

APPENDIX 4E

FOR THE YEAR ENDED 30 JUNE 2024

(PREVIOUS CORRESPONDING PERIOD BEING THE YEAR ENDED 30 JUNE 2023)

	June 2024 \$000	June 2023 \$000	% change
Revenue from ordinary activities	127,040	108,596	17%
Profit/(loss) before impairment, interest, taxes, depreciation and amortisation (EBITDA) from ordinary activities	15,230	9,969	53%
Loss before tax from ordinary activities	(2,001)	(300)	n/a
Loss after tax from ordinary activities attributable to shareholders	(71)	(542)	n/a
Net tangible assets	69,494	71,827	(3%)
Net tangible assets cents per share	9.2 cents	9.5 cents	(4%)

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 2024 (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.

FY24

ANNUAL REPORT



EXPERIENCECO

ABN 56 167 320 470

NZONE | QUEENSTOWN | NEW ZEALAND

ABOUT US

Experience Co Limited (EXP) is one of Australia and New Zealand's most recognised and respected adventure tourism and leisure businesses.

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 eastern 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 and Wanaka, 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.



EXPERIENCECO

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REEF MAGIC | CAIRNS | AUSTRALIA



TREETOPS ADVENTURE | CANBERRA | AUSTRALIA

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 2024.

FY24 represented a year of continued recovery and growth for EXP despite challenging weather and trading conditions. The Group achieved revenue of \$127 million and underlying EBITDA of \$14.4 million, representing a year-on-year increase of 17% and 27%, respectively. FY24 delivered the Group's strongest financial result since FY19, driven by growth in our Skydive segment and more modest growth in our Adventure Experiences segment. This performance was achieved despite a more gradual than expected recovery of international visitors and persistent domestic cost-of-living pressures in Australia.

The Directors have determined that a final dividend for FY24 will not be declared.

YEAR IN REVIEW

The Skydive segment reached its highest volumes since FY19 and delivered a 29% year-on-year increase in revenue. Skydive in NZ far exceeded FY23 volumes as it benefited from Queenstown's reputation as a tourism destination of choice as well as having an approximate 6-month head start on Australia as an Approved Destination for Chinese group tourism. Australia's volume growth was less pronounced due to the relative pace of recovery of inbound markets whilst also being constrained during the year by weather disruptions and the impact of domestic cost-of-living pressures.

Our Performance Aviation division started the year with strong external maintenance bookings in NZ and cross hire revenues in Australia. From Q3, aviation revenue was impacted by reduced levels of freight and cross-hire activity. The recently acquired Australian Jump Pilot Academy business enjoyed robust bookings throughout the year and continued to provide a pipeline of new pilots for our Skydive division.

The Adventure Experiences segment increased year-on-year revenue and volumes with strong performances from Reef Unlimited and Treetops Adventure offset by slightly weaker trading in the Premium Adventure segment.

Reef Unlimited performance continued to be driven by consistent domestic demand and increasing international inbound tourism despite the impacts of Cyclone Jasper during the peak December and January holiday periods. While the Cairns market recovered quickly, the Port Douglas and Cape Tribulation recovery was markedly slower due to the delayed reopening caused by the impacts of flooding experienced post Tropical Cyclone Jasper. The return of the cruise ship market and Chinese inbound tourism during Lunar New Year supported volumes in the second half of the year. Throughout the year, we also saw increased demand for our Reef Magic pontoon and Dreamtime Dive and Snorkel experiences.

Treetops Adventure saw resilient performances across the network against a backdrop of challenging weather and trading conditions during the year. Although, heavily impacted by Tropical Cyclone Jasper, our Cape Tribulation site reopened from Easter and continues to post strong performances. In April, we opened the 16th site at Majura Pines in Canberra which contributed strongly to the business during the remainder of the financial year.

Premium Adventure experienced softer demand from the peak trading experienced in FY22 post pandemic, but we remain optimistic that the segment will recover as demand normalises given the quality of our Arkaba, Bamurru Plains and Maria Island experiences.

During the year, Management remained focused on cost management disciplines and operating efficiencies while managing inflationary impacts on the business.

Despite adverse weather impacts in key locations during peak trading periods, the business adjusted operations to match changes in demand to optimise peak operating periods. A notable example is the collaboration with the QLD Government and local councils to establish a commuter ferry service between Cairns and Port Douglas when the road infrastructure was damaged during Cyclone Jasper.

PEOPLE AND SAFETY

Safety remains a core value at EXP. We have robust health and safety management systems and reporting and training initiatives in place to ensure a safe workplace and customer experience.

Our people are central to delivering exceptional experiences to our customers, and we continue to invest in employee well-being, career development, and retention through various programs.

INVESTING IN GROWTH

Aligned with our organic growth strategy, the Group opened the Treetops Canberra site in April 2024. Since opening, the site's performance has exceeded expectations. This success reinforces our commitment to our organic growth strategy and the expansion of this business unit into key locations Australia wide.

The Group continues to invest in Customer Relationship Management (CRM) systems and its consumer websites to enhance and optimise EXP's experiences and brand reputation across our extensive customer network driving revenue and elevating the overall customer experience.

In December 2023, the Group entered into a new secured corporate debt facility with Commonwealth Bank of Australia. The facility provides the Group increased working capital and funding to support both organic growth and acquisition opportunities.

CHAIRMAN & CEO REPORT

STRATEGIC REVIEW

In April 2024, the Board initiated a Strategic Review to explore options for maximising shareholder value, including potential change of control transactions. The process is now underway and further updates will be provided at the appropriate time.

OUTLOOK

The Board and Management remain confident in the long-term earnings potential of the business. Our growing and diverse portfolio is well positioned to capitalise on opportunities arising from the recovery of inbound international markets and normalisation of domestic consumer sentiment.

ACKNOWLEDGEMENTS

We extend our gratitude to all Experience Co team members for their dedication and hard work during FY24. We also thank our shareholders, customers and all stakeholders for their ongoing support of EXP.

We look forward to building long-term value as Experience Co capitalises on the opportunities ahead and executes its strategic objectives.



Kerry (Bob) East
Chair



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

Chair – Remuneration & Nomination Committee

Member – Audit & Risk Committee

BACKGROUND

Bob has proven leadership capability and significant industry skill and expertise with more than 25 years' experience in the tourism and hospitality industries. Prior to joining Experience Co, Bob was CEO of Mantra Group (ASX 200) where he was responsible for the consolidation and strengthening of the Mantra Group brands and the growth of the business into one of the leading accommodation providers and operators in Australasia. Bob was instrumental in and lead the listing of the Mantra Group on the ASX in 2014 and in 2018 the largest hospitality transaction in Australia – the acquisition of the Mantra Group by Accor Hotels.

Bob holds Non- Executive Director Chair roles in the Gold Coast Football Club Ltd, Australia Venue Company Pty Ltd, Leisure Accommodation Collective and Cettire Limited.

Bob holds an MBA from University of New England.

