nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Details of the amounts paid to the auditor of the Company, RSM and its related practices, for audit and non-audit services provided during the year, are set out in Note 8 to the audited financial statements.

## AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration made in accordance with Section 307C of the Corporations Act 2001 forms part of this directors' report.

## ROUNDING OF AMOUNTS

The Company is an entity to which ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191 issued by ASIC relating to rounding off applies and in accordance with that instrument amounts in the Financial Statements and Directors' Reports have been rounded to the nearest thousand dollars unless otherwise stated.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

Signed in accordance with a resolution of directors.



**John O'Sullivan**  
Chief Executive Officer  
Dated: **24 August 2022**



**Kerry (Bob) East**  
Chairman

# REMUNERATION REPORT

## REMUNERATION POLICY AND GOVERNANCE

The Remuneration and Nomination Committee reviews Senior Executive remuneration packages annually with reference to the Group's financial performance, the performance of the individual Senior Executive and relevant comparable industry information.

The remuneration policy aims to ensure that the remuneration structures:

- Are aligned to the business needs, goals, values and objectives
- Are competitive and reasonable
- Enable the Company to motivate, attract and retain Senior Executives
- Promotes long-term sustainable growth in shareholder value

The EXP Employee Incentive Plan (EEIP) is designed to encourage employees to share in the ownership and promote the long-term success of the Company. Employees under the EEIP include full-time or permanent part-time employees or officers and Directors of the Company or any related body corporate of the Company.

The EEIP is designed with flexibility to grant awards including Service Rights (subject to service based vesting conditions) and Performance Rights (subject to long-term performance based vesting conditions and the Board's discretion) as part of Short Term Incentives (STIs) and Long Term Incentives (LTIs). Participation in the EEIP is at the Board's discretion.

At the 2021 Annual General Meeting, EXP received over 99% of "in favour" votes on its remuneration report for the 2021 financial year.

## KEY MANAGEMENT PERSONNEL

The Key Management Personnel (KMP) for the Group for FY22, are those persons whose remuneration must be disclosed in this report and includes Non-Executive Directors, Executive Directors and members of the Senior Executive who have the authority and responsibility for planning, directing and controlling the activities of the Group.

Directors	Other KMPs
<p><b>Non-Executive Directors</b>            Bob East, Chair of the Board            Anthony Boucaut            Neil Cathie            Michelle Cox</p> <p><b>Executive Director and CEO</b>            John O'Sullivan</p>	Owen Kemp, Chief Financial Officer

## NON-EXECUTIVE DIRECTOR REMUNERATION

The Board's policy is to remunerate Non-Executive Directors (NEDs) based on market related fees for time, commitment and responsibilities as NEDs of the Company. The Remuneration and Nomination Committee determines fees payable to NEDs and reviews their remuneration regularly, based on market practice, duties and accountability.

Non-Executive Directors receive a director's fee and fees (inclusive of Superannuation), for chairing or participating on Board Committees, refer below. A portion of Director fees may be sacrificed by each NED in lieu of the grant of Service Rights.

It is Company policy that Non-Executive Directors do not participate in performance-based remuneration.

### Annual Remuneration<sup>1</sup>

Role	2022	2021
Chairman	201,000	200,000
Non-Executive Directors <sup>1</sup>	85,425	85,000
Chair of Committee	15,075	15,000
Member of Committee	5,025	5,000

<sup>1</sup> Anthony Boucaut is remunerated \$154,000 per annum for Non-Executive Director duties and \$33,000 for aviation services.

The maximum annual aggregate of the Director's fee pool is \$750,000 approved by shareholders at the Annual General Meeting of the company on 27 November 2015. Any change to this aggregate annual amount is required to be approved by Shareholders.

All Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment.



# REMUNERATION REPORT

## EXECUTIVE KMP AND SENIOR EXECUTIVE REMUNERATION

Remuneration for Executive KMPs and Senior Executives comprise three elements:

- Fixed Remuneration: comprising salary, superannuation and benefits
- Eligibility to participate in the Short Term Incentive (STI) Plan
- Eligibility to participate in the Long Term Incentive (LTI) Plan

### Fixed Remuneration

<b>Composition</b>	Fixed remuneration comprises salary, superannuation and other fixed elements of remuneration such as vehicle allowances
<b>Determination</b>	Fixed remuneration is determined based on market comparisons for similar positions, taking into account the experience and skills of the Executive involved

### STI Plan

<b>Purpose</b>	Reward for annual performance using performance metrics aimed at driving longer term shareholder value
<b>Participation</b>	Executive KMP and other Senior Executives
<b>Opportunity</b>	Maximum STI opportunity as a percentage of fixed remuneration up to 65% for the CEO and CFO and up to 55% for other Senior Executives (in FY22 50% and 45% respectively)
<b>Performance Period</b>	Performance is measured from 1 July to 30 June
<b>Performance Measures</b>	STI awards are based on the Group achieving internal Group budgeted EBITDA as well as individual Key Performance Indicators (KPIs) covering financial and non financial related metrics. Assessment and payment of any incentive is based on the audited financial results of the respective financial year and remains at the discretion of the EXP Board
<b>Payment</b>	Any outcome from the STI is settled with a combination of cash, Performance Rights and Deferred Service Rights (DFRs) subject to Board discretion

### LTI Plan

<b>Purpose</b>	Reward for annual performance using performance metrics that will drive longer term shareholder value
<b>Participation</b>	Executive KMP and other Senior Executives
<b>Opportunity</b>	LTI opportunity as a percentage of fixed remuneration is up to 50%
<b>Performance Period</b>	Performance is measured over three years
<b>Performance Measures</b>	Performance Rights will vest subject to meeting absolute targets and Board discretion
<b>Delivery</b>	Performance Rights

### FY22 Long Term Incentive

Aimed at aligning the longer term interests of Executive KMP and Senior Executives with that of shareholders, the Board approved the award of Performance Rights subject to long-term performance based vesting conditions. The grant of Performance Rights in accordance with the Company's Long Term Incentive Plan to the CEO was approved at the 2021 Annual General and the grant to the Executive KMP and other Senior Executives was made on 22 November 2021.

In FY22, the Board exercised its discretion to allow for the vesting of two thirds of the LTI Performance Rights granted to the Executive KMP in November 2019, being the Chief Executive Officer (CEO) and Chief Financial Officer (CFO). This discretion was based on the Executive KMP's performance over the period, including successful execution of the Strategic Review completed in 2020 and navigating the Group through the challenges of the pandemic which rendered the target measures unattainable. These Performance Rights are expected to vest in September 2022.

### Executive KMP Employment Conditions

	Term of Agreement	Notice Period	Termination Entitlements
John O'Sullivan	No definite term	6 months	6 months
Owen Kemp	No definite term	6 months	6 months

# REMUNERATION REPORT

## KMP DETAILS OF COMPENSATION

The following table sets out the components of the current year and comparative year remuneration for each member of KMP of the group.

Year	Short-term			Total Short Term	Post-employment	Other long-term			Total	Proportion performance related
	Cash Salary, leave paid and fees	Cash bonus	Share based payment expense <sup>1</sup>		Super-annuation	Long-service & annual leave accrual	Share based payment expense <sup>1</sup>			
<b>Group KMP</b>										
Bob East	<b>2022</b>	<b>187,858</b>	-	-	<b>187,858</b>	<b>18,786</b>	-	<b>7,763</b>	<b>214,407</b>	-
	2021	151,942	-	-	151,942	20,134	-	90,491	262,567	-
Anthony Boucaut	<b>2022</b>	<b>170,000</b>	-	-	<b>170,000</b>	<b>17,000</b>	-	-	<b>187,000</b>	-
	2021	188,206	-	-	188,206	17,880	-	-	206,086	-
Neil Cathie	<b>2022</b>	<b>95,881</b>	-	-	<b>95,881</b>	<b>9,588</b>	-	-	<b>105,469</b>	-
	2021	94,842	-	-	94,842	9,010	-	-	103,852	-
Michelle Cox	<b>2022</b>	<b>86,750</b>	-	-	<b>86,750</b>	<b>8,675</b>	-	-	<b>95,424</b>	-
	2021	92,005	-	-	92,005	8,740	-	-	100,745	-
<b>Directors</b>	<b>2022</b>	<b>540,489</b>	-	-	<b>540,489</b>	<b>54,049</b>	-	<b>7,763</b>	<b>602,301</b>	-
	2021	526,995	-	-	526,995	55,764	-	90,491	673,250	-
John O'Sullivan	<b>2022</b>	<b>514,428</b>	-	<b>163,414</b>	<b>677,842</b>	<b>23,144</b>	<b>31,840</b>	<b>292,376</b>	<b>1,025,202</b>	<b>22%</b>
	2021	496,540	-	-	496,540	23,459	18,952	210,535	749,486	16%
Owen Kemp	<b>2022</b>	<b>370,390</b>	-	<b>124,382</b>	<b>494,772</b>	<b>23,057</b>	<b>20,386</b>	<b>198,709</b>	<b>736,924</b>	<b>24%</b>
	2021	357,512	-	-	357,512	23,552	21,227	139,782	542,073	20%
<b>Executive KMP</b>	<b>2022</b>	<b>884,818</b>	-	<b>287,796</b>	<b>1,172,614</b>	<b>46,201</b>	<b>52,226</b>	<b>491,085</b>	<b>1,762,126</b>	-
	2021	854,052	-	-	854,052	47,011	40,179	350,317	1,291,559	-
<b>Total</b>	<b>2022</b>	<b>1,425,307</b>	-	<b>287,796</b>	<b>1,713,103</b>	<b>100,250</b>	<b>52,226</b>	<b>498,848</b>	<b>2,364,427</b>	<b>n/a</b>
	2021	1,381,047	-	-	1,381,047	102,775	40,179	440,808	1,964,810	n/a

<sup>1</sup> Share based payment expenses are based on the accounting expense recognised in the audited financial statements for the respective period

## KMP EQUITY INTERESTS

### Movement in ordinary shareholdings

The movement during the reporting period in the number of ordinary shares in the Company held directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

	Held at 30 June 2021	Entitlement Offer purchases <sup>1</sup>	Other purchases	Conversion of Performance Rights	Conversion of Service Rights <sup>2</sup>	STI shares granted <sup>3</sup>	Disposals	Held at 30 June 2022
Bob East	1,586,362	476,385	-	-	172,910	-	-	2,235,657
Anthony Boucaut	182,808,239	6,060,606	7,029,969	-	-	-	(15,000,000)	180,898,814
John O'Sullivan	99,805	29,971	92,200	-	270,219	401,671	-	893,866
Neil Cathie	685,891	205,974	-	-	-	-	-	891,865
Michelle Cox	NIL	-	-	-	-	-	-	NIL
Owen Kemp	360,360	108,217	31,250	-	194,599	305,729	(31,250)	968,905

<sup>1</sup> Shares acquired under the Entitlement Offer in October 2021.

<sup>2</sup> 637,728 Service Rights vested and were exercised with no cash consideration payable. Shares were issued to satisfy vesting.

<sup>3</sup> During the year the Board approved the grant of shares for 50% of the FY21 STI awarded to each KMP and Senior Executives. No cash consideration is payable on vesting or exercise. The grant to the CEO was approved at the 2021 Annual General Meeting.

# REMUNERATION REPORT

## KMP EQUITY INTERESTS (CONTINUED)

### Options, Service Rights and Performance Rights

	Held at 30 June 2021	Granted	Vested and Exercised	Lapsed	Held at 30 June 2022	Exercise Price \$	Expiry Date
<b>Options<sup>1</sup></b>							
Anthony Boucaut	3,000,000	-	-	-	3,000,000	0.25	9-Feb-25
<b>Service Rights<sup>2</sup></b>							
<b>NED Service Rights</b>							
Bob East	172,910	-	(172,910)	-	-	Nil	n/a
<b>CEO Service Rights</b>							
John O'Sullivan	439,560	-	-	-	439,560	Nil	29-Jul-22
<b>Service Rights</b>							
John O'Sullivan	270,219	401,671	(270,219)	-	401,671	Nil	30-Jun-23
Owen Kemp	194,559	305,729	(194,559)	-	305,729	Nil	30-Jun-23
<b>Performance Rights<sup>3</sup></b>							
<b>LTI Performance Rights</b>							
John O'Sullivan	2,868,268	941,058	-	-	3,809,326	Nil	30-Nov-25
Owen Kemp	2,425,152	677,562	-	-	3,102,714	Nil	30-Nov-25

<sup>1</sup>No Options were issued or exercised during the year.

