



ACN 167 320 470

## Appendix 4D

For the half year ended 31 December 2021

(Previous corresponding period being the half year ended 31 December 2020)

### Results for announcement to the market

	December 2021 \$000	December 2020 \$000
Revenue from continuing operations	19,219	20,146
Profit before impairment, interest, taxes, depreciation and amortisation (EBITDA) from continuing operations	(4,507)	3,885
Loss before tax from continuing operations	(9,229)	(1,090)
Loss after tax from continuing operations attributable to shareholders	(4,061)	(646)
Net loss after tax from continuing and discontinued operations attributable to shareholders	(4,061)	(213)
<b>Net tangible assets</b>	<b>72,756</b>	<b>65,756</b>
Net tangible assets cents per share	9.7 cents	11.8 cents

### Acquisition or disposals of controlled entities, businesses or assets

Refer to note 3 to the Interim Financial Report.

### Dividends

No dividend has been paid or declared during the period.

### Auditor's Report

This Appendix 4D is based on the Interim Financial Report for the half year ended 31 December 2021 (as attached) which has been reviewed by Experience Co Limited's auditors.

### Other Information

The remainder of the information requiring disclosure to comply with the Listing Rule 4.2A is contained in the Interim Financial Report that follows.



ACN 167 320 470

# **Experience Co Limited**

**ACN 167 320 470**

**Interim Financial Report**

**Half year ended 31 December 2021**

This Interim Financial Report is to be read in conjunction with the financial report for the period ended 30 June 2021.

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## EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

### DIRECTORS' REPORT

The directors present their report on the consolidated entity (referred to herein as the Group) consisting of Experience Co Limited (The Company) and its controlled entities for the half year ended 31 December 2021.

#### DIRECTORS

The following persons were directors of Experience Co Limited during or since the end of the period up to the date of this report:

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

#### 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 Australia and New Zealand, and tours to the Great Barrier Reef and Daintree region.

During the half year the Group completed acquisitions that will broaden 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).

##### Group Financial Performance

	31 December 2021 \$000	31 December 2020 \$000	% change
Revenue	19,219	20,146	(5%)
Underlying EBITDA	(3,056)	4,375	n/a
Net loss after tax	(4,061)	(213)	n/a
Net cash/(debt) <sup>1</sup>	12,468	(2,602)	n/a

The Group incurred a net loss after tax from continuing operations of \$4.1 million (31 December 2020: \$0.2 million) and Underlying EBITDA loss from continuing operations was \$3.1 million (31 December 2020: \$4.4 million profit).

The Group experienced the most challenging trading conditions of the pandemic which included protracted lockdowns and travel restrictions for key domestic markets from July 2021. With momentum building into the summer trading period the emergence of the Omicron strain late in the period soon followed by record case levels, along with the multiplier effect of isolation health directives and overwhelmed testing capabilities, adversely impacted consumer participation and staffing availability in our peak period.

Pleasingly, the acquired businesses were less impacted by the Omicron wave, demonstrating the benefits of the strategy to reweight the Group's portfolio of assets and increase exposure to domestic markets.

Notwithstanding these challenges, the 'living with COVID' approach by National Cabinet in Australia including easing of border restrictions heading into the new year have assisted in trading conditions improving into January.

#### BALANCE SHEET

The Group maintains a well capitalised balance sheet following the successful capital raise in the period for the acquisition of Treetops Adventure.

As at 31 December 2021 the Group had cash and cash equivalents of \$27.5 million and net cash of \$12.5 million.

<sup>1</sup> Net cash/(debt) is calculated as corporate debt and asset finance less cash and cash equivalents. Comparative as at 30 June 2021.

## **DIRECTORS' REPORT**

### **ACQUISITIONS**

#### **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 activity category. This 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 will form part of 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 complimentary and provide the Group exposure to a growth category with resilient domestic demand and strong international appetite when borders are open

#### **Treetops Adventure**

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

Treetops Adventure provides an exposure to the family adventure market. This market is anticipated to be a growing category, with experiences having a connection with 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. We are excited by the growth prospects for this category as pandemic restrictions ease and international markets return.