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

Founder 1999

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 more than 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), a former Australian Defence Force member (for 7 years), an approved member of the Australian Parachuting Federation (APF) and an Aviation CEO approved by the Civil Aviation Safety Authority Australia (CASA).

Anthony is also owner and director of numerous private companies.

Listed Company Directorships in last 3 years

None

Equity Interests (Direct/Indirect)

175,181,212 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 was 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 currently Non-Executive Chair of Coventry Group Limited and Non-Executive Director of Bowen & Pomeroy Pty Ltd.

Neil is a Fellow of CPA Australia (F CPA), a graduate member of the Australian Institute of Company Directors (GAICD) 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 been in the travel and tourism sector for over 25 years. She has held executive and director roles at Bastion Collective, STA Travel and APT Group of Companies. She also held Non-Executive roles with Tourism Tasmania, Australian Tourism Export Council (NT Chair), Central Australian Tourism Industry Association (Deputy Chair) and the NT Business Women's Consultative Council Advisory Board.

Michelle is currently a Non-Executive Chair of Motherless Daughters Australia.

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 until September 2023

Equity Interests (Direct/Indirect)

Nil

ALEXANDER (ALEX) WHITE

Non-Executive Director

Appointed on 3 November 2023

BACKGROUND

Alex is Managing Director of Richmond Hill Capital which is a long-term substantial shareholder of Experience Co. Alex has over 15 years of corporate and investment management experience with previous roles as a Portfolio Manager at Viburnum Funds and Analyst at Cooper Investors.

Alex is currently a Non-Executive Director of Coventry Group

Listed Company Directorships in last 3 years

Coventry Group (ASX: CYG)

HRL Holdings Limited (ASX: HRL) - Non-Executive Director until August 2022

MOQ Digital Limited (ASX: MOQ) – Non-Executive Director until November 2022

Equity Interests (Indirect)

112,181,229 Ordinary Shares

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), and Fox Sports (Chief Operating Officer). Prior to joining Experience Co, John was Managing Director of Tourism Australia and oversaw a period of record growth of international visitation and expenditure to Australia.

John is the Chair of Tourism Tropical North Queensland and Non-Executive Director of Luxury Lodges of Australia. John 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)

3,322,009 Ordinary shares

8,441,058 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 2024.

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
Neil Cathie	Independent Non-Executive Director
Michelle Cox	Independent Non-Executive Director
Anthony Boucaut	Non-Executive Director
Alexander (Alex) White	Non-Executive Director (Appointed 3 November 2023)
John O'Sullivan	Chief Executive Officer and Executive Director

DIRECTORS' MEETINGS

The number of Board meetings and Board Committee meetings held 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	14	14	2	2	2	2
Anthony Boucaut	14	14	NA	NA	NA	NA
Neil Cathie	14	14	2	2	2	2
Michelle Cox	14	14	2	2	2	2
Alex White	14	7 ¹	NA	NA	NA	NA
John O'Sullivan	14	14	NA	NA	NA	NA

¹Alex White appointed 3 November 2023

NA = not a member of the relevant Committee

Company Secretary

Fiona van Wyk was appointed Company Secretary on 6 November 2021.

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 include tandem skydiving in Australia and New Zealand, tours to the Great Barrier Reef and Daintree region, nature-based walking and lodge experiences and high rope and zipline aerial adventures.

DIRECTORS' REPORT

Group Financial Performance

	30 June 2024 \$000	30 June 2023 \$000	% change
Revenue	127,040	108,596	17%
Underlying EBITDA ¹	14,384	11,311	27%
Net loss after tax	(71)	(542)	n/a
Net (debt) /cash ²	(8,944)	(6,803)	n/a

¹ Underlying EBITDA is presented including the application of AASB 16. Refer to Note 2 to the audited financial statements.

² Refer to note 18 for the calculation of Net (debt) /cash.

Revenue in the period increased to \$127.0 million, a 17% increase (30 June 2023: \$108.6 million) principally driven by volume improvement in the Skydiving segment along with continued growth in the Adventure Experiences segment. The group was able to achieve this despite the impact of Tropical Cyclone Jasper and other significant weather events during Q4 24 affecting Treetops Adventure and Skydive Australia.

Skydiving revenue increased with volumes increasing to 64% of pre-pandemic levels by Q4 24. Our Australian skydiving operations reported 76k tandem PAX in FY24 (FY23: 66k), as we maintained our market leadership position and were able to leverage our leading drop zone locations. Pleasingly our NZ skydiving operations reported 38k tandem PAX for the period and in Q4 24 alone reported ~73% of pre-pandemic volumes as international volumes continued to increase.

The Adventure Experiences segment remained the largest contributor to the Group driven primarily by the Reef Unlimited performance. Despite significant weather impacts during key trading periods both Reef Unlimited and Treetops Adventure had increased revenue on a PCP basis. The Wild Bush Luxury business unit revenue was down on PCP mainly due to the impacts of Australians travelling overseas.

Throughout the year, the group benefitted from the continued recovery of international markets both in Australia and New Zealand. Pleasingly in New Zealand, Queenstown outperformed pre-pandemic levels of visitation. In Australia most of the key inbound markets are at or above 70% of pre-pandemic visitation with the exception of China which is still at only 54%. Management will continue to monitor the impacts of ongoing macroeconomic conditions particularly on the Skydiving segment.

BALANCE SHEET

The Group reported net assets of \$128.9 million at 30 June 2024 (30 June 2023: \$129.0 million).

The Group's balance sheet was strengthened with it entering into a new multi-year secured debt facility with Commonwealth Bank of Australia in December 2023. This facility replaces the previous National Australia Bank facility and provides the Group with optionality for growth and working capital facilities.

The Group's continues to implement its strategy of ensuring that it maintains a balance sheet allowing it to navigate the ongoing international recovery and domestic macroeconomic trading conditions.

INVESTMENT

Growth

Treetops Canberra opening

Consistent with the Group's growth strategy for our Treetops Adventure portfolio, the Group opened Treetops Canberra in April 2024. Management continues to progress the development of additional new sites identified in critical locations such as South East Queensland and Victoria.

Hangar 5 – Shellharbour Airport

During the year, the Group agreed to terms to purchase the operational premises of Performance Aviation Australia from Anthony Boucaut for \$1.3m. This acquisition was completed on 12 July 2024 and will provide Performance Aviation Australia with a permanent base at Shellharbour Airport which is considered a key operational site for Skydive Australia.

DIRECTORS' REPORT

OUTLOOK

The Group maintains a positive trading outlook for FY25 driven primarily by continued recovery of inbound tourist numbers to Australia and New Zealand as well as the anticipated improvement in domestic economic conditions in both countries. The Group's view on longer term earnings potential remains unchanged with the key sensitivity being the performance of domestic markets and return of international visitors.

Due to continued macroeconomic uncertainty EXP is not providing earnings guidance for FY25.