<sup>2</sup>172,910 NED Service Rights and 464,818 Service Rights vested and were exercised with no cash consideration payable. Shares were issued to satisfy vesting.

<sup>3</sup> During the year the Board approved the grant of Deferred Service Rights for 50% of the FY21 STI awarded to each KMP and Senior Executives. No cash consideration is payable on vesting or exercise. Each grantee subject to meeting the service criteria of continuing employment as at 30 June 2023 is entitled to receive one EXP share for each service right upon vesting and exercise. The grant to the CEO was approved at the 2021 Annual General Meeting.

## BUSINESS PERFORMANCE

EXP aligns Senior Executive remuneration to objectives aimed at business needs, goals, values, achieving objectives and creation of shareholder value. Incentives for Senior Executives are largely based on achieving internal Group financial and non-financial metrics.

The table below shows the Group's financial performance over the last five years as required by the Corporations Act.

	2022	2021	2020	2019	2018
Sales revenue (\$'000)	55,818	44,453	98,875	161,296	135,300
EBITDA (\$'000)	(5,286)	6,841	5,049	19,265	27,411
Underlying EBITDA (\$'000)	(2,370)	6,761	9,230	27,183	30,172
Net profit/(loss) for the year (\$'000)	(13,583)	(4,301)	(51,413)	(48,258)	6,785
Market capitalisation (\$'000)	165,500	166,744	69,476	141,730	355,720
Dividends paid (\$'000)	-	-	-	5,558	4,349
Earnings per share (cents)	(1.94)	(0.86)	(7.14)	(8.68)	1.34
Share price at financial year end (\$)	0.220	0.300	0.125	0.230	0.640
Dividends paid (cents per share)	-	-	-	0.01	0.01

Underlying EBITDA presented above for the financial years ended 30 June 2022, 2021 and 2020 is for continuing operations and includes the application of AASB 16 Leases.



# REMUNERATION REPORT

## KMP PERFORMANCE RIGHTS KEY INPUTS

	FY19	FY20	FY21	FY22
No. of Performance Rights granted	360,360	2,736,668	3,356,752	1,618,620
Grant Date	4-Mar-19	29-Nov-19	16-Nov-20	23-Nov-21
Share Price at Grant Date	0.355	0.265	0.26	0.33
Vesting Date	4-Mar-20	15-Sep-22	15-Sep-23	15-Sep-24
No. of Performance Rights Vested	360,360	-	-	-
No. of Performance Rights Exercised	360,360	-	-	-
No. of Performance Rights Lapsed	-	800,000	-	-
No. of Performance Rights Outstanding	-	1,936,668	3,356,752	1,618,620
Share-based payments expense <sup>1</sup>	\$124,432	\$87,618	\$293,583	\$402,199

<sup>1</sup> Share-based payments expense represents the expenses recognised in the year attributable to Performance Rights on issue.

## TRANSACTIONS WITH RELATED PARTIES

Apart from those transactions disclosed in this Remuneration Report relating to equity and compensation, other transactions with related parties are set out in further detail in in Note 25 to the Financial Report.

**EXPERIENCECO**

# FINANCIAL STATEMENTS

For the year ended 30 June 2022

**EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES**



ARKABA | FLINDERS RANGES | AUSTRALIA

## EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	No tes	30 June 2022 \$000	30 June 2021 \$000
Sales revenue		55,818	44,449
Cost of sales		(34,946)	(26,878)
<b>Gross profit</b>		<b>20,872</b>	<b>17,571</b>
Other income	4	4,893	13,001
Employee expenses		(15,046)	(13,285)
Depreciation and amortisation expenses		(9,817)	(7,880)
Impairment of property, plant and equipment and other assets		(1,623)	(199)
Marketing and advertising expenses		(2,300)	(1,255)
Repairs and maintenance expenses		(1,457)	(1,356)
Operating expenses		(9,032)	(5,215)
Restructure and other significant expenses	5	(3,210)	(3,020)
Loss on disposal of assets		(6)	(82)
<b>Loss before financial income and taxes</b>		<b>(16,726)</b>	<b>(1,720)</b>
Net finance costs	7	(1,184)	(1,326)
<b>Loss before income tax from continuing operations</b>		<b>(17,910)</b>	<b>(3,046)</b>
Income tax benefit/(expense)	9	4,327	(1,713)
<b>Net loss for the year from continuing operations</b>		<b>(13,583)</b>	<b>(4,759)</b>
<b>Discontinued operations</b>			
Profit after tax for the year from discontinued operations	6	-	458
<b>Loss for the year from continuing and discontinued operations</b>		<b>(13,583)</b>	<b>(4,301)</b>
<i>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</i>			
Exchange differences on translating foreign operations, net of income tax		35	(53)
<b>Other comprehensive income/(loss) for the year</b>		<b>35</b>	<b>(53)</b>
<b>Total comprehensive loss for the year</b>		<b>(13,548)</b>	<b>(4,354)</b>
<b>Earnings per share for continuing operations</b>			
Basic earnings per share (cents)	10	(1.94)	(0.86)
Diluted earnings per share (cents)		(1.94)	(0.86)

The accompanying notes form part of these financial statements.



## EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2022 \$000	As at 30 June 2021 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	18,317	13,321
Trade and other receivables	12	2,625	1,841
Inventories		4,514	3,932
Other assets	13	2,715	2,875
		<b>28,171</b>	<b>21,969</b>
Assets classified as assets held for sale	6	-	2,958
<b>Total current assets</b>		<b>28,171</b>	<b>24,927</b>
<b>Non-current assets</b>			
Property, plant and equipment	15	82,435	64,840
Asset under construction		1,130	4,887
Right-of-use assets	14	17,406	11,741
Deferred tax assets	9	13,747	8,970
Intangible assets	16	45,805	1,264
		<b>160,523</b>	<b>91,702</b>
<b>Total non-current assets</b>		<b>160,523</b>	<b>91,702</b>
<b>Total assets</b>		<b>188,694</b>	<b>116,629</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	17	10,160	5,168
Borrowings	18	902	-
Lease liabilities	14	7,263	5,539
Employee benefits		2,536	1,707
Current tax liability		-	742
Deferred Consideration		2,690	-
Contract liabilities		13,901	5,692
		<b>37,452</b>	<b>18,848</b>
Liabilities directly associated with assets classified as held for sale		-	851
<b>Total current liabilities</b>		<b>37,452</b>	<b>19,699</b>
<b>Non-current liabilities</b>			
Borrowings	18	8,274	7,850
Lease liabilities	14	17,208	14,899
Employee benefits		298	230
Provisions		541	-
Deferred Consideration		1,000	-
		<b>27,321</b>	<b>22,979</b>
<b>Total non-current liabilities</b>		<b>27,321</b>	<b>22,979</b>
<b>Total liabilities</b>		<b>64,773</b>	<b>42,678</b>
<b>Net assets</b>		<b>123,921</b>	<b>73,951</b>
<b>Equity</b>			
Issued capital	20	231,398	168,547
Accumulated losses		(106,322)	(92,739)
Reserves	21	(1,155)	(1,857)
		<b>123,921</b>	<b>73,951</b>

The accompanying notes form part of these financial statements.

## EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Issued Capital \$000	Accumulated Losses \$000	Asset Revaluation Reserve \$000	Common Control Reserve \$000	Share Option Reserve \$000	Foreign Currency Translation Reserve \$000	Total \$000
<b>Balance at 1 July 2020</b>		<b>168,645</b>	<b>(88,438)</b>	<b>1,347</b>	<b>(4,171)</b>	<b>596</b>	<b>(192)</b>	<b>77,787</b>
Reduction in share capital		(98)	-	-	-	-	-	(98)
Transfer from asset revaluation reserve to retained earnings		-	-	-	-	-	-	-
<b>Comprehensive income</b>								
Loss for the year		-	(4,301)	-	-	-	-	(4,301)
Other comprehensive loss for the year		-	-	-	-	-	(53)	(53)
<b>Total comprehensive loss for the year</b>		<b>(98)</b>	<b>(4,301)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(53)</b>	<b>(4,452)</b>
<b>Transactions with owners, in their capacity as owners, and other transfers</b>								
Options issued during the year	19	-	-	-	-	616	-	616
<b>Total transactions with owners and other transfers</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>616</b>	<b>-</b>	<b>616</b>
<b>Balance at 30 Jun 2021</b>		<b>168,547</b>	<b>(92,739)</b>	<b>1,347</b>	<b>(4,171)</b>	<b>1,212</b>	<b>(245)</b>	<b>73,951</b>
<b>Balance at 1 July 2021</b>		<b>168,547</b>	<b>(92,739)</b>	<b>1,347</b>	<b>(4,171)</b>	<b>1,212</b>	<b>(245)</b>	<b>73,951</b>
<b>Comprehensive income</b>								
Loss for the year		-	(13,583)	-	-	-	-	(13,583)
Other comprehensive income for the year		-	-	-	-	-	35	35
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>(13,583)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35</b>	<b>(13,548)</b>
<b>Transactions with owners, in their capacity as owners</b>								
Issued share capital	20	62,452	-	-	-	-	-	62,452
Transfer to Issued capital		399	-	-	-	(399)	-	-
Options issued during the year	19	-	-	-	-	1,066	-	1,066
<b>Total transactions with owners and other transfers</b>		<b>62,851</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>667</b>	<b>-</b>	<b>63,518</b>
<b>Balance at 30 June 2022</b>		<b>231,398</b>	<b>(106,322)</b>	<b>1,347</b>	<b>(4,171)</b>	<b>1,879</b>	<b>(210)</b>	<b>123,921</b>

The accompanying notes form part of these financial statements.

## EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

### CONSOLIDATED STATEMENT OF CASH FLOW

	Note	30 June 2022 \$000	30 June 2021 \$000
<b>Operating activities</b>			
Receipts from customers (GST inclusive)		64,066	54,285
Interest received		6	57
Payments to suppliers and employees (GST inclusive)		(60,436)	(48,632)
Finance costs		(615)	(925)
Income tax refund/payment		-	(251)
Net cash (used in)/provided by operating activities		<b>3,021</b>	<b>4,534</b>
<b>Investing activities</b>			
Sale of property, plant and equipment		(205)	6,017
Proceeds from the sale of discontinued operations		-	680
Proceeds from grant contribution to assets under construction		300	2,700
Payments for assets under construction		(3,305)	(4,887)
Purchase of property, plant and equipment		(7,656)	(2,718)
Payments for purchase of businesses		(36,083)	-
Net cash (used in)/provided by investing activities		<b>(46,949)</b>	<b>1,792</b>
<b>Financing activities</b>			
Issued shares		52,292	-
Share purchases		-	(98)
Proceeds from borrowings		3,528	1,958
Repayment of borrowings		(1,943)	(3,776)
Repayment of leases liabilities		(4,953)	(3,479)
Loan repayments to related parties		-	(79)
Net cash provided/(used in) financing activities		<b>48,924</b>	<b>(5,474)</b>
<b>Net increase in cash held</b>			
Cash and cash equivalents at beginning of the period	11	4,996	852
<b>Cash and cash equivalents at end of the period</b>		<b>18,317</b>	<b>13,321</b>

The accompanying notes form part of these financial statements.

### NOTES TO THE FINANCIAL STATEMENTS

#### NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The financial report of Experience Co Limited (the Company) and its controlled entities (collectively, the Group) for the financial year ended 30 June 2022 was authorised for issue in accordance with the resolution of the directors.

Experience Co Limited is listed on the Australian Securities Exchange, incorporated and domiciled in Australia and its shares are publicly traded. The registered office is located at Level 5, 89 York Street, Sydney, New South Wales, Australia.

#### BASIS OF PREPARATION

This financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001, Australian Accounting Standards (AAS) and Interpretations of the Australian Accounting Standards Board (AASB). The consolidated financial report complies with the International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board.

All amounts are presented in Australian dollars, unless otherwise noted.

The financial report is prepared on a historical cost basis except for the revaluation of financial assets and liabilities and a class of property plant and equipment which are stated at fair value.

The company is of a kind referred to in Corporations Instruments 2016/191 issued by ASIC, relating to rounding off. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 30.