### **OUTLOOK**

The Group is optimistic that market conditions will continue to improve in Australia and New Zealand as the second half of FY22 progresses. The Group anticipates Q3 FY22 to continue to see recovery in domestic trading conditions, with the potential for international activity commencing from April. In the near term, the Group is focused on integrating the recent acquisitions and positioning the business to leverage its market leading positions as volumes recover.

The Group has high conviction that Australia and New Zealand will be highly desirable destinations for international markets and our diversified adventure experience portfolio will continue to attract domestic markets as international travel markets recover to pre pandemic levels through to FY25.

With a well capitalised balance sheet, we continue to evaluate complimentary acquisitions and organic growth opportunities.

Due to continued uncertainty EXP is not providing earnings guidance for FY22.

### **DIVIDENDS**

No dividend was paid or declared during the period.

### **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.

### **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as requested under section 307C of the *Corporation Act* 2001 is set out on page 13.

Signed in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act* 2001.



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



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

Dated: **23 February 2022**

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

	Notes	Half year ended 31 December 2021 \$000	Half year ended 31 December 2020 \$000
Sales revenue		19,219	20,146
Cost of sales		(13,718)	(13,005)
<b>Gross profit</b>		<b>5,501</b>	<b>7,141</b>
Other income	4	4,080	8,071
Employee expenses		(7,702)	(6,472)
Depreciation and amortisation expenses		(4,123)	(3,999)
Impairment of property, plant and equipment and other assets		-	(199)
Marketing and advertising expenses		(836)	(504)
Repairs and maintenance expenses		(609)	(543)
Operating expenses		(3,190)	(2,268)
Restructure and other significant expenses	5	(1,709)	(1,419)
Loss on disposal of assets		(42)	(121)
<b>Loss before financial income and taxes</b>		<b>(8,630)</b>	<b>(313)</b>
Net finance costs		(599)	(777)
<b>Loss before income tax from continuing operations</b>		<b>(9,229)</b>	<b>(1,090)</b>
Income tax benefit		5,169	444
<b>Net loss for the half year from continuing operations</b>		<b>(4,061)</b>	<b>(646)</b>
<b>Discontinued operations</b>			
Profit after tax for the half year from discontinued operations		-	433
<b>Loss for the half year from continuing and discontinued operations</b>		<b>(4,061)</b>	<b>(213)</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		83	(12)
<b>Other comprehensive income/(loss) for the half year</b>		<b>83</b>	<b>(12)</b>
<b>Total comprehensive loss for the half year</b>		<b>(3,978)</b>	<b>(225)</b>
<b>Earnings per share for continuing operations</b>			
Basic earnings per share (cents)		(0.54)	(0.12)
Diluted earnings per share (cents)		(0.54)	(0.12)