DIVIDENDS

No dividend was paid or declared during the period.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

In July 2024, the Group purchased interests in a hangar facility and related equipment located at Shellharbour Airport, NSW for \$1,350,000 from entities controlled by Anthony Boucaut (Director). The Group's aircraft maintenance operations currently utilise the hangar facility and the Group negotiated terms to acquire the interests following an assessment of the Group's future aircraft maintenance requirements.

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

OPTIONS AND RIGHTS

In 2015, a total of 10,300,000 options were granted to former KMP under the STB Share Option Plan to take up ordinary shares at an exercise price of \$0.25 each. 3,000,000 options are held by Anthony Boucaut (currently Non-Executive Director) and the balance of 7,300,000 options are held by former KMP who are no longer with the Group. These options expire on 9 February 2025. No share options were exercised during the period.

Details on options and rights are set out in the Remuneration Report for Key Management Personnel (**KMP**).

ENVIRONMENTAL

The Group holds relevant and valid permits under regulatory bodies such as the Great Barrier Reef Marine Park Authority (GBRMPA), State and National Parks 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 conservation and preservation of the environment in which we operate. The directors are not aware of any material breaches during the period covered by this report.

For the financial year ended 30 June 2024 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.

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).

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.

DIRECTORS' REPORT

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 insure 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.

NON-AUDIT SERVICES

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 7 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



Kerry (Bob) East
Chair

Dated: **21 August 2024**

REMUNERATION REPORT

INTRODUCTION, REMUNERATION POLICY AND GOVERNANCE

The Directors of EXP are pleased to present the Remuneration Report for the Group's Key Management Personnel (**KMP**) for the financial year ended 30 June 2024 which aims to provide shareholders with an understanding of EXP's remuneration strategies and outcomes for the period.

This report is presented in accordance with the requirements of the Corporations Act 2001 and its regulations. Information has been audited as required by Section 308(3C) of the Corporation Act 2001.

The report outlines the remuneration components for KMP designed to retain, motivate, and attract high performing Senior Executives who are committed to achieving the Group's strategic goals and whose interests are aligned with growth in shareholder value.

To achieve this the Group sets market competitive remuneration comprising a mix of fixed remuneration, Short-Term Incentives (**STI**) (to reward achievement of annual key performance targets), and Long-Term Incentives (**LTI**) (to reward achievement of goals aligned to the longer-term performance of the Group and shareholder value creation). Details of the remuneration components are outlined on page 14 and 15.

The Board has an established Remuneration and Nomination Committee (**Remco**). The members of the Remco comprise three Independent Non-Executive Directors – Bob East (Chair), Neil Cathie and Michelle Cox. The Remco is tasked with overseeing the Group's remuneration framework for Senior Executives to ensure they align with the Company's strategic goals, values and culture for the long-term sustainable growth of the business.

The Remco reviews Senior Executive remuneration packages including **STI** and **LTI** annually with reference to relevant comparable industry information, the Group's financial and strategic performance targets and the performance of the individual.

The Group's remuneration approach is designed to ensure the Group's remuneration structures:

- Are aligned to the business needs, values and objectives
- Are fair, competitive and comparable to industry and roles
- Motivate, attract and retain Senior Executives
- Promote long-term sustainable growth in the business and shareholder value

STI's are tied to short-term performance and goals with financial and non-financial targets aligned to the strategic objectives of the Group. Additional information including FY24 Executive KMP STI outcomes is provided on page 16.

The EXP Employee Incentive Plan (EEIP) is designed with flexibility to award Senior Executives equity incentives in the form of performance rights, service rights or options. The EEIP aligns the interests of Senior Executives with the sustained performance and growth of the business by awarding longer-term performance with equity ownership. Participation in the EEIP is at the Board's discretion.

At the 2023 Annual General Meeting, EXP received over 90% of 'in favour' votes on its remuneration report for the 2023 financial year.

KEY MANAGEMENT PERSONNEL (KMP)

The KMP for the Group for FY24, are those persons who have the authority and responsibility for planning, directing and controlling the activities of the Group (directly or indirectly) and includes Non-Executive Directors, Executive Directors and the Chief Financial Officer (**CFO**) of the Group.

Directors	Other KMPs
Non-Executive Directors	
Bob East, Chair of the Board	Owen Kemp, CFO until 5 February 2024 ²
Neil Cathie	Gavin Yates, CFO appointed on 16 January 2024 ³
Michelle Cox	
Anthony Boucaut	
Alex White appointed on 3 November 2023 ¹	

Executive Director and CEO

John O'Sullivan

¹ Alex White joined the Board on 3 November 2023. By mutual agreement, no Directors Fees were payable to Alex in FY24. From 1 August 2024, Alex will receive a Directors Fee (the same Fee as for existing Non-Executive Directors).

² Remuneration details for Owen Kemp are included in the remuneration report until 5 February 2024 (the date he ceased to be employed by the Group).

³ Remuneration details for Gavin Yates are included in the remuneration report from 16 January 2024 (date of appointment as CFO).

REMUNERATION REPORT

NON-EXECUTIVE DIRECTOR REMUNERATION

Policy and approach to setting Non-Executive Director Fees

The Board's policy is to remunerate Non-Executive Directors (NED's) based on market related fees for time, commitment and responsibilities as NED's of the Company and to ensure the Group attracts and retains skilled, experienced and committed individuals to serve on the Board.

Non-Executive Directors receive a director's fee and fees (inclusive of Superannuation), for chairing or participating on Board Committees.

Non-Executive Directors do not participate in performance-based remuneration.

Board composition

The Company aims to ensure the Board comprises individuals with the necessary skills and experience to meet the current and future requirements of the business. Bob East (Chair of the Board and Remuneration and Nomination Committee), Neil Cathie (Chair of the Audit & Risk Committee), Anthony Boucaut and Michelle Cox served as Non-Executive Directors for the financial year and up to the reporting date.

Alex White was appointed as Non-Executive Director on 3 November 2023.

No other changes to the composition of the Non-Executive Directors were made during the year.

FY24 Fee Structure

Annual Remuneration¹

Role	2024	2023
Chairman	203,010	202,000
Non-Executive Directors ²	86,280	85,850
Chair of Committee	15,230	15,150
Member of Committee	5,075	5,050

¹ Inclusive of statutory superannuation

² Anthony Boucaut is remunerated \$140,000 per annum for Non-Executive Director duties and \$30,000 for aviation services exclusive of superannuation

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 comprises three elements:

Fixed Remuneration

Composition	Fixed remuneration comprises salary, superannuation and other fixed elements of remuneration such as vehicle allowances Fixed remuneration is delivered in cash, superannuation and other relevant benefits.
Determination	Fixed remuneration is determined based on market comparisons for similar roles taking into account experience, responsibility of the role and capability to deliver the Group's operational and financial performance objectives.
Purpose	Attract and retain Senior Executives with appropriate skills capability and experience to meet the requirements of the role and the objectives of the Group.