The accounting policies adopted in the preparation of the financial report are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2021, except for the adoption of new standards effective as of 1 July 2021. Certain comparative information has been reclassified to conform with the presentation of the current year. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

New AAS and Interpretations not yet mandatory or early adopted AAS that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the reporting period ended 30 June 2022. The Group does not expect that new or amended AAS and Interpretations would have a material impact.

#### CONCEPTUAL FRAMEWORK FOR FINANCIAL REPORTING (CONCEPTUAL FRAMEWORK)

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

#### GOING CONCERN

In preparing the financial report, the Directors have made an assessment of the ability of the Group to continue as a going concern, which contemplates the continuity of business operations, realisation of assets and settlement of liabilities in the ordinary course of business.

The Group incurred a loss after tax of \$13,583,000 for the year ended 30 June 2022 primarily as a result of trading being highly disrupted by COVID-19 impacting customer volume, along with extreme weather and labour shortages. As at that date, the Group had net current liabilities of \$9,281,000.

For the period ended 30 June 2022, COVID-19 has been a key factor in the Group's operations:

- The Group has a cash and cash equivalents balance of \$18,317,000 (30 June 2021: \$13,321,000) and net assets of \$123,921,000 (30 June 2021: \$73,951,000) as at balance date;
- The Group has net cash inflows of \$3,021,000 from operating activities for the year ended 30 June 2022; and
- The Group continues to work with its lender, National Australia Bank ('NAB'), including meeting all covenants through the year and extending the maturity of corporate debt facility to 31 October 2023. Further, at 30 June 2022 the balance of the undrawn facility is \$5,200,000;

The Directors have assessed projected trading results and cash flows for the Group. These projections are necessarily based on best-estimate assumptions that are subject to influences and events outside of the control of the Group.



## EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

### NOTES TO THE FINANCIAL STATEMENTS

#### GOING CONCERN (CONTINUED)

In the event that trading conditions do not improve, the Group could seek to:

- Make adjustments to business operations;
- Raise additional funds from shareholders or other parties; or
- Divest assets to raise additional funds.

After making enquiries and considering the matters set out above, the Directors have a reasonable expectation that the Group will have adequate resources to continue to meet its obligations as they fall due. For these reasons, the Directors continue to adopt the going concern basis in preparing the financial report.

#### DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- Is part of a co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- Is a subsidiary acquired exclusively with a view to re-sale

Classification as a discontinued operation occurs at the earlier of the date of disposal or when the operation meets the criteria to be classified as held for sale.

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

#### BASIS OF CONSOLIDATION

##### CONTROLLED ENTITIES

Controlled entities are entities controlled by the Company. Control exists when the Company is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

##### NON-CONTROLLING INTERESTS (NCI)

NCI are initially measured at their proportionate share of the acquiree's identifiable net assets as at acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

##### BUSINESS COMBINATIONS

Business combinations are accounted for applying the acquisition method as at acquisition date, unless it is a combination involving entities or businesses under common control.

When measuring consideration, any asset or liability arising from a contingent consideration arrangement is included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration that is an asset or liability is remeasured at each reporting period to fair value, recognising any change in fair value in profit or loss.

Transaction costs, other than those associated with the issue of a financial instrument are recognised as expenses as incurred.

Goodwill at acquisition date is measured based on the excess of the sum of:

- the fair value of consideration transferred;
  - any non-controlling interest determined under either the full goodwill or proportionate interest method; and
  - the fair value of any previously held equity interest
- over the acquisition date fair value of identifiable net assets acquired.

##### INTERCOMPANY TRANSACTIONS

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

## EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

### NOTES TO THE FINANCIAL STATEMENTS

#### BASIS OF CONSOLIDATION (CONTINUED)

##### LOSS OF CONTROL

In the event the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the previously controlled subsidiary is measured at fair value as at the date control ceased.

##### FOREIGN CURRENCY

##### TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Foreign currency differences arising on translation are recognised in profit or loss.

##### FOREIGN OPERATIONS

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated to Australian dollars at exchange rates at the reporting date. The revenue and expenses of foreign operations are translated to Australian dollars at rates approximating the foreign exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity.

##### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 30 days or less.

##### TRADE AND OTHER RECEIVABLES

Trade receivables and other receivables are initially recognised at fair value and subsequently measured at amortised cost less any allowance for expected credit losses.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

##### INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a weighted or specific item basis. An impairment allowance is made for obsolete, damaged and slow moving inventories.

##### PROPERTY, PLANT AND EQUIPMENT

Each class of property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment loss, except for aircraft.

Aircraft assets are measured under the revaluation model and accounted for at their fair value, being the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction, based on periodic valuations by external independent valuers or director valuations, less subsequent depreciation.

##### SUBSEQUENT EXPENDITURE

Subsequent expenditure, is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Maintenance costs are expenses as incurred.

##### DEPRECIATION

Each asset, except for aircraft engine assets, is depreciated on a straight line basis over the estimated useful life from the date of acquisition, or for internally constructed assets from the time the asset is completed and available for use.

Aircraft engines are depreciated based on operating hours over the estimated useful life being time before overhaul, which is determined by manufacturer specifications and regulatory requirements.

## EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

### NOTES TO THE FINANCIAL STATEMENTS

#### PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The depreciation rate and residual value estimates for each asset class are:

ASSET CLASS	DEPRECIATION RATE	RESIDUAL VALUE (%)
Aircraft frames	5%	Specific to aircraft
Aircraft engines	Operating hours	Specific to aircraft
Motor vehicles	10%	0%
Buildings	2.5%	0%
Leasehold improvements	2.5%	0%
Office equipment	25%	0%
Vessels	5% - 20%	0% - 30%

#### INTANGIBLE ASSETS

##### GOODWILL

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Subsequent to acquisition, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

##### COMPUTER SOFTWARE

Computer software comprises licence costs and direct costs incurred in developing and/or preparing for the operation of that software. Computer software is measured at cost less accumulated amortisation and impairment losses.

##### OTHER INTANGIBLE ASSETS

Trademarks, customer relationships and leases and licences acquired in a business combination are recognised at fair value as at acquisition date. Trademarks have an indefinite useful life and are measured at cost less accumulated impairment losses. Customer relationships, leases and licences have a finite useful life and are measured at cost less accumulated amortisation and any accumulated impairment losses.

##### AMORTISATION

Except for goodwill and trademarks, intangible assets are amortised on a straight line basis over their estimated useful life. The estimated useful life for customer relationships is 10 to 20 years, leases and licenses 4 to 20 years and software 3 to 5 years.

#### FINANCIAL INSTRUMENTS

The accounting policies for the Group's financial instruments are explained in Note 23.

#### IMPAIRMENT OF ASSETS

##### FINANCIAL

Financial assets are tested for impairment at each financial year end.

##### NON-FINANCIAL

Goodwill and intangible assets that have an indefinite useful life are tested for impairment annually or as otherwise required under AASB 136. Other assets are tested for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds the recoverable amount. The recoverable amount of an asset is defined as the higher the fair value less costs of disposal and value in use.

#### TRADE AND OTHER PAYABLES

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### EMPLOYEE BENEFITS

A provision is made for the Group's liability for employee benefits arising from the services rendered by employees to balance date. These benefits includes wages and salaries, annual leave and long service leave. Sick leave is non-vesting and has not been provided for.

## EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

### NOTES TO THE FINANCIAL STATEMENTS

#### EMPLOYEE BENEFITS (CONTINUED)

Liabilities for wages and salaries, including non-monetary benefits, annual and long service leave that are expected to be settled wholly within 12 months after the end of the period are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

The group also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period, applying a company probability factor based on the probability the employee will become entitled to long service leave.

#### SHARED BASED PAYMENTS/EQUITY SETTLED COMPENSATION

The Group operates a share based employee incentive program. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods.

#### PROVISIONS

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event for which it is probable an outflow of economic benefits will be required to settle the obligation.

#### CONTRACT LIABILITIES

Contract liabilities represent the Group 's obligation to transfer goods or services to a Group customer and are recognised when a customer exchanges consideration or when the Group recognise a receivable to reflect its unconditional right to consideration in advance of the Group transferring goods or services to the customer.

#### LEASES

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

#### COVID-19

In May 2020, the International Accounting Standards Board (Board) issued Covid-19-Related Rent Concessions, which amended IFRS 16 Leases such that rent concessions are not accounted for as lease modifications.

The amendment permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications.

The Group adopted the COVID-19 concession as it met the applicable criteria.

#### REVENUE RECOGNITION

##### REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer the Group:

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price based on separate performance obligations; and
- recognises revenue when or as each performance obligation is satisfied and in the case of unused vouchers or tickets an assessment of probability that the performance obligation will need to be satisfied.

##### SALE OF GOODS

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

##### RENTAL INCOME

Rental income is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.



### NOTES TO THE FINANCIAL STATEMENTS

#### FINANCE INCOME AND FINANCE COSTS

Finance income comprises interest income on loan advances and funds invested. Finance income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and leases.

Borrowing costs that are not directly attributable to an acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance costs.

#### INCOME TAX

##### TAX CONSOLIDATION – AUSTRALIA

Experience Co Limited and its Australian wholly-owned subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity within the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities/assets and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity.

The Group notified the Australian Taxation Office (ATO) that it had formed an income tax consolidated group to apply from 1 July 2014. The tax consolidated group has also entered into a tax funding arrangement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between amounts of net assets and liabilities derecognised and the net amounts recognised pursuant to their funding arrangement are recognised as either a contribution by, or distribution to, the head entity.

##### TAX CONSOLIDATION – NEW ZEALAND

Skydive (New Zealand) Limited and its New Zealand wholly-owned subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity within the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities/assets and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity.

The New Zealand group of companies notified the Inland Revenue Department (IRD) that it had formed an income tax consolidated group to apply from 30 October 2015. The New Zealand tax consolidated group has also entered into a tax funding arrangement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between amounts of net assets and liabilities derecognised and the net amounts recognised pursuant to their funding arrangement are recognised as either a contribution by, or distribution to, the head entity.

#### GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the relevant tax authority.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the relevant tax authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the relevant tax authority are presented as operating cash flows included in receipts from customers or payments to suppliers.

### NOTES TO THE FINANCIAL STATEMENTS

#### ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expense. The estimates and associated assumptions are based on historical experience and on factors it believes to be reasonable under the circumstances, the results of which form the basis of the reported amounts that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The judgements, estimates and assumptions that have a significant effect on the amounts recognised in the financial statements are:

- impairment of property, plant and equipment and intangibles – refer to Note 16
- useful life and residual value of property, plant and equipment and finite life intangible assets – refer Property, Plant & Equipment above.
- fair value for aircraft assets and fair value hierarchy- refer to Note 15 and 23
- allowance for expected credit loss on trade and other receivables – refer to Note 22
- current and deferred tax assets – refer to Note 9
- lease arrangements beyond the current lease contract period – For a number of land and buildings leases as well as vessel's berth leases which are rolling on a month to month basis, the Group has made assumptions around the likelihood of re-signing these leases and estimated terms of agreement.
- contract liabilities, or deferred income, for unused vouchers and tickets is estimated based on historical results and industry trends.

#### JOBKEEPER INCOME

Jobkeeper is presented as other income, and a corresponding expense in employee expenses. Income is recognised as a receivable when the associated wage payments are made.

#### GOVERNMENT GRANTS

Government grant income is recognised when the obligations under the relevant agreement have been satisfied.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 OPERATING SEGMENTS

IDENTIFICATION OF REPORTABLE OPERATING SEGMENTS

The Group has identified the following reportable operational segments based on a combination of factors including products and services, geographical areas and regulatory environment:

- **Skydiving:** comprises tandem skydive and related products, with ancillary aircraft maintenance activities.
- **Adventure Experiences:** reef based dive and snorkel experiences and rainforest tours operating out of Cairns and Port Douglas in the Tropical North Queensland region. This segment also includes the recent acquisitions of Wild Bush Luxury, the Maria Island Walk and Treetops Adventure.
- **Corporate:** comprises the centralised management and business administration services.

These operating segments are based on the internal reports that are reviewed and used by the CEO in determining the allocation of resources. The CEO reviews Earnings before interest, taxes, depreciation and amortisation (EBITDA) at the segment level. The accounting policies adopted for internal reporting to the CEO are consistent with those adopted in the financial statements.