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2021 \$000	As at 30 June 2021 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		27,507	13,321
Trade and other receivables		2,120	1,841
Inventories		4,023	3,932
Other assets		2,057	2,875
		<b>35,707</b>	<b>21,969</b>
Assets classified as assets held for sale		1,609	2,958
<b>Total current assets</b>		<b>37,316</b>	<b>24,927</b>
<b>Non-current assets</b>			
Property, plant and equipment	6	72,551	64,840
Asset under construction		8,550	4,887
Right-of-use assets		18,629	11,741
Deferred tax assets		13,211	8,970
Intangible assets	7	47,274	1,264
<b>Total non-current assets</b>		<b>160,215</b>	<b>91,702</b>
<b>Total assets</b>		<b>197,531</b>	<b>116,629</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		6,672	5,168
Lease liabilities		8,141	5,539
Employee benefits		2,103	1,707
Current tax liability		-	742
Deferred Consideration		3,835	-
Contract liabilities		13,196	5,692
		<b>33,947</b>	<b>18,848</b>
Liabilities directly associated with assets classified as held for sale		109	851
<b>Total current liabilities</b>		<b>34,056</b>	<b>19,699</b>
<b>Non-current liabilities</b>			
Borrowings		7,842	7,850
Lease liabilities		18,188	14,899
Employee benefits		233	230
Provisions		700	-
Deferred Consideration		3,690	-
<b>Total non-current liabilities</b>		<b>30,653</b>	<b>22,979</b>
<b>Total liabilities</b>		<b>64,709</b>	<b>42,678</b>
<b>Net assets</b>		<b>132,822</b>	<b>73,951</b>
<b>Equity</b>			
Issued capital		231,398	168,547
Accumulated losses		(96,800)	(92,739)
Reserves		(1,776)	(1,857)
<b>Total equity</b>		<b>132,822</b>	<b>73,951</b>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Note	Issued Capital \$000	Retained Earnings \$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>
<b>Comprehensive income</b>								
Loss for the half year		-	(213)	-	-	-	-	(213)
Other comprehensive loss for the half year		-	-	-	-	-	(12)	(12)
<b>Total comprehensive loss for the half year</b>		<b>-</b>	<b>(213)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12)</b>	<b>(225)</b>
<b>Transactions with owners, in their capacity as owners</b>								
Reduction in share capital		(94)	-	-	-	-	-	(94)
Options issued during the half year		-	-	-	-	177	-	177
<b>Total transactions with owners and other transfers</b>		<b>(94)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>177</b>	<b>-</b>	<b>83</b>
<b>Balance at 31 December 2020</b>		<b>168,551</b>	<b>(88,651)</b>	<b>1,347</b>	<b>(4,171)</b>	<b>773</b>	<b>(204)</b>	<b>77,645</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 half year		-	(4,061)	-	-	-	-	(4,061)
Other comprehensive income for the half year		-	-	-	-	-	83	83
<b>Total comprehensive loss for the half year</b>		<b>-</b>	<b>(4,061)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83</b>	<b>(3,978)</b>
<b>Transactions with owners, in their capacity as owners</b>								
Issued share capital		62,451	-	-	-	-	-	62,451
Transfer to Issued capital		400	-	-	-	(400)	-	-
Options issued during the half year		-	-	-	-	398	-	398
<b>Total transactions with owners and other transfers</b>		<b>62,851</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>62,849</b>
<b>Balance at 31 December 2021</b>		<b>231,398</b>	<b>(96,800)</b>	<b>1,347</b>	<b>(4,171)</b>	<b>1,210</b>	<b>(162)</b>	<b>132,822</b>

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

Note	Half year ended 31 December 2021 \$000	Half year ended 31 December 2020 \$000
<b>Operating activities</b>		
Receipts from customers (GST inclusive)	23,715	24,504
Interest received	3	28
Payments to suppliers and employees (GST inclusive)	(24,641)	(19,800)
Finance costs	(335)	(565)
Income tax refund/(payment)	186	(219)
<b>Net cash (used in)/provided by operating activities</b>	<b>(1,072)</b>	<b>3,948</b>
<b>Investing activities</b>		
Sale of property, plant and equipment	158	2,597
Proceeds from the sale of discontinued operations	-	2,895
Proceeds from grant contribution to assets under construction	300	1,050
Payments for assets under construction	(1,440)	(1,891)
Purchase of property, plant and equipment	(2,477)	(1,244)
Payments for purchase of businesses	(32,192)	-
<b>Net cash (used in)/provided by investing activities</b>	<b>(35,651)</b>	<b>3,407</b>
<b>Financing activities</b>		
Issued shares	52,292	-
Share purchases	-	(94)
Proceeds from borrowings	611	553
Repayment of borrowings	(941)	(1,871)
Repayment of leases liabilities	(1,053)	(2,671)
Loan repayments to related parties	-	(79)
<b>Net cash provided/(used) in financing activities</b>	<b>50,909</b>	<b>(4,162)</b>
<b>Net increase in cash held</b>	<b>14,186</b>	<b>3,193</b>
Cash and cash equivalents at beginning of the period	13,321	12,469
<b>Cash and cash equivalents at end of the period</b>	<b>27,507</b>	<b>15,662</b>

The accompanying notes form part of these financial statements.

## EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

# NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The interim financial report of Experience Co Limited (the Company) and its subsidiaries (collectively, the Group) for the six months ended 31 December 2021 was authorised for issue in accordance with a resolution of the directors.