STI Plan

Composition	STI's may be settled in cash or Deferred Service Rights or any combination thereof, subject to Board discretion.
Purpose	Motivate and reward for achieving agreed annual objectives (Key Performance Indicators (KPIs)) aligned with the Group's financial and operational objectives.
Participation	Executive KMP and Senior Executives.
Opportunity	Maximum STI opportunity as a percentage of fixed remuneration: - Up to 65% for the CEO; and - Up to 55% for the CFO and other Senior Executives.
Performance Period	Performance is measured from 1 July to 30 June of each year.
Performance Measures	STI is awarded annually based on the Group achieving agreed performance targets aligned with the Group's strategic objectives including financial and non-financial metrics. Refer page 16 for information relating to FY24 STI outcome. Assessment and award of any STI is based on the audited financial results for the respective financial year and remains at the discretion of the EXP Board.

REMUNERATION REPORT

LTI

Composition	LTI is awarded in the form of Performance Rights with vesting performance measures determined by the Board at the time of grant. Each Performance Right entitles the participant, on vesting, to one EXP share. Vesting may be satisfied by the allotment of new shares or by purchasing existing shares on market. Performance Rights that do not vest at the end of the performance period lapse.	
Purpose	Drives long-term growth objectives of the business. Aligns the interests of Senior Executives with the interests of Shareholders.	
Participation	Executive KMP and Senior Executives.	
Opportunity	Executive KMP In FY22, Performance Rights were granted as a lump sum ¹ .	CFO and other Senior Executives² LTI opportunity is up to 25% of fixed remuneration.
Performance Measures	Executive KMP¹ Vesting performance measures are determined by the Board at time of grant. In November 2022, a total of 12,000,000 Performance Rights, subject to performance conditions aligned with share price targets and continuous service were granted to Executive KMP. Refer page 18 for details on Executive KMP Performance Rights.	CFO and Senior Executives² Vesting performance measures are determined by the Board at time of grant. The performance conditions of the Performance Rights granted during FY24 are based on: • Achieving Underlying EBITDA targets (50% of allocation) for the period 1 July 2023 to 30 June 2026, tested in 3 equal tranches on an annual basis. The first testing for vesting will be in September 2024. - Subject to achieving the performance conditions, any Performance Rights will only vest at the end of the 3 year performance period i.e. September 2026; and • Achieving return on invested capital (50% of allocation) over the 3 year performance period – 1 July 2023 to 30 June 2026.
Delivery	Vesting is conditional upon participants being continuously employed with EXP or an EXP Group Company until vesting date.	
Forfeiture	Any rights or interest in the Performance Rights or shares may be forfeited if the Board determines that a participant: ✓ Has committed an act of fraud; or ✓ Is found to have acted in a manner that the Board considers to be gross misconduct.	

¹Includes CFO Owen Kemp until 5 February 2024 (the date he ceased to be employed by the Group)

²Includes CFO Gavin Yates appointed as CFO on 16 January 2024

Executive KMP Employment Conditions

	Term of Agreement	Notice Period	Termination Entitlements
John O'Sullivan (CEO)	No definite term	6 months	6 months
Owen Kemp ¹ (CFO)	No definite term	6 months	6 months
Gavin Yates ² (CFO)	No definite term	3 months	3 months

¹Owen Kemp until 5 February 2024

²Gavin Yates appointed on 16 January 2024

Refer to page 18 for the number of granted, vested and lapsed Performance Rights and shares issued to Executive KMP.

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.

		Short-term			Post-employment		Other long-term			
	Year	Cash Salary, leave paid and fees	Cash bonus ⁶	Share based payment expense ¹	Total Short Term	Super-annuation	Long-service & annual leave accrual ²	Share based payment expense ¹	Total	Proportion performance related
Group KMP Non-Executive Directors										
Bob East	2024	187,858	-	-	187,858	19,340	-	-	207,198	-
	2023	187,858	-	-	187,858	19,725	-	-	207,583	-
Anthony Boucaut	2024	170,000	-	-	170,000	18,131	-	-	188,131	-
	2023	170,000	-	-	170,000	17,850	-	-	187,850	-
Neil Cathie	2024	95,881	-	-	95,881	10,547	-	-	106,428	-
	2023	95,881	-	-	95,881	10,068	-	-	105,949	-
Michelle Cox	2024	86,750	-	-	86,750	9,543	-	-	96,293	-
	2023	86,750	-	-	86,750	9,109	-	-	95,859	-
Alex White ³	2024	-	-	-	-	-	-	-	-	-
	2023	NA	-	-	-	-	-	-	-	-
Non Executive Directors	2024	540,489	-	-	540,489	57,561	-	-	598,050	-
	2023	540,489	-	-	540,489	56,752	-	-	597,241	-
Executive KMP										
John O'Sullivan	2024	540,750	80,500	-	621,250	22,129	(44,757)	250,593	849,215	39%
	2023	539,760	123,600	82,529	745,889	28,075	(6,144)	465,694	1,233,514	47%
Owen Kemp ⁴	2024	243,050	-	-	243,050	16,763	(71,409)	(278,524)	(90,120)	-
	2023	388,627	72,000	62,816	523,443	27,296	9,698	240,115	800,552	39%
Gavin Yates ⁵	2024	127,380	49,500	-	176,880	13,962	(1,281)	3,589	193,150	27%
	2023	NA	-	-	-	-	-	-	-	-
Executive KMP	2024	911,180	130,000	-	1,041,180	52,854	(117,447)	(24,342)	952,245	-
	2023	928,387	195,600	145,345	1,269,332	55,371	3,554	705,809	2,034,066	-
Total	2024	1,451,669	130,000	-	1,581,669	110,415	(117,447)	(24,342)	1,550,295	N/A
	2023	1,468,876	195,600	145,345	1,809,821	112,123	3,554	705,809	2,631,307	N/A

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

² Based on the net movement in the KMP's provision for annual leave and long service leave for the respective period

³ Alex White appointed 3 November 2023. Directors Fee not payable in FY24. From 1 August 2024, Alex will receive a Directors Fee (the same Fee as for existing Non-Executive Directors)

⁴ Owen Kemp's remuneration details are included until 5 February 2024 (the date he ceased to be employed by the Group). FY24 STI is not applicable as STI is subject to continuous employment at time of payment of STI

⁵ Gavin Yates appointed CFO on 16 January 2024. Remuneration details included from that date. FY23 comparatives are therefore not applicable

⁶ 2023 reflects cash bonuses paid for FY22; No cash bonus was paid for FY23; 2024 reflects an accrual for FY24 cash bonuses approved by the Board

REMUNERATION REPORT

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 2023 or date of appointment	Other purchases	Conversion of Performance Rights ¹	Disposals	Held at 30 June 2024
Bob East	2,235,657	-	-	-	2,235,657
Anthony Boucaut	176,898,814	18,900	-	(1,736,502)	175,181,212
John O'Sullivan	2,346,209	-	975,800	-	3,322,009
Neil Cathie	891,865	-	-	-	891,865
Michelle Cox	NIL	-	-	-	NIL
Alex White ²	101,396,786	10,784,443	-	-	112,181,229
Owen Kemp ³	1,954,634	-	702,576	-	2,657,210
Gavin Yates ⁴	NIL	-	-	-	NIL

¹Vesting of Performance Rights granted in November 2020 based on achieving the TSR performance condition (50% of the Performance Rights granted). Vesting was satisfied by the issue of new ordinary shares in the Company.