OPERATING SEGMENT INFORMATION

	Skydiving	Adventure Experiences	Corporate	Continuing operations
30 June 2022	\$000	\$000	\$000	\$000
Sales to external customers at a point in time	22,555	33,208	55	55,818
<b>Sales revenue</b>	<b>22,555</b>	<b>33,208</b>	<b>55</b>	<b>55,818</b>
Other income	1,639	2,843	411	4,893
<b>Total segment revenue</b>	<b>24,194</b>	<b>36,051</b>	<b>466</b>	<b>60,711</b>
<b>EBITDA</b>	<b>(2,107)</b>	<b>5,751</b>	<b>(8,930)</b>	<b>(5,286)</b>
Restructure and other significant expenses	113	157	2,940	3,210
Net gain/loss on sale of assets	(114)	5	115	6
Queensland Growing Tourism Infrastructure Program	-	(300)	-	(300)
<b>Underlying EBITDA</b>	<b>(2,108)</b>	<b>5,613</b>	<b>(5,875)</b>	<b>(2,370)</b>
Depreciation and amortisation	(3,164)	(5,827)	(826)	(9,817)
<b>Segment profit before financial income and taxes</b>	<b>(5,271)</b>	<b>(76)</b>	<b>(9,756)</b>	<b>(15,103)</b>
<b>Total assets as at 30 June 2022</b>	<b>61,306</b>	<b>101,603</b>	<b>25,785</b>	<b>188,694</b>
<b>Total liabilities as at 30 June 2022</b>	<b>(26,876)</b>	<b>(22,224)</b>	<b>(15,673)</b>	<b>(64,773)</b>

Finance costs, finance income are not allocated to individual segments as these are managed on a group basis. Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

	Skydiving	Adventure Experiences	Corporate	Continuing operations
30 June 2021	\$000	\$000	\$000	\$000
Sales to external customers at a point in time	30,241	14,159	49	44,449
<b>Sales revenue</b>	<b>30,241</b>	<b>14,159</b>	<b>49</b>	<b>44,449</b>
Other income	3,518	8,833	650	13,001
<b>Total segment revenue</b>	<b>33,759</b>	<b>22,992</b>	<b>699</b>	<b>57,450</b>
<b>EBITDA</b>	<b>6,244</b>	<b>7,088</b>	<b>(6,973)</b>	<b>6,359</b>
Restructure and other significant expenses	784	277	1,959	3,020
Net gain/loss on sale of assets	185	(104)	1	82
Queensland Growing Tourism Infrastructure Program	-	(2,700)	-	(2,700)
<b>Underlying EBITDA</b>	<b>7,213</b>	<b>4,561</b>	<b>(5,013)</b>	<b>6,761</b>
Depreciation and amortisation	(3,442)	(3,856)	(582)	(7,880)
<b>Segment profit before financial income and taxes</b>	<b>2,802</b>	<b>3,232</b>	<b>(7,555)</b>	<b>(1,521)</b>
<b>Total assets as at 30 June 2021</b>	<b>62,640</b>	<b>29,940</b>	<b>21,091</b>	<b>113,671</b>
<b>Total liabilities as at 30 June 2021</b>	<b>(17,529)</b>	<b>(2,072)</b>	<b>(22,226)</b>	<b>(41,827)</b>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 OPERATING SEGMENTS (CONTINUED)

GEOGRAPHICAL DISCLOSURES

	Australia	New Zealand	Total
<b>Revenue from continuing operations</b>			
30 June 2022	52,004	3,814	<b>55,818</b>
30 June 2021	38,771	5,678	<b>44,449</b>

A reconciliation of profit / (loss) from continuing operations to Underlying EBITDA for continuing operations is as follows:

	30 June 2022 \$000	30 June 2021 \$000
<b>Loss for the year from continuing operations</b>	<b>(13,583)</b>	<b>(4,759)</b>
Finance costs	1,184	1,326
Depreciation and amortisation	9,817	7,880
Impairment	1,623	199
Income tax expense	(4,327)	1,713
<b>EBITDA from continuing operations</b>	<b>(5,286)</b>	<b>6,359</b>
Restructure and other significant expenses (see note 5)	3,210	3,020
Profit on Disposal of Assets	6	82
Queensland Growing Tourism Infrastructure Program	(300)	(2,700)
<b>Underlying EBITDA from continuing operations</b>	<b>(2,370)</b>	<b>6,761</b>

Underlying EBITDA has been presented on a AASB 16 Leases basis, whereby relevant lease expenses are recognised below the line.

NOTE 3 BUSINESS COMBINATIONS

During the year period the Group completed three acquisitions being;

- business and assets of Wild Bush Luxury on 19 July 2021,
- business and assets of Maria Island Walk on 30 November 2021; and
- share purchase of Trees Adventure Holdings Pty Ltd ("Treetops Adventure") on 30 November 2021.

These acquisitions complement our continuing business and are aligned with our strategy to increase the portfolio weighting to nature based and domestic based experiences, as well as diversifying our consumer profile age demographics. Each of these acquisitions have historically proven business models with market leadership positions and high quality cash conversion.

Wild Bush Luxury comprises luxury lodge and premium walking experiences operated out of Arkaba Homestead in the Flinders Ranges, South Australia and Bamurru Plains in the Kakadu region of the Northern Territory. The Maria Island Walk, an exclusive wilderness walk experience on Tasmania's Maria Island, joins the Wild Bush Luxury portfolio.

Treetops Adventure is Australia's leading operator of ariel adventure experiences, offering treetop rope courses, net parks, canopy tours and ziplining tracks in a segment that is largely resilient to the pandemic and provides exposure to over 400,000 domestic visitors annually.

A total of \$1.1m in transaction costs were incurred or accrued during the acquisition process. All of these transaction costs have been expensed through the consolidated statement of profit or loss as disclosed in Note 5.

The net assets recognised in the financial statements are based on a provisional assessment of fair value at reporting date.

During the period, the revenue and net profit contribution of the acquisitions was \$15,204,593 and \$1,351,168 respectively.



NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 BUSINESS COMBINATIONS (CONTINUED)

	Wild Bush Luxury \$000	Maria Island Walks \$000	Trees Adventure \$000	Consolidated Business Combinations \$000
<b>Assets</b>				
Cash & other equivalents	-	-	3,503	3,503
Accounts Receivable	-	-	189	189
Inventory	38	3	206	247
Other current assets	139	-	711	850
Property, plant and equipment (note 6)	633	288	7,145	8,066
Asset under construction	-	-	628	628
Intangible assets (note 7)	-	-	112	112
Other non current assets	-	-	9	9
Right-of-use assets	2,610	-	4,685	7,295
<b>Liabilities</b>				
Accounts payable	-	-	(790)	(790)
Other amounts payable	(54)	-	(734)	(788)
Bank Loan	-	-	(3,900)	(3,900)
Lease liabilities	(2,610)	-	(4,685)	(7,295)
Contract Liabilities	(2,064)	(1,052)	(1,572)	(4,688)
<b>Net assets acquired</b>				
Trade Names	(1,308)	(761)	5,507	3,438
Goodwill	837	809	13,933	15,579
	1,158	1,663	25,980	28,801
<b>Acquisition-date fair value of the total consideration transferred</b>	<b>687</b>	<b>1,711</b>	<b>45,420</b>	<b>47,818</b>
<b>Representing:</b>				
Initial cash consideration paid or payable to vendor	1,775	2,500	31,532	35,807
Working capital and other adjustments	(2,114)	(789)	(1,474)	(4,377)
Experience Co Ltd shares issued to vendor	-	-	8,863	8,863
Contingent consideration	1,025	-	6,500	7,525
<b>Total purchase consideration</b>	<b>686</b>	<b>1,711</b>	<b>45,421</b>	<b>47,818</b>
<b>Cash used to acquire businesses, net of cash acquired per statement of cash flows:</b>				
Initial cash consideration paid or payable to vendor	(339)	1,711	31,532	32,904
Deferred consideration paid to vendor	335	-	3,500	3,835
Less: Working capital and other adjustments	-	-	(1,474)	(1,474)
<b>Net cash used</b>	<b>(4)</b>	<b>1,711</b>	<b>33,558</b>	<b>35,265</b>
<b>Payment for purchase of business, net of cash acquired per cash flow statement</b>				
Net cash used for the Wild Bush acquisition				(4)
Net cash used for the Maria Island acquisition				1,711
Net cash used for the Trees Adventure acquisition				33,558
Net cash used				<b>35,265</b>
Net cash transaction costs				818
Net cash used for purchase of businesses				<b>36,083</b>

## EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

### NOTES TO THE FINANCIAL STATEMENTS

#### NOTE 4 OTHER INCOME

	30 June 2022 \$000	30 June 2021 \$000
Jobkeeper income	-	6,967
Wages subsidy income	243	180
Queensland Tourism Icons Program	-	1,000
Queensland Growing Tourism Infrastructure Program	300	2,700
Queensland Major Tourism Experiences Hardship Grant	2,000	-
New Zealand Strategic Tourism Asset Protection Program	266	154
Diesel Fuel Rebate	404	498
Insurance Recoveries	205	227
Environmental Projects and Other Marine Subsidies	1,156	-
Other	319	1,275
	<b>4,893</b>	<b>13,001</b>

#### NOTE 5 RESTRUCTURE AND OTHER SIGNIFICANT EXPENSES

Restructure and other significant expenses in the period included a number of non-recurring items, principally due to acquisitions related transaction costs and restructuring costs and non-cash expenses recognised in relation to share based payments.

	30 June 2022 \$000	30 June 2021 \$000
Acquisition related transaction costs	1,207	-
Restructuring costs	450	1,587
Strategic review costs	-	868
Share based payments	1,585	616
Other (net)	(32)	(51)
<b>Restructure and other significant expenses</b>	<b>3,210</b>	<b>3,020</b>

#### NOTE 6 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

During the period ended 30 June 2021 the following asset sales were completed:

- Raging Thunder white water rafting and Cairns ballooning businesses were divested in November 2020, for total net proceeds of \$680,000; and
- Surplus property, plant and equipment net proceeds of \$6 million.

These discontinued operations are not included in the presentation of operating segments in Note 2 and are presented below.

	30 June 2022 \$000	30 June 2021 \$000
Sales revenue	-	4
Expenses	-	(69)
Profit / (Loss) on disposal of assets	-	498
<b>Loss before tax from discontinued operations</b>	<b>-</b>	<b>433</b>
Income tax expense	-	25
<b>Loss after tax from discontinued operations</b>	<b>-</b>	<b>458</b>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE (CONTINUED)

ASSETS HELD FOR SALE

The assets and liabilities held for sale have been appropriately disclosed in the Consolidated Statement of Financial Position as follows:

	30 June 2022 \$000	30 June 2021 \$000
<b>Assets</b>		
Property, plant & equipment	-	2,873
Deferred tax assets	-	85
<b>Assets held for sale</b>	<b>-</b>	<b>2,958</b>
<b>Liabilities</b>		
Provisions	-	739
Contract liabilities	-	112
<b>Liabilities directly associated with assets held for sale</b>	<b>-</b>	<b>851</b>
<b>Net assets directly associated with assets held for sale</b>	<b>-</b>	<b>2,107</b>

NOTE 7 NET FINANCE COSTS

	30 June 2022 \$000	30 June 2021 \$000
Interest income	6	57
Amortisation borrowing costs	(21)	(53)
Interest expense - borrowings	(189)	(332)
Interest expense - asset finance leases	(356)	(541)
Interest expense - other leases	(574)	(457)
Other	(50)	-
<b>Finance expense</b>	<b>(1,190)</b>	<b>(1,383)</b>
<b>Net finance costs</b>	<b>(1,184)</b>	<b>(1,326)</b>

NOTE 8 AUDITOR'S REMUNERATION

	30 June 2022 \$000	30 June 2021 \$000
Audit services	160,000	142,000
Taxation services	122,200	100,763
Transaction services	-	59,400
	<b>282,200</b>	<b>302,163</b>

NOTE 9 INCOME TAXES

COMPONENTS OF INCOME TAX EXPENSE/(BENEFIT)

	30 June 2022 \$000	30 June 2021 \$000
Current tax	-	1,309
Deferred tax	(4,780)	(2,902)
Underprovision/(overprovision) prior year	453	(95)
<b>Income tax expense/(benefit)</b>	<b>(4,327)</b>	<b>(1,688)</b>
<b>Income tax expense/(benefit) is attributable to:</b>		
Continuing operations	(4,327)	(1,713)
Discontinued operations	-	25
	<b>(4,327)</b>	<b>(1,688)</b>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 INCOME TAXES (CONTINUED)