The Company 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

The interim financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The interim financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

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

The accounting policies adopted in the preparation of the interim 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. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the interim financial report, the Group has made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates. Significant judgements made by management in applying the Group's accounting policies and the key sources of estimate uncertainty were the same as that applied to the audited consolidated financial statements for the year ended 30 June 2021.

### GOING CONCERN

In preparing the interim 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 and at the amounts stated in the interim financial report. The Directors have a reasonable expectation that the Group will have adequate resources to continue to meet its obligations as they fall due.

## 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 in the half.
- **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.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## NOTE 2 OPERATING SEGMENTS (CONTINUED)

31 December 2021	Skydiving \$000	Adventure Experiences \$000	Corporate \$000	Continuing operations \$000
<b>Revenue</b>				
Sales to external customers at a point in time	9,303	9,887	29	19,219
<b>Sales revenue</b>	<b>9,303</b>	<b>9,887</b>	<b>29</b>	<b>19,219</b>
Other income	1,495	2,203	382	4,080
<b>Total segment revenue</b>	<b>10,798</b>	<b>12,090</b>	<b>411</b>	<b>23,299</b>
<b>EBITDA</b>	<b>(1,382)</b>	<b>940</b>	<b>(4,065)</b>	<b>(4,507)</b>
Restructure and other significant expenses	198	132	1,379	1,709
Net gain/loss on sale of assets	(67)	(6)	115	42
Queensland Growing Tourism Infrastructure Program	-	(300)	-	(300)
<b>Underlying EBITDA</b>	<b>(1,251)</b>	<b>766</b>	<b>(2,571)</b>	<b>(3,056)</b>
Depreciation and amortisation	(1,512)	(2,218)	(393)	(4,123)
<b>Segment profit before financial income and taxes</b>	<b>(2,894)</b>	<b>(1,278)</b>	<b>(4,458)</b>	<b>(8,630)</b>
<b>Total assets as at 31 December 2021</b>	<b>58,550</b>	<b>102,416</b>	<b>34,956</b>	<b>195,922</b>
<b>Total liabilities as at 31 December 2021</b>	<b>(25,402)</b>	<b>(21,181)</b>	<b>(18,017)</b>	<b>(64,600)</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.

31 December 2020	Skydiving \$000	Adventure Experiences \$000	Corporate \$000	Continuing operations \$000
Sales to external customers at a point in time	14,415	5,703	28	20,146
<b>Sales revenue</b>	<b>14,415</b>	<b>5,703</b>	<b>28</b>	<b>20,146</b>
Other income	2,560	5,023	488	8,071
<b>Total segment revenue</b>	<b>16,975</b>	<b>10,726</b>	<b>516</b>	<b>28,217</b>
<b>EBITDA</b>	<b>3,725</b>	<b>2,989</b>	<b>(2,829)</b>	<b>3,885</b>
Restructure and other significant expenses	395	101	923	1,419
Net gain/loss on sale of assets	2	119	-	121
Queensland Growing Tourism Infrastructure Program	-	(1,050)	-	(1,050)
<b>Underlying EBITDA</b>	<b>4,122</b>	<b>2,159</b>	<b>(1,906)</b>	<b>4,375</b>
Depreciation and amortisation	(1,808)	(1,935)	(256)	(3,999)
<b>Segment profit before financial income and taxes</b>	<b>1,917</b>	<b>1,054</b>	<b>(3,085)</b>	<b>(114)</b>
<b>Total assets as at 31 December 2020</b>	<b>64,582</b>	<b>29,543</b>	<b>23,078</b>	<b>117,203</b>
<b>Total liabilities as at 31 December 2020</b>	<b>(17,103)</b>	<b>(2,868)</b>	<b>(22,669)</b>	<b>(42,640)</b>

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

	31 December 2021 \$000	31 December 2020 \$000
<b>Loss for the half year from continuing operations</b>	<b>(4,061)</b>	<b>(646)</b>
Finance costs	599	777
Depreciation and amortisation	4,123	3,999
Impairment	-	199
Income tax expense	(5,168)	(444)
<b>EBITDA from continuing operations</b>	<b>(4,507)</b>	<b>3,885</b>
Restructure and other significant expenses (see note 5)	1,709	1,419
Profit on Disposal of Assets	42	121
Queensland Growing Tourism Infrastructure Program	(300)	(1,050)
<b>Underlying EBITDA from continuing operations</b>	<b>(3,056)</b>	<b>4,375</b>

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

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## NOTE 3 BUSINESS COMBINATIONS

During the half 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 the acquisitions are 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 aerial 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.