²Alex White was appointed during the year therefore his opening balance is as at date of appointment.

³The closing balance for Owen Kemp is at 5 February 2024 – the date he ceased to be employed by the Group.

⁴Gavin Yates became a KMP on 16 January 2024 therefore his opening balance is as at that date.

Options and Performance Rights

	Held at 30 June 2023 or date of appointment	Granted ²	Vested and Exercised ³	Lapsed ⁴	Held at 30 June 2024	Exercise Price \$	Expiry Date ⁷
Options¹							
Anthony Boucaut	3,000,000	-	-	-	3,000,000	0.25	9-Feb-25
Performance Rights							
LTI Performance Rights							
John O'Sullivan	11,892,658	-	(975,800)	(2,475,800)	8,441,058	Nil	Varies ⁷
Owen Kemp ⁵	5,082,714	-	(702,576)	(4,380,138)	Nil	Nil	
Gavin Yates ⁶	250,000	-	-	-	250,000	Nil	

¹No Options were issued or exercised during the year.

²Other than ⁶below, no other Performance Rights were granted to Executive KMP in FY24.

³50% of the Performance Rights granted in November 2020 subject to the TSR performance condition vested in September 2023.

⁴Performance Rights lapsed during the year.

- Lapse of 50% of the Performance Rights granted in November 2020 subject to the Return on Invested Capital performance condition- John O'Sullivan 975,800 Performance Rights and Owen Kemp 702,576 Performance Rights.
- Lapse of first tranche of the Performance Rights granted to Executive KMP in December 2022 – John O'Sullivan 1,500,000 Performance Rights and Owen Kemp 500,300 Performance Rights.
- The remaining unvested Performance Rights (3,177,262) held by Owen Kemp on date of ceasing to be employed by the Group lapsed on 5 February 2024.

⁵The closing balance for Owen Kemp is as at 5 February 2024 being the date he ceased to be employed by the Group.

⁶Opening balance as at 16 January 2024 (date of appointment as CFO (transition from GM Finance)). The Performance Rights were granted in December 2023. Refer page 18 for details relating to the Performance Rights.

⁷The expiry dates for the Performance Rights vary from 30 September 2025 to 30 September 2027.

REMUNERATION REPORT

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.

	2024	2023	2022	2021	2020	2019
Sales revenue (\$'000)	127,040	108,596	55,818	44,453	98,875	161,296
EBITDA (\$'000)	15,230	9,969	(5,286)	6,841	5,049	19,265
Underlying EBITDA (\$'000) ¹	14,384	11,311	(2,370)	6,761	9,230	27,183
Net profit/(loss) for the year (\$'000)	(71)	(542)	(13,583)	(4,301)	(51,413)	(48,258)
Market capitalisation (\$'000)	128,768	177,473	165,500	166,744	69,476	141,730
Dividends paid (\$'000)	-	-	-	-	-	5,558
Earnings per share (cents)	(0.01)	(0.07)	(1.94)	(0.86)	(7.14)	(8.68)
Share price at financial year end (\$)	0.170	0.235	0.220	0.300	0.125	0.230
Dividends paid (cents per share)	-	-	-	-	-	0.01

¹ Underlying EBITDA presented above for the financial years ended 30 June 2024, 2023, 2022, 2021 and 2020 is for continuing operations and includes the application of AASB 16 Leases.

EXECUTIVE KMP PERFORMANCE RIGHTS KEY INPUTS

	FY20	FY21	FY22	FY23	FY24
No. of Performance Rights granted	2,736,668	3,356,752	1,618,620	12,000,00	250,000 ⁶
Grant Date	29-Nov-19	16-Nov-20	23-Nov-21	21-Dec-22	22 Dec 23
Share Price at Grant Date	0.265	0.26	0.33	0.23	0.175
Vesting Date	15-Sep-22	15-Sep-23	15-Sep-24	Varies ⁴	20-Sept 26
No. of Performance Rights Vested	-	1,678,376 ²	-	-	-
No. of Performance Rights Exercised	-	1,678,376	-	-	NIL
No. of Performance Rights Lapsed	-	1,678,376 ²	677,562 ³	4,500,000 ⁵	NIL
No. of Performance Rights Outstanding	-	-	941,058	7,500,000	250,000
Share-based payments expense ¹	-	(\$175,528)	(\$15,787)	\$163,384	\$3,589

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

² 50 % of the Performance Rights granted in November 2020 subject to the TSR performance condition vested and 50% of the Performance Rights subject to Return on Invested Capital performance condition lapsed.

³ Performance Rights lapsed due to CFO Owen Kemp ceasing to be employed by the Group effective 5 February 2024.

⁴ Vesting dates between 30 September 2025 and 30 September 2027.

⁵ 2,000,300 Performance Rights lapsed due to share price performance targets not met. 2,499,700 Performance Rights lapsed due to CFO Owen Kemp ceasing to be employed by the Group effective 5 February 2024.

⁶ Performance Rights granted in December 2023 prior to becoming KMP.

Performance Rights granted in November 2020 subject to Total Shareholder Return (**TSR**) (50% of grant) and Return on Invested Capital (**ROIC**) (50% of grant) performance conditions were tested for vesting in September 2023. The TSR performance condition (achieved CAGR TSR based on the 5 day VWAP up to and including 30 June 2023 of 21.826% pa vs the performance target of CAGR TSR of >17.5%) was achieved and therefore 100% of the Performance Rights subject to the TSR performance condition vested (a total of 1,678,376 Performance Rights). Vesting was satisfied by the issue of 1,678,376 new ordinary shares in the Company. The ROIC vesting condition was not achieved and therefore the Performance Rights subject to the ROIC performance condition lapsed (a total of 1,678,376 Performance Rights).

REMUNERATION REPORT

EXECUTIVE KMP PERFORMANCE RIGHTS KEY INPUTS (CONTINUED)

Designed to align the long-term interests of Executive KMP with that of shareholders, in November 2022, a total of 12,000,000 Performance Rights, subject to long-term share price targets and retention conditions were granted to the Executive KMP. The first tranche of the Performance Rights (2,000,300) lapsed in September 2023 as the share price hurdle of 28 cents had not been achieved.

In February 2024 all remaining unvested Performance Rights (4,380,138) held by CFO Owen Kemp automatically lapsed as he ceased to be employed by the Group.

Other than the Performance Rights (250,000) granted to Gavin Yates in December 2023 (prior to his transition to CFO), no other Performance Rights were granted to the Executive KMP in FY24.

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 23 to the Financial Report.