RECONCILIATION OF EFFECTIVE TAX RATE

	30 June 2022 \$000	30 June 2021 \$000
Loss from continuing operations for the period	(17,910)	(3,046)
Profit / (Loss) from discontinued operations for the period	-	433
<b>Loss before income tax</b>	<b>(17,910)</b>	<b>(2,613)</b>
<b>Income tax using the Company's tax rate of 30%</b>	<b>(5,373)</b>	<b>784</b>
Non-allowable items	574	(811)
Non-deductible impairment	487	(60)
Abnormal items	136	108
Recognition of other deferred tax balances	(832)	(1,707)
Deductible acquisition costs	100	-
Under and Over Provision	453	95
Effect of lower tax rate attributable to foreign controlled entities	128	(97)
<b>Income tax expense/(benefit)</b>	<b>(4,327)</b>	<b>(1,688)</b>

RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES

	Assets		Liabilities	
	30 June 2022 \$000	30 June 2021 \$000	30 June 2022 \$000	30 June 2021 \$000
Property, Plant & Equipment	-	-	(4,228)	(2,693)
Intangible assets	1,688	2,419	-	-
Lease Liability	192	52	-	-
Provisions	2,199	1,999	-	-
Capital Raising Costs	621	206	-	-
Unutilised tax losses	13,018	6,858	-	-
Other	257	129	-	-
<b>Tax assets/(liabilities)</b>	<b>17,975</b>	<b>11,663</b>	<b>(4,228)</b>	<b>(2,693)</b>
Set off	(4,228)	(2,693)	-	-
<b>Deferred tax asset</b>	<b>13,747</b>	<b>8,970</b>	<b>-</b>	<b>-</b>

The Australian tax consolidated group has unutilised carried forward tax losses of \$43,549,670 (30 June 2021: \$22,858,382) which have been recognised as deferred tax assets which are expected to be utilised in years 2 to 5 in the projections used in the impairment disclosures set out in Note 15.

TAX EFFECTS RELATING TO EACH COMPONENT OF OTHER COMPREHENSIVE INCOME

	2022			2021		
	Before-tax amount \$000	Tax (expense) benefit \$000	Net-of-tax amount \$000	Before-tax amount \$000	Tax (expense) benefit \$000	Net-of-tax amount \$000
Consolidated Group						
Revaluation of property, plant and equipment	-	-	-	-	-	-
Exchange differences on translating foreign operations	35	(11)	24	(53)	16	(37)
	<b>35</b>	<b>(11)</b>	<b>24</b>	<b>(53)</b>	<b>16</b>	<b>(37)</b>



NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 EARNINGS PER SHARE

	30 June 2022 \$000	30 June 2021 \$000
Weighted average of shares in year used in basic earnings per share	700,695,053	555,811,840
Weighted average of dilutive options and rights outstanding	12,323,646	11,675,328
<b>Weighted average of ordinary shares in year used in calculating dilutive earnings per share</b>	<b>713,018,698</b>	<b>567,487,168</b>
<b>Continuing operations</b>		
Earnings used in basic and diluted earnings per share	(13,583)	(4,759)
Basic earnings per share (cents)	(1.94)	(0.86)
Diluted earnings per share (cents)	(1.94)	(0.86)
<b>Discontinued operations</b>		
Earnings used in basic and diluted earnings per share	-	458
Basic earnings per share (cents)	-	0.08
Diluted earnings per share (cents)	-	0.08

NOTE 11 CASH & CASH EQUIVALENTS

	30 June 2022 \$000	30 June 2021 \$000
Cash at bank and on hand	18,272	13,285
Short term cash deposits	45	36
<b>Cash and cash equivalents</b>	<b>18,317</b>	<b>13,321</b>

The effective interest rate on short-term deposits was 0.61% (30 June 2021: 0.65%).

NOTE 12 TRADE AND OTHER RECEIVABLES

	30 June 2022 \$000	30 June 2021 \$000
Trade receivables	2,256	2,520
Allowance for expected credit loss	(168)	(968)
	2,088	1,552
Loan receivable from related party	-	-
Other receivables	537	289
<b>Trade and other receivables</b>	<b>2,625</b>	<b>1,841</b>

NOTE 13 OTHER ASSETS

	30 June 2022 \$000	30 June 2021 \$000
Prepayments	2,175	1,332
Other current assets	540	1,543
<b>Other assets</b>	<b>2,715</b>	<b>2,875</b>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 14 RIGHT OF USE ASSETS AND LEASE LIABILITIES

AMOUNTS RECOGNISED IN THE PROFIT AND LOSS STATEMENT

	30 June 2022 \$000	30 June 2021 \$000
Depreciation charge on ROUA	(2,496)	(1,626)
Interest expense	(574)	(457)
Expense related to out-of-scope leases	(615)	(474)
Gain relating to rent concessions where COVID-19 practical expedient applied	-	523

The weighted average of the lessee's incremental borrowing rate including the date of initial application of AASB 16 as well as subsequent additions is 3.41%.

RIGHT OF USE ASSETS

	Land & buildings \$000	Marine Leases \$000	Office Suppliers \$000	Total \$000
<b>Carrying amount at 30 June 2020</b>	<b>8,340</b>	<b>3,924</b>	<b>117</b>	<b>12,381</b>
Additions: New Leases	1,378	-	-	1,378
Modifications and re-assessments of leases	(392)	-	-	(392)
Less: Depreciation expense	(808)	(766)	(53)	(1,626)
<b>Carrying amount at 30 June 2021</b>	<b>8,519</b>	<b>3,158</b>	<b>64</b>	<b>11,741</b>
Additions: New Leases	1,276	-	-	1,276
Leases acquired through business combinations	7,295	-	-	7,295
Modifications and re-assessments of leases	(436)	(29)	36	(429)
Less: Depreciation expense	(1,981)	(413)	(21)	(2,477)
<b>Carrying amount at 30 June 2022</b>	<b>14,673</b>	<b>2,716</b>	<b>17</b>	<b>17,406</b>

Included in lease liabilities are amounts in relation to asset finance on specific assets. Asset finance facility obligations at 30 June 2022 totaled \$6.1 million (30 June 2021: \$11.7 million).

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15 PROPERTY PLANT & EQUIPMENT

	Land & Buildings	Plant & Equipment	Leasehold Improv.	Aircraft	Motor Vehicles	Office Equipment	Vessels	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Cost 1 July 2020</b>	<b>1,735</b>	<b>12,272</b>	<b>4,325</b>	<b>32,456</b>	<b>5,533</b>	<b>1,804</b>	<b>32,273</b>	<b>92,801</b>
<b>Accumulated depreciation</b>	<b>(261)</b>	<b>(6,679)</b>	<b>(1,325)</b>	<b>-</b>	<b>(3,062)</b>	<b>(1,378)</b>	<b>(8,765)</b>	<b>(23,875)</b>
<b>Carrying amount 1 July 2020</b>	<b>1,474</b>	<b>5,593</b>	<b>2,999</b>	<b>32,456</b>	<b>2,471</b>	<b>426</b>	<b>23,508</b>	<b>68,926</b>
Additions	168	167	30	1,067	10	139	1,029	<b>2,610</b>
Depreciation expense	(13)	(976)	(85)	(1,058)	(382)	(185)	(2,875)	<b>(5,574)</b>
Disposals	(1)	(110)	(23)	(671)	(338)	(3)	(124)	<b>(1,270)</b>
Impairment	-	-	-	-	-	-	(43)	<b>(43)</b>
Movement in foreign exchange	(2)	(1)	(7)	52	(2)	(1)	-	<b>39</b>
Transfer between asset classes	221	-	(91)	23	-	-	-	<b>153</b>
Assets held for sale	(474)	(84)	-	(2,275)	(40)	-	-	<b>(2,873)</b>
<b>Cost 30 June 2021</b>	<b>1,696</b>	<b>11,682</b>	<b>3,694</b>	<b>33,114</b>	<b>3,709</b>	<b>1,837</b>	<b>31,292</b>	<b>87,024</b>
<b>Accumulated depreciation</b>	<b>(57)</b>	<b>(6,622)</b>	<b>(872)</b>	<b>(1,245)</b>	<b>(2,130)</b>	<b>(1,461)</b>	<b>(9,797)</b>	<b>(22,184)</b>
<b>Carrying amount 30 June 2021</b>	<b>1,639</b>	<b>5,060</b>	<b>2,822</b>	<b>31,869</b>	<b>1,579</b>	<b>376</b>	<b>21,495</b>	<b>64,840</b>
<b>Cost 1 July 2021</b>	<b>1,696</b>	<b>11,682</b>	<b>3,694</b>	<b>33,114</b>	<b>3,709</b>	<b>1,837</b>	<b>31,292</b>	<b>87,024</b>
<b>Accumulated depreciation</b>	<b>(57)</b>	<b>(6,622)</b>	<b>(872)</b>	<b>(1,245)</b>	<b>(2,130)</b>	<b>(1,461)</b>	<b>(9,797)</b>	<b>(22,184)</b>
<b>Carrying amount 1 July 2021</b>	<b>1,639</b>	<b>5,060</b>	<b>2,822</b>	<b>31,869</b>	<b>1,579</b>	<b>376</b>	<b>21,495</b>	<b>64,840</b>
Additions	172	768	934	2,565	239	149	2,143	<b>6,970</b>
Depreciation expense	(153)	(1,759)	(282)	(1,190)	(347)	(204)	(2,963)	<b>(6,898)</b>
Disposals	-	(61)	-	(4)	(77)	-	-	<b>(142)</b>
Impairment	-	-	-	-	-	-	(1,623)	<b>(1,623)</b>
Movement in foreign exchange	(6)	(5)	(53)	(155)	(9)	(2)	175	<b>(55)</b>
Transfer from assets held for sale	474	84	-	2,274	41	-	-	<b>2,873</b>
Transfer from asset under construction	-	276	-	-	101	6	8,023	<b>8,406</b>
PPE acquired through business combinations	1,165	5,381	749	-	405	210	156	<b>8,066</b>
<b>Cost 30 June 2022</b>	<b>3,579</b>	<b>17,938</b>	<b>5,317</b>	<b>37,782</b>	<b>4,321</b>	<b>2,190</b>	<b>40,165</b>	<b>111,292</b>
<b>Accumulated depreciation</b>	<b>(287)</b>	<b>(8,195)</b>	<b>(1,149)</b>	<b>(2,424)</b>	<b>(2,389)</b>	<b>(1,654)</b>	<b>(12,759)</b>	<b>(28,857)</b>
<b>Carrying amount 30 June 2022</b>	<b>3,292</b>	<b>9,743</b>	<b>4,168</b>	<b>35,358</b>	<b>1,932</b>	<b>536</b>	<b>27,406</b>	<b>82,435</b>

AIRCRAFT VALUATION

The fair value of aircraft is generally subject to a valuation by an independent valuer, with the last revaluation being 30 June 2020. Valuations are based on the price that would be received to sell the asset in an orderly transaction between market participants. During the intervening period, the directors monitor fair value movements using directors valuations. In the event the fair value is materially different from the most recent independent valuation, the fair value will be updated to reflect this.

Due to the ongoing impact of COVID-19 event there was not an active and liquid market in place to support orderly transactions as at 30 June 2022 and as such the reliability of independent valuations at this point in time is inherently limited by market events. As a consequence, directors valuations were adopted for the 30 June 2022 balance date.

The directors valuations were determined on a aircraft by aircraft basis, taking into consideration the condition of the aircraft, including airframe and engine hours and discussion with independent valuers and desktop research on information available in the public domain. The valuation of aircraft is subject to a degree of judgement and factors such as the nature, condition and location of the aircraft.