	Wild Bush Luxury	Maria Island Walks	Trees Adventure	Consolidated Business Combinations
	\$000	\$000	\$000	\$000
<b>Assets</b>				
Cash & other equivalents	-	-	3,503	3,503
Accounts Receivable	-	-	189	189
Inventory	38	3	206	247
Other current assets	139	-	583	721
Property, plant and equipment (note 6)	633	227	6,579	7,439
Asset under construction	-	-	628	628
Intangible assets (note 7)	-	-	65	65
Other non current assets	-	-	9	9
Right-of-use assets	2,610	-	4,685	7,295
<b>Liabilities</b>				
Accounts payable	-	-	(787)	(787)
Other amounts payable	(54)	-	(734)	(788)
Bank Loan	-	-	(3,900)	(3,900)
Lease liabilities	(2,610)	-	(4,685)	(7,295)
Contract Liabilities	(2,107)	(967)	(1,573)	(4,647)
<b>Net assets acquired</b>	<b>(1,352)</b>	<b>(737)</b>	<b>4,768</b>	<b>2,679</b>
Trade Names	837	809	13,933	15,579
Goodwill	1,201	1,639	26,720	29,560
<b>Acquisition-date fair value of the total consideration transferred</b>	<b>686</b>	<b>1,711</b>	<b>45,421</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
Less: Working capital and other adjustments	-	-	(1,320)	(1,320)
<b>Net cash used</b>	<b>(339)</b>	<b>1,711</b>	<b>30,212</b>	<b>31,584</b>

**Payment for purchase of business, net of cash acquired per cash flow statement**

Net cash used for the Wild Bush acquisition	(339)
Net cash used for the Maria Island acquisition	1,711
Net cash used for the Trees Adventure acquisition	30,212
	<b>31,584</b>
Net cash transaction costs	607
Net cash used for purchase of businesses	<b>32,192</b>

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 3 BUSINESS COMBINATIONS (CONTINUED)

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 \$3,292,590 and \$203,018 respectively.

NOTE 4 OTHER INCOME

	31 December 2021 \$000	31 December 2020 \$000
Jobkeeper income	-	5,232
Wages subsidy income	1,120	180
Queensland Tourism Icons Program	-	1,000
Queensland Growing Tourism Infrastructure Program	300	1,050
Queensland Major Tourism Experiences Hardship Grant	2,000	-
New Zealand Strategic Tourism Asset Protection Program	209	154
Diesel Fuel Rebate	189	168
Insurance Recoveries	13	179
Environmental Projects and Other Marine Subsidies	125	-
Other	124	108
	<b>4,080</b>	<b>8,071</b>

NOTE 5 RESTRUCTURE AND OTHER SIGNIFICANT EXPENSES

Restructure and other expenses from continuing operations in the period included costs in relation to redundancy and severance, restructuring and other costs related to the final stages of the business simplification exercise.

	31 December 2021 \$000	31 December 2020 \$000
Business acquisition costs	1,067	-
Restructuring costs	389	507
Strategic review costs	-	426
Share based payments	397	177
Other (net)	(144)	309
<b>Restructure and other significant expenses</b>	<b>1,709</b>	<b>1,419</b>