FINANCIAL STATEMENTS

For the year ended 30 June 2024

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES



EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	30 June 2024 \$000	30 June 2023 \$000
Sales revenue		127,040	108,596
Cost of sales		(79,822)	(65,541)
Gross profit		47,218	43,055
Other income	3	5,596	2,736
Employee expenses		(17,456)	(18,391)
Depreciation and amortisation expenses		(12,926)	(11,706)
Impairment of property, plant and equipment	13	(2,354)	(591)
Reversal of impairment of property, plant and equipment	13	-	3,280
Marketing and advertising expenses		(3,520)	(3,340)
Repairs and maintenance expenses		(2,427)	(2,480)
Operating expenses		(12,600)	(11,396)
Acquisition-related costs and other significant expenses (net)	4	(1,384)	53
Loss on disposal of assets		(197)	(268)
Net finance costs	5	(1,951)	(1,252)
Loss before income tax		(2,001)	(300)
Income tax expense	6	1,930	(242)
Loss for the year		(71)	(542)
<i>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</i>			
Revaluation of property, plant and equipment, net of tax	13	(446)	4,466
Exchange differences on translating foreign operations, net of income tax		(38)	(8)
Other comprehensive income/(loss) for the year		(484)	4,458
Total comprehensive income/(loss) for the year		(555)	3,916
Earnings per share			
Basic earnings per share (cents)	8	(0.01)	(0.07)
Diluted earnings per share (cents)	8	(0.01)	(0.07)

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 2024 \$'000	As at 30 June 2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	9	8,244	8,587
Trade and other receivables	10	4,395	3,612
Inventories		5,196	4,870
Other assets	11	2,697	2,923
Total current assets		20,532	19,992
Non-current assets			
Property, plant and equipment	13	91,588	94,440
Asset under construction		2,072	2,281
Right-of-use assets	12	17,005	15,828
Deferred tax assets	6	14,585	11,687
Intangible assets	14	46,253	46,568
Total non-current assets		171,503	170,804
Total assets		192,035	190,796
Liabilities			
Current liabilities			
Trade and other payables	15	11,048	10,893
Borrowings	16	2,005	-
Lease liabilities	12	2,925	4,346
Employee benefits		3,476	3,333
Current tax liability	6	767	-
Deferred Consideration		1,075	2,195
Contract liabilities		10,862	11,733
Total current liabilities		32,158	32,500
Non-current liabilities			
Borrowings	16	15,183	9,210
Lease liabilities	12	15,470	18,779
Employee benefits		282	196
Provisions		-	72
Deferred Consideration		-	1,075
Total non-current liabilities		30,935	29,332
Total liabilities		63,093	61,832
Net assets		128,942	128,964
Equity			
Issued capital	18	232,693	232,218
Accumulated losses		(106,304)	(106,864)
Reserves	19	2,553	3,610
Total equity		128,942	128,964

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
Balance at 1 July 2022		231,398	(106,322)	1,347	(4,171)	1,879	(210)	123,921
Total comprehensive income/(loss) for the year								
Loss for the year		-	(542)	-	-	-	-	(542)
Other comprehensive income/(loss) for the year		-	-	4,466	-	-	(8)	4,458
Total comprehensive income/(loss) for the year		-	(542)	4,466	-	-	(8)	3,916
Transactions with owners, in their capacity as owners, and other transfers								
Transfer to Issued capital		820	-	-	-	(820)	-	-
Options issued during the year	17	-	-	-	-	1,127	-	1,127
Total transactions with owners and other transfers		820	-	-	-	307	-	1,127
Balance at 30 June 2023		232,218	(106,864)	5,813	(4,171)	2,186	(218)	128,964
Balance at 1 July 2023		232,218	(106,864)	5,813	(4,171)	2,186	(218)	128,964
Total comprehensive income/(loss) for the year								
Loss for the year		-	(71)	-	-	-	-	(71)
Transfer from revaluation reserve for disposed asset		-	631	-	-	-	-	631
Other comprehensive income/(loss) for the year		-	-	(446)	-	-	(38)	(484)
Total comprehensive income/(loss) for the year		-	560	(446)	-	-	(38)	76
Transactions with owners, in their capacity as owners, and other transfers								
Performance rights exercised		475	-	-	-	(475)	-	-
Options issued/(expired) during the year (net)	17	-	-	-	-	(98)	-	(98)
Total transactions with owners and other transfers		475	-	-	-	(573)	-	(98)
Balance at 30 June 2024		232,693	(106,304)	5,367	(4,171)	1,613	(256)	128,942

The accompanying notes form part of these financial statements.

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOW

	Note	30 June 2024 \$000	30 June 2023 \$000
Operating activities			
Receipts from customers (GST inclusive)		143,750	116,300
Interest received		201	128
Payments to suppliers and employees (GST inclusive)		(130,370)	(105,341)
Finance costs		(2,070)	(1,366)
Income tax refund/payment		-	-
Net cash provided by operating activities	22	11,511	9,721
Investing activities			
Sale of property, plant and equipment		79	744
Proceeds from grant contribution to assets under construction		-	-
Payments for assets under construction		(1,604)	(2,280)
Purchase of property, plant and equipment		(7,944)	(12,764)
Payments for purchase of businesses		(1,195)	(400)
Net cash used in investing activities		(10,664)	(14,700)
Financing activities			
Issued shares		-	-
Proceeds from borrowings		18,697	2,323
Repayment of borrowings		(10,730)	(2,203)
Repayment of principal component of leases liabilities		(9,157)	(4,871)
Net cash used in financing activities		(1,190)	(4,751)
Net decrease in cash held		(343)	(9,730)
Cash and cash equivalents at beginning of the period		8,587	18,317
Cash and cash equivalents at end of the period	9	8,244	8,587

The accompanying notes form part of these financial statements.

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

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 2024 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 27.

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 2023, except for the adoption of new standards effective as of 1 July 2023. 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 2024. 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 before tax of \$2.0 million for the year ended 30 June 2024 (30 June 2023: \$0.3 million loss before tax). The Group had net current liabilities of \$11,626,000 (30 June 2023: \$12,508,000).

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is reasonable to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The Group has a cash and cash equivalents balance of \$8,244,000 at 30 June 2024 and net assets of \$128,942,000.
- The Group reported net cash inflows from operating activities of \$11,511,000 for the year ended 30 June 2024.
- The Group entered into a new secured debt facility with CBA in December 2023 which replaced its secured debt facility with NAB. As at 30 June 2024, the Group had undrawn facilities in excess of \$15 million (see Note 16).
- At any time, the Group has the ability to respond to trading conditions and make adjustments to business operations, raise additional funds from shareholders or other parties or divest assets to raise additional funds.

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.

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

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.

LOSS OF CONTROL

In the event the Group loses control over a subsidiary, it derecognises 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 and 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.

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

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.

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 and Pontoons	3% - 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 20.

IMPAIRMENT OF ASSETS

FINANCIAL

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

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

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 of 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 include wages and salaries, annual leave and long service leave. Sick leave is non-vesting and no provision for sick leave has been recognised.