Where an aircraft is taken out of regular service and held for sale, the item is reclassified to non current assets held for resale and the carrying amount stated at the net realisable value based on indicative offers, market valuations and other available information.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 16 INTANGIBLE ASSETS

	Goodwill	Trademarks	Computer Software	Customer relationships and other	Leases & Licences	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Cost 1 July 2020	-	-	1,559	4,090	3,040	8,689
Accumulated amortisation and impairment	-	-	(664)	(4,090)	(3,040)	(7,794)
Carrying amount 1 July 2020	-	-	895	-	-	895
Additions	-	-	575	-	212	787
Amortisation	-	-	(418)	-	-	(418)
<b>Cost 30 June 2021</b>	-	-	<b>2,134</b>	<b>4,090</b>	<b>3,252</b>	<b>9,476</b>
Accumulated amortisation and impairment	-	-	(1,082)	(4,090)	(3,040)	(8,212)
<b>Carrying amount 30 June 2021</b>	-	-	<b>1,052</b>	-	<b>212</b>	<b>1,264</b>
<b>Cost 1 July 2021</b>	-	-	<b>2,134</b>	<b>4,090</b>	<b>3,252</b>	<b>9,476</b>
<b>Accumulated amortisation and impairment</b>	-	-	<b>(1,082)</b>	<b>(4,090)</b>	<b>(3,040)</b>	<b>(8,212)</b>
<b>Carrying amount 1 July 2021</b>	-	-	<b>1,052</b>	-	<b>212</b>	<b>1,264</b>
Additions	-	-	472	-	-	472
Amortisation expense	-	-	(423)	-	-	(423)
Intangibles acquired through business combinations	28,801	15,579	112	-	-	44,492
<b>Cost 30 June 2022</b>	<b>28,801</b>	<b>15,579</b>	<b>2,718</b>	<b>4,090</b>	<b>3,252</b>	<b>54,440</b>
<b>Accumulated amortisation and impairment</b>	-	-	<b>(1,505)</b>	<b>(4,090)</b>	<b>(3,040)</b>	<b>(8,635)</b>
<b>Carrying amount 30 June 2022</b>	<b>28,801</b>	<b>15,579</b>	<b>1,213</b>	-	<b>212</b>	<b>45,805</b>

IMPAIRMENT DISCLOSURES

Intangible assets, other than goodwill and trademarks, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of profit or loss. Goodwill and trademarks have an indefinite useful life.

The recoverable amount of each of the Group's CGUs has been determined based on value in use calculations. The future cash flow projections for the Group are subject to a significant level of uncertainty and are sensitive to the key assumptions in relation to trading and emerging macroeconomic trends.

The following approach was used in the value in use calculations for each cash generating unit based on five year management projections, with sensitivities noted where acquired goodwill and trademarks are recognised at 30 June 2022 for the relevant CGU:

- **Australia Skydive:** recovery to pre pandemic conditions from FY25, terminal growth rate of 3.0% and a pre tax discount rate of 15.4% (30 June 2021: 15.4%).
- **New Zealand Skydive:** recovery to pre pandemic conditions from FY26, terminal growth rate of 3.0% and a pre tax discount rate of 16.6% (30 June 2021: 16.6%).
- **GBR Experiences:** recovery to pre pandemic conditions from FY25, terminal growth rate of 3.0% and a pre tax discount rate of 15.4% (30 June 2021: 15.4%).
- **Premium Adventure (Wild Bush Luxury):** terminal growth rate of 3.0% and a pre-tax discount rate of 15.4%. Sensitivities to impair the CGU's acquired goodwill and trademarks, all other assumptions remaining constant in each case, would be a discount rate of 43.5% or a decrease in revenue of 18.5%.
- **Family Adventure (Treetops Adventure):** two new sites per annum for Years 2 to 5, terminal growth rate of 3.0% and a pre-tax discount rate of 15.4%. Sensitivities to impair the CGU's acquired goodwill and trademarks, all other assumptions remaining constant in each case, would be a discount rate of 18.7% or a decrease in revenue of 14.5%.

NOTE 17 TRADE AND OTHER PAYABLES

	30 June 2022	30 June 2021
	\$000	\$000
Trade payables	2,623	1,282
Sundry payables and accrued expenses	7,537	3,886
<b>Trade and other payables</b>	<b>10,160</b>	<b>5,168</b>



NOTES TO THE FINANCIAL STATEMENTS

NOTE 18 BORROWINGS

	30 June 2022 \$000	30 June 2021 \$000
<b>Current</b>		
Government loan	902	-
<b>Total current borrowings</b>	<b>902</b>	<b>-</b>
<b>Non-current</b>		
Government loan	902	465
Bank loans	7,372	7,385
<b>Total non-current borrowings</b>	<b>8,274</b>	<b>7,850</b>
<b>Total borrowings</b>	<b>9,176</b>	<b>7,850</b>

The Group's Multi Option Facility Agreement with the National Australia Bank (NAB) was amended in the period, including an extension of the Facility to 31 October 2023, which includes a minimum cash covenant of \$6 million.

The facility limits have been revised to the following as at 30 June 2022:

- Cash Advance Facility: \$7.4 million (30 June 2021: \$9.8 million), fully drawn at 30 June 2022.
- Master Asset Finance Facility: \$11.3 million (30 June 2021: \$11.3 million). Drawn to \$6.1 million as at 30 June 2022.

The Group has entered into a General Security Deed with NAB for both the Australian and New Zealand operations. NAB holds a security interest in and over all the secured property of the Group. The NAB Finance leases are generally 3 to 5 year maturity and are repayable on a monthly basis. Interest rates on these leases currently range from 3% to 6%. Interest on the Cash Advance Facility is payable quarterly and interest rates on the facility ranging from 4% to 4.5%.

The Group has also drawn down on the Strategic Tourism Asset Protection Program to the amount of NZ\$2.0 million (limit NZ\$4,276,000). This loan is interest free until 21 April 2023, and is repayable by August 2026.

NOTE 19 SHARE BASED PAYMENTS

	30 June 2022 \$000	30 June 2021 \$000
<b>Share-based payment expense</b>	<b>1,585</b>	<b>616</b>

OPTIONS

In 2015, a total of 10,300,000 share options were granted to KMP under the STB Share Option Plan to take up ordinary shares at an exercise price of \$0.25 each. These share options expire 9 February 2025. No share options were exercised during the period.

Set out below is a summary of performance rights and service rights granted.

Grant date	Expiry date	Exercise price \$	Opening balance	Granted	Exercised/ vested	Expired/ forfeited/ other	Ending balance	Share price at grant date \$	Expected volatility	Risk free rate	Fair value at grant date \$
30 Nov 2018	30 Nov 2021	-	172,911	-	(172,911)	-	-	\$0.35	N/A	N/A	130,670
29 Nov 2019	15 Sep 2022	-	1,936,668	-	-	-	1,936,668	\$0.17	62.73%	0.62%	418,026
29 Nov 2019	29 Jul 2022	-	439,560	-	-	-	439,560	\$0.27	N/A	N/A	116,483
16 Nov 2020	15 Nov 2023	-	5,754,097	117,096	-	-	5,871,193	\$0.26	82.25%	0.09%	1,001,038
16 Nov 2020	12 Nov 2021	-	1,143,146	64,848	(1,207,994)	-	-	\$0.26	N/A	N/A	314,078
03 Nov 2021	30 Jun 2023	-	-	1,483,453	-	-	1,483,453	\$0.34	N/A	N/A	504,374
03 Nov 2021	15 Sep 2024	-	-	3,063,278	-	-	3,063,278	\$0.34	N/A	N/A	742,085

The weighted average share price during the financial year was \$0.330 (2021: \$0.210). The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.9 years (2021: 1.8 years).

Vesting conditions other than market conditions are not taken into account when estimating the fair value and any service requirement to be rendered is presumed to be satisfied.

The fair value at grant date is based on the market price of the shares reduced by the present value of dividends expected to be paid during the vesting period.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 20 CAPITAL

MOVEMENTS IN ORDINARY SHARE CAPITAL

	30 June 2022 \$000	30 June 2021 \$000	30 June 2022 Number	30 June 2021 Number
<b>Opening balance</b>	<b>168,547</b>	<b>168,645</b>	<b>555,811,840</b>	<b>555,811,840</b>
Employee share plan purchases	460	(98)	1,483,453	-
Transfer from option reserve	399	-	1,207,994	-
Issue shares as business combinations consideration	8,863	-	26,858,155	-
Issue shares to institutions and retail	54,941	-	166,911,304	-
Capital raising costs	(2,589)	-	-	-
Issued Capital Tax Effect	777	-	-	-
<b>Closing balance</b>	<b>231,398</b>	<b>168,547</b>	<b>752,272,746</b>	<b>555,811,840</b>

CAPITAL MANAGEMENT

The Group aims to meet their strategic objectives and operational needs through the appropriate use of debt and equity, while taking account of the additional financial risks of higher debt levels. Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

	30 June 2022 \$000	30 June 2021 \$000
Borrowings	(9,176)	(7,850)
Amounts outstanding under asset finance	(6,126)	(8,250)
Cash and cash equivalents	18,317	13,321
<b>Net Cash/(Debt)</b>	<b>3,015</b>	<b>(2,779)</b>
<b>Equity</b>	<b>(123,921)</b>	<b>(73,951)</b>
<b>Total</b>	<b>(120,906)</b>	<b>(76,730)</b>
<b>Gearing ratio</b>	<b>(2%)</b>	<b>4%</b>
Underlying EBITDA	(2,370)	6,761
<b>Net Debt to Underlying EBITDA</b>	<b>(1.3x)</b>	<b>(0.4x)</b>

DIVIDENDS AND FRANKING ACCOUNT

No dividend was paid or declared during the period (30 June 2021: nil). 30% franking credits available to shareholders for subsequent periods were \$9,334,000 at 30 June 2022 (30 June 2021: \$7,953,000).

NOTES TO THE FINANCIAL STATEMENTS

NOTE 21 RESERVES

NATURE AND PURPOSE OF RESERVES

- **Asset Revaluation Reserve:** records revaluations of non-current assets. Under certain circumstances dividends can be declared from this reserve.
- **Option Reserve:** records items recognised as expenses on valuation of employee share options.
- **Common Control Reserve:** represents the excess purchase consideration over the carrying value of assets and liabilities acquired in the group reorganization which occurred on 1 July 2014.
- **Foreign Currency Translation Reserve:** records exchange differences arising on translation of a foreign controlled subsidiary.

MOVEMENTS IN RESERVES

The movement in each class of reserves during the current and previous year is set out below.

	30 June 2022 \$000	30 June 2021 \$000
Asset revaluation reserve		
Opening balance	1,347	1,347
	<b>1,347</b>	<b>1,347</b>
<b>Share options reserve</b>		
Opening balance	1,212	596
Transfer to Issued Capital	(399)	-
Amount recognised in income statement during period	1,066	616
	<b>1,879</b>	<b>1,212</b>
<b>Common control reserve</b>		
Opening balance	(4,171)	(4,171)
	<b>(4,171)</b>	<b>(4,171)</b>
<b>Foreign currency translation reserve</b>		
Opening balance	(245)	(192)
Translation differences from foreign operations during period	35	(53)
	<b>(210)</b>	<b>(245)</b>
<b>Reserves</b>	<b>(1,155)</b>	<b>(1,857)</b>

NOTE 22 FINANCIAL RISK MANAGEMENT

The Group has exposure to credit risk, liquidity risk and market risk arising from the use of financial instruments.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit Risk Exposures

The carrying amount of the Group's financial assets represents the maximum credit exposure.

	30 June 2022 \$000	30 June 2021 \$000
Cash and cash equivalents	18,317	13,321
Trade and other receivables	2,625	1,841
<b>Financial assets</b>	<b>20,942</b>	<b>15,162</b>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 22 FINANCIAL RISK MANAGEMENT (CONTINUED)

Cash and cash equivalents

Cash at bank and short-term deposits are held with Australian and New Zealand banks with acceptable credit ratings.

Trade and other receivables

Credit risk is managed through regular monitoring of customer accounts and payments. Such monitoring is used in assessing receivables for impairment. The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. Credit risk is principally attributable to local and international travel agents and inbound tour operators, including online and traditional high street travel agents.

The Group does not normally require or hold collateral for the purposes of securing receivables.

Impairment of trade receivables

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure expected credit losses trade receivables have been grouped based on shared credit risk characteristics and historical credit loss.

The Group has sought to determine risk on characteristics of certain groups and their respective risk categories.

	Category 1	Category 2	Category 3	Category 4	Category 5	Total
	\$000	\$000	\$000	\$000	\$000	\$000
<b>30 June 2022</b>						
Expected credit loss rate	0%	>0% to 25%	>25% to 50%	>50% to 75%	>75% to 100%	
Gross balance outstanding (\$000)	1,936	122	32	65	102	2,257
Expected credit loss	-	12	14	40	102	168
		10%	44%	62%	100%	7%
<b>30 June 2021</b>						
Expected credit loss rate	0%	>0% to 25%	>25% to 50%	>50% to 75%	>75% to 100%	
Gross balance outstanding (\$000)	1,375	44	69	-	1,031	2,520
Expected credit loss	-	4	31	-	933	968
		10%	45%	0%	91%	38%

b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or reputational risk.