NOTE 6 PROPERTY PLANT & EQUIPMENT

	Land & Buildings \$000	Plant & Equipment \$000	Leasehold Improv. \$000	Aircraft \$000	Motor Vehicles \$000	Office Equipment \$000	Vessels \$000	Total \$000
<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	20	208	226	539	227	80	520	1,820
Depreciation expense	(10)	(502)	(55)	(561)	(164)	(82)	(1,461)	(2,835)
Disposals	-	-	-	-	(38)	-	-	(38)
Movement in foreign exchange	2	2	21	58	4	1	-	88
Transfer from asset held for sale	-	-	-	1,236	-	-	-	1,236
PPE acquired through business combinations (see note 3)	1,065	1,112	4,755	-	348	3	156	7,439
<b>Cost 31 December 2021</b>	<b>2,783</b>	<b>13,031</b>	<b>8,696</b>	<b>34,963</b>	<b>4,288</b>	<b>1,921</b>	<b>31,968</b>	<b>97,650</b>
<b>Accumulated depreciation</b>	<b>(67)</b>	<b>(7,151)</b>	<b>(927)</b>	<b>(1,822)</b>	<b>(2,331)</b>	<b>(1,543)</b>	<b>(11,258)</b>	<b>(25,099)</b>
<b>Carrying amount 31 December 2021</b>	<b>2,716</b>	<b>5,880</b>	<b>7,769</b>	<b>33,141</b>	<b>1,957</b>	<b>378</b>	<b>20,710</b>	<b>72,551</b>

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## NOTE 7 INTANGIBLE ASSETS

	Goodwill \$000	Trademarks \$000	Computer Software \$000	Customer relationships \$000	Leases & Licenses \$000	Total \$000
<b>Cost 1 July 2021</b>	-	-	2,134	4,090	3,252	9,476
<b>Accumulated amortisation and impairment</b>	-	-	(1,082)	(4,090)	(3,040)	(8,212)
<b>Carrying amount 1 July 2021</b>	-	-	1,052	-	212	1,264
Additions	-	-	210	-	-	210
Allocable cost amount adjustment	789	-	-	-	-	789
Amortisation expense	-	-	(193)	-	-	(193)
Intangibles acquired through business combinations (see note 3)	29,560	15,579	65	-	-	45,204
<b>Cost 31 December 2021</b>	<b>30,348</b>	<b>15,579</b>	<b>2,409</b>	<b>4,090</b>	<b>3,252</b>	<b>55,678</b>
<b>Accumulated amortisation and impairment</b>	-	-	(1,275)	(4,090)	(3,040)	(8,405)
<b>Carrying amount 31 December 2021</b>	<b>30,349</b>	<b>15,579</b>	<b>1,134</b>	-	<b>212</b>	<b>47,274</b>

## NOTE 8 DIVIDENDS

No dividend paid or declared during the period (31 December 2020: nil)

## NOTE 9 SUBSEQUENT EVENTS

Other than the events outlined elsewhere in the half year financial statements, no matters or circumstances have arisen since the end of the reporting period that have significantly affected, or may significantly affect, the operations, results of operations or state of affairs on the Group in subsequent reporting periods.

**DIRECTOR'S DECLARATION**

In accordance with a resolution of the directors of Experience Co Limited pursuant to section 303(5)(a) of the Corporations Act 2001, the directors of the Company declare that:

1. The financial statements and notes, as set out on pages 3 to 15:
  - (a) comply with the Corporation's Act 2001, AASB 134 Interim Financial Reporting, The Corporations Regulations 2001 and other mandatory professional reporting requirements.
  - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the period ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the directors



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



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

Dated: **23 February 2022**

AUDITOR'S INDEPENDENCE DECLARATION



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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Experience Co Limited for the half year ended 31 December 2021, 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 review; and
(ii) any applicable code of professional conduct in relation to the review.

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RSM AUSTRALIA PARTNERS

[Handwritten signature]

C J HUME
Partner

Sydney, NSW
Dated: 23 February 2022

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## INDEPENDENT AUDITORS REVIEW REPORT



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

#### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Experience Co Limited which comprises the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the consolidated entities are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Experience Co Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Experience Co Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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INDEPENDENT AUDITORS REVIEW REPORT



*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Experience Co Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance of the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial reporting and Corporations Regulations 2001*.

Sydney, NSW  
Dated: 23 February 2022

A handwritten signature in blue ink that reads 'RSM'.

RSM Australia Partners

A handwritten signature in blue ink that reads 'C J Hume'.

C J HUME  
Partner