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 and a reliable estimate can be made of the amount of 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 recognises 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.

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.

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

GOVERNMENT GRANTS

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

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

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 13 and Note 14.
- 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 13 and 21.
- current and deferred tax assets – refer to Note 6.
- 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.

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:** comprises Reef Unlimited with reef-based dive and snorkel experiences and rainforest tours operating out of Cairns and Port Douglas; Treetops Adventure which is Australia's leading operator of aerial adventure experiences; and Wild Bush Luxury comprising luxury lodge and premium walking experiences in South Australia, Tasmania and the Northern Territory.
- **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.

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 OPERATING SEGMENTS (CONTINUED)

OPERATING SEGMENT INFORMATION

	Skydiving	Adventure Experiences	Corporate	Group
30 June 2024	\$000	\$000	\$000	\$000
Sales to external customers at a point in time	62,054	64,969	17	127,040
Sales revenue	62,054	64,969	17	127,040
Other income	2,921	2,675	-	5,596
Total segment revenue	64,975	67,644	17	132,636
EBITDA	9,345	13,455	(7,570)	15,230
Acquisition-related costs and other significant expenses (net)	673	615	96	1,384
Significant aircraft insurance recovery	(2,329)	-	-	(2,329)
Share-based payments	-	-	(98)	(98)
Net gain/loss on sale of assets	188	9	-	197
Underlying EBITDA	7,877	14,079	(7,572)	14,384
EBITDA	9,345	13,455	(7,570)	15,230
Depreciation and amortisation	(4,836)	(7,227)	(863)	(12,926)
Segment profit/(loss) before financial income and taxes	4,509	6,228	(8,433)	2,304
Total assets as at 30 June 2024	47,358	99,121	45,556	192,035
Total liabilities as at 30 June 2024	(33,616)	(20,937)	(8,540)	(63,093)

	Skydiving	Adventure Experiences	Corporate	Group
30 June 2023	\$000	\$000	\$000	\$000
Sales to external customers at a point in time	47,982	60,597	17	108,596
Sales revenue	47,982	60,597	17	108,596
Other income	494	2,192	50	2,736
Total segment revenue	48,476	62,789	67	111,332
EBITDA	3,459	13,414	(6,904)	9,969
Acquisition-related costs and other significant expenses	363	59	(475)	(53)
Share-based payments	-	-	1,127	1,127
Net gain/loss on sale of assets	273	(5)	-	268
Underlying EBITDA	4,095	13,468	(6,252)	11,311
EBITDA	3,459	13,414	(6,904)	9,969
Depreciation and amortisation	(3,945)	(6,952)	(809)	(11,706)
Segment profit/(loss) before financial income and taxes	(486)	6,462	(7,713)	(1,737)
Total assets as at 30 June 2023	45,798	101,074	43,924	190,796
Total liabilities as at 30 June 2023	(26,909)	(20,757)	(14,166)	(61,832)

Finance costs and 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 individual segments as these are also managed on a group basis.

Underlying EBITDA has been presented on a AASB 16 Leases basis, whereby relevant lease expenses are recognised 'below the line' in depreciation and amortisation and interest expense.

GEOGRAPHICAL DISCLOSURES

	Australia	New Zealand	Total
Revenue			
30 June 2024	105,179	21,861	127,040
30 June 2023	95,309	13,287	108,596

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 OPERATING SEGMENTS (CONTINUED)

A reconciliation of profit / (loss) to Underlying EBITDA is as follows:

	30 June 2024	30 June 2023
	\$000	\$000
Loss for the year	(71)	(542)
Finance costs	1,951	1,252
Depreciation and amortisation	12,926	11,706
Impairment	2,354	(2,689)
Income tax benefit/(expense)	(1,930)	242
EBITDA	15,230	9,969
Acquisition-related costs and other significant expenses (see Note 4)	1,384	(53)
Significant aircraft insurance recovery	(2,329)	-
Share-based payments	(98)	1,127
Profit on disposal of assets	197	268
Underlying EBITDA	14,384	11,311

NOTE 3 OTHER INCOME

	30 June 2024	30 June 2023
	\$000	\$000
Training & education grants	484	383
Diesel fuel rebate	951	721
Insurance Recoveries ¹	2,686	377
Environmental projects and other marine subsidies	652	282
Sales of internally generated assets	222	428
Other	601	545
	5,596	2,736

¹On 20 October 2023, one of the Company's aircraft operated by Skydive Australia undertook a forced landing which resulted in significant damage to the aircraft. The aircraft was insured for a value which approximated its carrying value at the time of the incident. Insurance recoveries above includes \$2,329,000 in relation to the claim lodged by the Company under the Company's relevant insurance policy. An impairment of the carrying value of the aircraft of \$2,354,000 was recognised during the reporting period (refer Note 13).

NOTE 4 ACQUISITION-RELATED COSTS AND OTHER SIGNIFICANT EXPENSES

	30 June 2024	30 June 2023
	\$000	\$000
Acquisition-related deferred consideration ¹	1,000	570
Acquisition-related costs	(783)	(96)
Restructuring costs	(581)	(365)
Legal settlement cost	(600)	-
Other (net)	(420)	(56)
Acquisition-related costs and other significant expenses	(1,384)	53

Acquisition-related costs and other significant expenses in the period include a number of non-recurring items, principally due to acquisition-related transaction costs, restructuring costs and a legal settlement.

¹Acquisition-related deferred consideration reflects the Directors' assessment of the change in fair value in the period of deferred/contingent consideration liabilities recognised as part of prior acquisitions. The Directors' assessment is based on consideration of relevant facts and circumstances at the reporting date in relation to the likelihood of a payment by the Company of the deferred/contingent consideration.

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 NET FINANCE COSTS

	30 June 2024	30 June 2023
	\$000	\$000
Interest income	201	128
Amortisation borrowing costs	(83)	(13)
Interest expense - borrowings	(979)	(382)
Interest expense - asset finance leases	(196)	(369)
Interest expense - other leases	(777)	(603)
Other	(117)	(13)
Finance expense	(2,152)	(1,380)
Net finance costs	(1,951)	(1,252)

NOTE 6 INCOME TAXES

COMPONENTS OF INCOME TAX EXPENSE/(BENEFIT)

	30 June 2024	30 June 2023
	\$000	\$000
Current tax	767	-
Deferred tax	(2,023)	87
Under provision/(overprovision) prior year	(674)	155
Income tax expense/(benefit)	(1,930)	242

RECONCILIATION OF EFFECTIVE TAX RATE

	30 June 2024	30 June 2023
	\$000	\$000
Loss before income tax	(2,001)	(300)
Income tax using the Company's tax rate of 30%	(600)	(101)
Non-allowable items	20	378
Non-deductible impairment	406	-
Abnormal items	-	(152)
Recognition of other deferred tax balances	(1,008)	(92)
Deductible acquisition costs	-	64
Under and Over Provision	(674)	155
Effect of lower tax rate attributable to foreign controlled entities	(74)	(10)
Income tax expense/(benefit)	(1,930)	242

RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES

	Assets		Liabilities	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$000	\$000	\$000	\$000
Property, plant & equipment	-	-	(7,507)	(8,891)
Intangible assets	37	87	-	-
Lease liability	410	328	-	-
Provisions	2,573	2,487	-	-
Capital raising costs	579	585	-	-
Unutilised tax losses	18,226	17,105	-	-
Other	267	-	-	(14)
Tax assets/(liabilities)	22,092	20,592	(7,507)	(8,905)
Set off	(7,507)	(8,905)		
Deferred tax asset	14,585	11,687		

The Australian tax consolidated group has unutilised carried forward tax losses of \$60,747,731 (30 June 2023: \$55,564,727). A deferred tax asset has been recognised in relation to these losses which is expected to be utilised within 5 years.