The Group maintains a general corporate facility and cash reserves to mitigate this exposure.

The following table details the Group's remaining contractual maturity for its financial instrument liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 22 FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial liability maturity analysis

	Carrying amount	Contracted cash flow	6 months or less	6 to 12 months	1 to 2 years	More than 2 years
	\$000	\$000	\$000	\$000	\$000	\$000
<b>30 June 2022</b>						
Government loan	1,804	1,804	-	902	902	-
Bank loans	7,372	7,372	-	-	7,372	-
Trade and other payables	10,160	10,160	10,160	-	-	-
Lease liabilities	24,471	1,333	-	-	1,008	325
Deferred consideration	3,690	3,690	-	2,690	1,000	-
<b>Financial liabilities</b>	<b>47,497</b>	<b>24,359</b>	<b>10,160</b>	<b>3,592</b>	<b>10,282</b>	<b>325</b>
<b>30 June 2021</b>						
Government loan	465	465	-	-	-	465
Bank loans	7,385	7,385	-	-	7,385	-
Trade and other payables	5,168	5,168	5,168	-	-	-
Lease liabilities	20,438	20,438	3,337	2,203	5,428	9,470
<b>Financial liabilities</b>	<b>33,456</b>	<b>33,456</b>	<b>8,505</b>	<b>2,203</b>	<b>12,813</b>	<b>9,935</b>

c) Market Risk

*Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments. The financial instruments that primarily expose the Group to interest rate risk are borrowings and cash and cash equivalents.

Interest rate risk is managed using a mix of fixed and floating rate debt. At 30 June 2022 approximately 58% (2021: 54%) of group debt is fixed.

*Foreign exchange risk*

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies other than the AUD functional currency of the Group.

With instruments being held by overseas operations, fluctuations in the NZ Dollar may impact on the Group's financial results.

There are currently no hedging arrangements in place to manage foreign currency risk.

**Sensitivities**

The Group does not account for any financial assets or liabilities at fair value through the profit and loss, and has no derivatives designated as hedging instruments under fair value hedge accounting model. As such, a change in interest rates at reporting date would not impact profit and loss.

In relation to variable interest rate instruments, principally being bank borrowings under the general purpose corporate facility, the impact of a 100 basis point change in interest rates at the reporting date is immaterial.

**Fair values**

The fair values of financial assets and financial liabilities approximate their carrying amounts in the statement of financial position.



NOTES TO THE FINANCIAL STATEMENTS

NOTE 23 FAIR VALUE MEASUREMENT

FAIR VALUE HIERARCHY

The following tables detail the assets and liabilities of the Group, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- **Level 3:** Unobservable inputs for the asset or liability

The following tables provide the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
<b>30 June 2022</b>				
Aircraft	-	-	35,358	35,358
<b>Total assets</b>	-	-	<b>35,358</b>	<b>35,358</b>
<b>30 June 2021</b>				
Non-current assets held for sale	-	-	2,958	2,958
Aircraft	-	-	31,869	31,869
<b>Total assets</b>	-	-	<b>34,827</b>	<b>34,827</b>

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale are carried at their market value assessed at the time when the assets were designated as held for sale. The fair value of assets held for sale is designated within level 2 of the fair value hierarchy when contracts have been exchanged for the subject assets. Level 3 assets are those being actively marketed but no contracts have been exchanged at year end.

AIRCRAFT

The fair value of aircraft equipment is expected to be determined at every three years based on valuations by an independent valuer, with the last revaluation being 30 June 2020. At the end of each intervening period, the directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 23 FAIR VALUE MEASUREMENT

	Aircraft \$000	Level 3 Non-current assets held for sale \$000	Unlisted Investments \$000	Total \$000
Balance at 1 July 2021	32,456	8,290	-	40,746
Additions	1,067	108	-	1,175
Disposals	(671)	(4,743)	-	(5,414)
Loss recognised in profit and loss	-	(472)	-	(472)
Depreciation	(1,058)	(310)	-	(1,368)
Other	52	85	-	137
Transfer between asset class	23	-	-	23
<b>Balance at 30 June 2021</b>	<b>31,869</b>	<b>2,958</b>	<b>-</b>	<b>34,827</b>
Balance at 1 July 2021	31,869	2,958	-	34,827
Additions	2,565	-	-	2,565
Disposals	(4)	-	-	(4)
Depreciation	(1,190)	-	-	(1,190)
Other	(156)	-	-	(156)
Transfer between asset class	2,274	(2,958)	-	(684)
<b>Balance at 30 June 2022</b>	<b>35,358</b>	<b>-</b>	<b>-</b>	<b>35,358</b>

Due to COVID-19 market disruption directors valuations were adopted for the 30 June 2022 balance date.

NOTE 24 CASH FLOW INFORMATION

	30 June 2022 \$000	30 June 2021 \$000
<b>Loss after income tax</b>	<b>(13,583)</b>	<b>(4,301)</b>
<b>Non-cash items in profit</b>		
Depreciation and amortisation	9,817	7,929
Impairment	1,623	199
One off items - Non Cash	(408)	(307)
Net loss on sale of assets	6	(416)
Unrealised foreign currency exchange gains/(losses)	258	-
	<b>(2,287)</b>	<b>3,104</b>
<b>Changes in assets and liabilities:</b>		
Decrease in trade and other receivables	2,367	2,687
Decrease/(Increase) in other current assets	7,685	(1,024)
(Increase) in inventories	(582)	(923)
Decrease/(Increase) in trade and other payables	572	(729)
(Increase) in income taxes payable	(778)	(717)
Decrease in deferred taxes payable	(4,656)	2,154
Decrease/(Increase) in provisions	700	(18)
<b>Cash flows from operating activities</b>	<b>3,021</b>	<b>4,534</b>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 25 RELATED PARTY DISCLOSURES

RELATED PARTIES

The Group's related parties are as follows:

- **Entities exercising control over the Group:** the ultimate parent entity that exercises control over the Group is Experience Co Limited, which is incorporated in Australia.
- **Key Management Personnel:** persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including directors (executive and non-executive) of that entity.
- **Other Related Parties:** other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

KEY MANAGEMENT PERSONNEL REMUNERATION

	30 June 2022	30 June 2021
	\$	\$
Short-term employee benefits and accrued leave	1,477,533	1,421,225
Post-employment benefits	100,250	102,775
Share based payments	786,644	440,808
<b>Total KMP remuneration</b>	<b>2,364,427</b>	<b>1,964,808</b>

RELATED PARTY TRANSACTIONS AND BALANCES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	30 June 2022	30 June 2021
	\$	\$
Property leases and outgoing	316,534	328,262
Other non remuneration services	65,010	72,980
<b>Related party expenses</b>	<b>381,544</b>	<b>401,242</b>

Property lease transactions

During the period, property lease and outgoing costs were incurred in relation to entities controlled by Anthony Boucaut (Director):

- **Newcastle Drop Zone:** IGMAITB Pty Ltd atf IGMAITB Discretionary Trust for the property located at Belmont Airport, NSW.
- **Shellharbour Airport** Hangar facilities: Illawarra Hangar Pty Ltd atf Illawarra Hangar Unit Trust for properties located at Shellharbour Airport, NSW.

Other non-remuneration services

During the period the other non-remuneration services related to the cross hire of aircraft and use of Aircraft Operators Certificate (AOC) from entities controlled by Anthony Boucaut (Director).

NOTE 26 SUBSEQUENT EVENTS

There have been no significant subsequent events since the end of the period.

NOTE 27 CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2022, the Group had drawn bank guarantees amounting to \$\$1,433,229 (30 June 2021: \$289,867).

The Group is defending a claim lodged in the Federal Court of Australia by certain contractor pilots of STBAUS Pty Ltd, a Group subsidiary, for an amount of approximately \$1.2 million. As at the date of this report, the Group is defending the claim.

There are no other contingent liabilities or assets requiring disclosure as at the date of this report.

## EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

### NOTES TO THE FINANCIAL STATEMENTS

#### NOTE 28 CONTROLLED ENTITIES

The subsidiaries listed have share capital consisting solely of ordinary shares which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by Group. Each subsidiary's principal place of business is also its country of incorporation. Other than banking covenants there are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

NAME OF SUBSIDIARY	PRINCIPAL PLACE OF BUSINESS	OWNERSHIP INTEREST	
		2022	2021
Aircraft Maintenance Centre Pty Ltd	Australia	100%	100%
Australia Skydive Pty Ltd	Australia	100%	100%
B & B No 2 Pty Ltd	Australia	100%	100%
Bill & Ben Investments Pty Ltd	Australia	100%	100%
Skydive Holdings Pty Ltd	Australia	100%	100%
Skydive the Beach and Beyond Airlie Beach Pty Ltd	Australia	100%	100%
Skydive the Beach and Beyond BB Pty Ltd	Australia	100%	100%
Skydive the Beach and Beyond Central Coast Pty Ltd	Australia	100%	100%
Skydive the Beach and Beyond Great Ocean Road Pty Ltd	Australia	100%	100%
Skydive the Beach and Beyond Hunter Valley Pty Ltd	Australia	100%	100%
Skydive the Beach and Beyond Melbourne Pty Ltd	Australia	100%	100%
Skydive the Beach and Beyond Newcastle Pty Ltd	Australia	100%	100%
SBB Trading Pty Ltd	Australia	100%	100%
Skydive the Beach and Beyond Sydney Wollongong Pty Ltd	Australia	100%	100%
Skydive the Beach and Beyond Yarra Valley Pty Ltd	Australia	100%	100%
Skydive.com.au Pty Ltd	Australia	100%	100%
STBAUS Pty Ltd	Australia	100%	100%
Skydive International Holdings Pty Ltd	Australia	100%	100%
Skydive Investments Pty Ltd	Australia	100%	100%
Raging Thunder Pty Ltd	Australia	100%	100%
Fitzroy Island Ferries Pty Ltd	Australia	100%	100%
Fitzroy Island Pty Ltd	Australia	100%	100%
Martheno Pty Ltd	Australia	100%	100%
Raging Thunder Retail Pty Ltd <sup>1</sup>	Australia	-	100%
White Water Rafting Qld Pty Ltd	Australia	100%	100%
Raging Thunder Balloon Adventures Pty Ltd	Australia	100%	100%
ILB Pty Ltd	Australia	100%	100%
Reef Magic Cruises Pty Ltd	Australia	100%	100%
ACN 123 520 874 Pty Ltd	Australia	100%	100%
Air Vistas Pty Ltd	Australia	100%	100%
Calypso Reef Charters Pty Ltd	Australia	100%	100%
Fish for Fish Investments Pty Ltd	Australia	100%	100%
Experience Daintree Pty Ltd	Australia	100%	100%
J & J Wallace (Holdings) Pty. Ltd.	Australia	100%	100%
J & J Wallace (Projects) Pty Ltd	Australia	100%	100%
J & J Wallace (Tours) Pty Ltd	Australia	100%	100%
J & J Wallace (Permits) Pty. Ltd.	Australia	100%	100%
Performance Helicopters Pty Ltd <sup>2</sup>	Australia	-	-
Experience Marine Pty Ltd	Australia	100%	100%
Experience Co Admin Pty Ltd	Australia	100%	100%
Experience Co Admin QLD Pty Ltd	Australia	100%	100%
Skydive Australia Collections Pty Ltd	Australia	100%	100%
Wild Bush Luxury Experience Pty Ltd	Australia	100%	100%
Canopy Adventure Pty Ltd	Australia	100%	-
Canopy Adventure Yanchep Pty Ltd	Australia	100%	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE 28 CONTROLLED ENTITIES (CONTINUED)

NAME OF SUBSIDIARY	PRINCIPAL PLACE OF BUSINESS	OWNERSHIP INTEREST	
		2022	2021
TATPP Pty Ltd	Australia	100%	-
Trees Adventure Holdings Pty Ltd	Australia	100%	-
Trees Adventure Pty Ltd	Australia	100%	-
Trees Central Coast Pty Ltd	Australia	100%	-
Trees Coffs Harbour Pty Ltd	Australia	100%	-
Trees Kuringai Pty Ltd	Australia	100%	-
Trees Mosman Pty Ltd	Australia	100%	-
Trees Newcastle Pty Ltd	Australia	100%	-
Trees Nowra Pty Ltd	Australia	100%	-
Trees Pennant Hills Pty Ltd	Australia	100%	-
Trees Sunshine Pty Ltd	Australia	100%	-
Trees Western Sydney Pty Ltd	Australia	100%	-
Trees Yarramundi Pty Ltd	Australia	100%	-
Trees Yeodene Pty Ltd	Australia	100%	-
Treetop Adventure Australia Pty Ltd	Australia	100%	-
Treetop Adventures Holdings Pty Ltd	Australia	100%	-
Treetops Cape Tribulation Pty Ltd	Australia	100%	-
Experience Co NZ Holdings Limited	New Zealand	100%	100%
Skydive Queenstown Limited	New Zealand	100%	100%
Ultimate Adventure Group Ltd	New Zealand	100%	100%
Parachute Adventure Queenstown Limited	New Zealand	100%	100%
Skydive Wanaka Limited	New Zealand	100%	100%
Performance Aviation (New Zealand) Limited	New Zealand	100%	100%

<sup>1</sup> Entered voluntary administration in March 2021. In accordance with a Deed of Company Arrangement the company was deregistered on 30 September 2021

<sup>2</sup> Deregistered on 30 December 2020



NOTES TO THE FINANCIAL STATEMENTS

NOTE 29 PARENT ENTITY DISCLOSURES

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

	30 June 2022 \$000	30 June 2021 \$000
Profit/(loss) for the period	(6,565)	(5,752)
Other comprehensive income	-	-
<b>Total comprehensive income for the period after tax</b>	<b>(6,565)</b>	<b>(5,752)</b>
Current assets	26,976	18,109
Non-current assets	193,544	132,717
<b>Total assets</b>	<b>220,520</b>	<b>150,826</b>
Current liabilities	8,711	3,025
Non-current liabilities	20,783	14,448
<b>Total liabilities</b>	<b>29,494</b>	<b>17,473</b>
Issued capital	230,365	167,516
Retained earnings	(42,032)	(35,467)
Reserves	2,693	1,305
<b>Total Equity</b>	<b>191,026</b>	<b>133,353</b>

Significant accounting policies are consistent with those applied by the Group.

The parent entity had no guarantees, contingent liabilities or commitments as at balance date.

# DIRECTORS DECLARATION

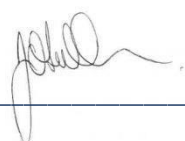
In the Directors' opinion:

1. The financial statements and notes thereto:
  - (a) comply with the Corporations Act 2001, Australian Account Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements;
  - (b) comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements; and
  - (c) give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the period ended on that date.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporate Act 2001.

Signed in accordance with a resolution of the directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors.



**John O'Sullivan**  
*Chief Executive Officer*



**Kerry Robert (Bob) East**  
*Chairman*

Dated: **24 August 2022**

# AUDITOR'S INDEPENDENCE DECLARATION



## RSM Australia Partners

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## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Experience Co Limited and controlled entities for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

**RSM AUSTRALIA PARTNERS**

**C J Hume**  
Partner

Sydney, NSW  
Dated: 24 August 2022

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation



# INDEPENDENT AUDITORS REVIEW REPORT



## RSM Australia Partners

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## INDEPENDENT AUDITOR'S REPORT To the Members of Experience Co Limited

### Opinion

We have audited the financial report of Experience Co Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

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# INDEPENDENT AUDITORS REVIEW REPORT



Key Audit Matter	How our audit addressed this matter
------------------	-------------------------------------

<b>Revenue</b>	
Refer to the financial statements	
<p>The recognition of revenue and the associated deferred revenue is significant to the audit and is considered to be a key audit matter due to the nature of the revenue, which is often paid in advance of the services being rendered. The group is therefore required to recognize such receipts as deferred revenue until such time as the services are rendered under AASB 15.</p> <p>There are potential risks in relation to the following:</p> <ul style="list-style-type: none"> <li>Revenues may be deliberately overstated because of management override of internal controls. The management of the Group considers sales as a key performance measure which could create an incentive for sales to be recognized before the services have been provided.</li> <li>In accordance with AASB 15, Experience Co Group is entitled to recognize revenue from variable consideration, being the probabilities applied to gift card sales and advance bookings in respect of management's assessment of the likelihood that the advance bookings and gift vouchers will result in a tandem jump occurring.</li> </ul>	<p>Our audit procedures in relation to revenue recognition, deferred revenue and breakage revenue included the following:</p> <ul style="list-style-type: none"> <li>Obtaining a detailed understanding of each of the sources of revenue and the related systems processes for quantifying and recording revenue and deferred revenue.</li> <li>Considered the adequacy of the Group's revenue recognition policies and assessing them for compliance with Australian Accounting Standards.</li> <li>Where applicable, testing the operating effectiveness of key controls in relation to bookings and revenue recognition.</li> <li>Selecting a sample of entries in the sales ledger accounts and testing that the amounts recognized are consistent with cash banked.</li> <li>Obtaining deferred revenue schedule from management as at year end, on a sample basis, testing the completeness and accuracy of the deferred revenue schedule by selecting a sample of payment received before year end from the risky cut-off period based on the nature of the activities and trace to evidence as to whether the services have been rendered before year end and confirmed.</li> <li>Obtaining the breakage revenue calculated by management, auditing managements estimates utilized in the process to determine the redemption rate. Assessing the reasonability of managements estimations, judgements, and calculations in accordance with AASB 15.</li> <li>Assessing the adequacy of the disclosures in the financial statements for the critical accounting estimates and judgements in the accounting policy notes and ensure the disclosures are consistent with the applied practices.</li> </ul>



# INDEPENDENT AUDITORS REVIEW REPORT



<b>Business Combinations</b>	
Refer to financial statements	
<p>During the period the Group made three acquisitions being the business of Wild Bush Luxury Experience Pty Ltd on 19 July 2021, Maria Island Walk Pty Ltd on 30 November 2021 and Trees Adventure Holdings Pty Ltd on 30 November 2021. Management determined these acquisitions to be business combinations under AASB 3 Business Combinations.</p> <p>The terms of the agreement involved the transfer of cash and equity consideration and included deferred/contingent considerations. The purchase price must be allocated between the acquired assets and liabilities, at their respective fair values, with any difference recognized as goodwill on consolidation.</p> <p>We considered these transactions to be a key audit matter because of:</p> <ul style="list-style-type: none"> <li>• the judgments and assumptions involved in the valuation of the assets and liabilities acquired including identifiable intangible assets.</li> <li>• the complexity of purchase price allocation exercise and related acquisition journals including impact on consolidation process.</li> </ul>	<p>Our audit procedure in relation to business acquisitions included following:</p> <ul style="list-style-type: none"> <li>• Obtaining the share purchase agreements and other associated documents and understanding the nature and terms and conditions of the transaction to assess whether management decided accounting treatment of the transaction is in line with AASB 3.</li> <li>• Reviewing the purchase price allocation working to assess the accuracy of the working against supporting documents and confirm the methodology is in line with AASB 3.</li> <li>• Assessing the accuracy and completeness of the fair values of the identified assets and liabilities acquired.</li> <li>• Reviewing the work performed by management's experts on the valuation of the tangible and intangible assets identified in the acquisitions, with reference to the requirements of ASA 500 Audit Evidence, which establishes mandatory requirements in relation to using the work of a management's expert.</li> <li>• Reviewing acquisition journals and related consolidation journals to ensure the journals to recognize the transactions are appropriate and accurate.</li> <li>• Reviewing the adequacy of the relevant disclosures, including the disclosures in respect of judgments made, in the financial statements</li> </ul>

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

# INDEPENDENT AUDITORS REVIEW REPORT



## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf). This description forms part of our auditor's report.

## Report on the Remuneration Report

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 11 to 15 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Experience Co Limited, for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in blue ink, appearing to read 'RSM'.

RSM Australia Partners

A handwritten signature in blue ink, appearing to read 'C J Hume'.

C J Hume  
Partner

Sydney, 24 August 2022

# ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is current as at 3 August 2021.

## 1. Shareholding

### a) Distribution of Shareholders

CATEGORY (SIZE OF HOLDING)	NUMBER OF HOLDERS	NUMBER ORDINARY SHARES	% HELD BY CATEGORY
1-1,000	172	60,223	0.01%
1,001-5,000	546	1,518,995	0.20%
5,001-10,000	275	2,068,327	0.27%
10,001-100,000	537	17,096,698	2.27%
100,000 - and over	124	731,968,063	97.24%
	<b>1,654</b>	<b>752,712,306</b>	<b>100.00%</b>

### b) Shareholdings in less than marketable parcels

The number of shareholdings held in less than marketable parcels is 106.

### c) Substantial shareholders

The names of the substantial shareholders listed in the holding company's register are:

SHAREHOLDER	NUMBER OF ORDINARY FULLY PAID SHARES HELD	% HELD OF ISSUED ORDINARY CAPITAL
BOUCAUT ENTERPRISES PTY LTD	180,898,814	24.033%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	179,211,813	23.809%
NATIONAL NOMINEES LIMITED	129,671,023	17.227%
CITICORP NOMINEES PTY LIMITED	78,240,831	10.395%
UBS NOMINEES PTY LTD	58,151,600	7.726%

### d) Voting Rights

The voting rights attached to each class of equity security are as follows:

#### Ordinary shares

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

# ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

## 1. Shareholding (continued)

### e) 20 Largest Shareholders – Ordinary Shares

NAME	NUMBER OF ORDINARY FULLY PAID SHARES HELD	% HELD OF ISSUED ORDINARY CAPITAL
BOUCAUT ENTERPRISES PTY LTD	180,898,814	24.03%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	179,211,813	23.81%
NATIONAL NOMINEES LIMITED	129,599,023	17.22%
CITICORP NOMINEES PTY LIMITED	78,240,831	10.39%
UBS NOMINEES PTY LTD	58,151,600	7.73%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	19,699,385	2.62%
BNP PARIBAS NOMS PTY LTD	15,646,259	2.08%
PGA (SERVICES) PTY LTD	11,016,927	1.46%
DENLAB INVESTMENT PTY LTD	6,156,582	0.82%
MS ARIANE RADFORD	5,872,456	0.78%
MAUCLAI PTY LTD	5,810,276	0.77%
BNP PARIBAS NOMS (NZ) LTD	3,173,323	0.42%
TLSL INVESTMENT PTY LTD	1,937,185	0.26%
ASH & BEC INITIATIVES PTY LTD	1,937,185	0.26%
CS THIRD NOMINEES PTY LIMITED	1,757,607	0.23%
TELUNAPA PTY LTD	1,500,000	0.20%
BNP PARIBAS NOMINEES PTY LTD	1,352,704	0.18%
EQUITY TRUSTEES LIMITED	1,268,906	0.17%
MR ANDRE WALL ELLIS & MRS OLIVIA LOUISE ELLIS	1,100,000	0.15%
MR MICHAEL CHARLES BOWDEN	1,000,000	0.13%
<b>TOTAL SHARES OF TOP 20 HOLDINGS</b>	<b>705,330,876</b>	<b>93.71%</b>

## 2. Company Secretary

Fiona van Wyk

## 3. The address of the principle office in Australia is:

Level 5, 89 York Street Sydney 2000  
Telephone 1300 663 634

## 4. Registers of securities are held at the following addresses:

Boardroom Pty Ltd Level 12, 225 George Street, Sydney NSW 2000

## 5. Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

# CORPORATE DIRECTORY

<b>Directors:</b>	Kerry (Bob) East Neil Cathie Michelle Cox Anthony Boucaut John O'Sullivan
<b>Company Secretary:</b>	Fiona van Wyk
<b>Registered Office:</b>	Level 5, 89 York Street Sydney 2000
<b>Principal Place of Business:</b>	Level 5, 89 York Street Sydney 2000
<b>Lawyers:</b>	Bird & Bird Level 22, MLC Centre, 19 Martin Place, Sydney NSW 2000
<b>Auditors:</b>	RSM Australia Partners Level 13, 60 Castlereagh Street Sydney NSW 2000
<b>Share Registry:</b>	Boardroom Pty Ltd Level 12, 225 George Street Sydney NSW 2000
<b>Bankers:</b>	National Australia Bank Limited Level 6, 2 Carrington Street Sydney NSW 2000
<b>Stock Exchange Listing Code:</b>	<b>ASX: EXP</b>
<b>Website:</b>	<a href="http://www.experienceco.com">www.experienceco.com</a>