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 INCOME TAXES (CONTINUED)

TAX EFFECTS RELATING TO EACH COMPONENT OF OTHER COMPREHENSIVE INCOME

	2024			2023		
	Before-tax amount	Tax (expense) benefit	Net-of-tax amount	Before-tax amount	Tax (expense) benefit	Net-of-tax amount
	\$000	\$000	\$000	\$000	\$000	\$000
Consolidated Group						
Revaluation of property, plant and equipment	(636)	190	(446)	6,354	(1,888)	4,466
Exchange differences on translating foreign operations	6	(2)	4	(11)	3	(8)
	(630)	188	(442)	6,343	(1,885)	4,458

NOTE 7 AUDITOR'S REMUNERATION

	30 June 2024	30 June 2023
	\$	\$
Audit services	176,500	170,000
Taxation services	146,775	140,420
	323,275	310,420

NOTE 8 EARNINGS PER SHARE

	30 June 2024	30 June 2023
	# Shares	# Shares
Weighted average of shares in year used in basic earnings per share	756,952,371	753,696,122
Weighted average of dilutive options and rights outstanding	19,125,477	15,480,823
Weighted average of ordinary shares in year used in calculating dilutive earnings per share	775,752,142	769,176,946
	\$	\$
Earnings used in basic and diluted earnings per share	(71)	(542)
Basic earnings per share (cents)	(0.01)	(0.07)
Diluted earnings per share (cents)	(0.01)	(0.07)

NOTE 9 CASH & CASH EQUIVALENTS

	30 June 2024	30 June 2023
	\$000	\$000
Cash at bank and on hand	8,194	8,536
Short term cash deposits	50	51
Cash and cash equivalents	8,244	8,587

NOTE 10 TRADE AND OTHER RECEIVABLES

	30 June 2024	30 June 2023
	\$000	\$000
Trade receivables	3,719	3,191
Allowance for expected credit loss	(147)	(190)
	3,572	3,001
Other receivables	823	611
Trade and other receivables	4,395	3,612

NOTE 11 OTHER ASSETS

	30 June 2024	30 June 2023
	\$000	\$000
Prepayments	2,087	2,219
Other current assets	610	704
Other assets	2,697	2,923

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12 RIGHT OF USE ASSETS AND LEASE LIABILITIES

AMOUNTS RECOGNISED IN THE PROFIT OR LOSS

	30 June 2024 \$000	30 June 2023 \$000
Depreciation charge on ROU assets	(3,251)	(2,715)
Interest expense	(777)	(602)
Expense related to out-of-scope leases	(723)	(1,158)

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 3.85% (30 June 2023: 3.46%).

RIGHT OF USE ASSETS

	Land & buildings \$000	Marine Leases \$000	Office Supplies \$000	Total \$000
Carrying amount at 30 June 2022	14,673	2,716	18	17,406
Additions: New leases	1,084	-	-	1,084
Modifications and re-assessments of leases	54	-	-	54
Less: Depreciation expense	(2,285)	(413)	(18)	(2,716)
Carrying amount at 30 June 2023	13,526	2,303	0	15,828
Additions: New leases	685	-	315	1,000
Modifications and re-assessments of leases	3,377	51	-	3,428
Less: Depreciation expense	(2,834)	(417)	-	(3,251)
Carrying amount at 30 June 2024	14,754	1,937	315	17,005

LEASE LIABILITIES

	30 June 2024 \$000	30 June 2023 \$000
Current		
Lease liabilities - ROU assets	(2,925)	(2,027)
Lease liabilities - asset finance	-	(2,320)
	(2,925)	(4,346)
Non Current		
Lease liabilities - ROU assets	(15,470)	(14,919)
Lease liabilities - asset finance	-	(3,860)
	(15,470)	(18,779)
Total		
Lease liabilities - ROU assets	(18,395)	(19,946)
Lease liabilities - asset finance	-	(6,180)
Lease Liabilities	(18,395)	(23,126)

Historically included in lease liabilities are amounts in relation to asset finance on specific assets. There were no asset finance obligations as at 30 June 2024 (30 June 2023: \$6.2 million), with the Company's prior asset finance facility obligations repaid or refinanced as part of the Company's new secured debt facility during the period (refer Note 16).

Refer to note 20 for further information on financial instruments.

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13 PROPERTY PLANT & EQUIPMENT

	Land & Buildings \$000	Plant & Equipment \$000	Leasehold Improv. \$000	Aircraft \$000	Motor Vehicles \$000	Office Equipment \$000	Vessels \$000	Total \$000
Cost 1 July 2022	3,579	17,938	5,317	37,782	4,321	2,190	40,165	111,292
Accumulated depreciation	(287)	(8,195)	(1,149)	(2,424)	(2,389)	(1,654)	12,759)	(28,857)
Carrying amount 1 July 2022	3,292	9,743	4,168	35,358	1,932	536	27,406	82,435
Additions	103	2,327	2,569	5,618	346	191	1,042	12,196
Depreciation expense	(201)	(2,261)	(523)	(2,073)	(327)	(210)	(2,830)	(8,425)
Disposals	-	(14)	(9)	(890)	(20)	-	-	(933)
Revaluations	-	-	-	6,354	-	-	-	6,354
Impairment	-	-	-	(591)	-	-	-	(591)
Reversal of prior period impairment	-	-	-	3,280	-	-	-	3,280
Movement in foreign exchange	4	2	31	82	5	-	-	124
Cost 30 June 2023	3,686	20,217	7,899	47,138	4,507	2,381	42,324	128,152
Accumulated depreciation	(488)	(10,420)	(1,663)	-	(2,571)	(1,864)	(16,706)	(33,712)
Carrying amount 30 June 2023	3,198	9,797	6,236	47,138	1,936	517	25,618	94,440

	Land & Buildings \$000	Plant & Equipment \$000	Leasehold Improv. \$000	Aircraft \$000	Motor Vehicles \$000	Office Equipment \$000	Vessels \$000	Total \$000
Cost 1 July 2023	3,686	20,217	7,899	47,138	4,507	2,381	42,324	128,152
Accumulated depreciation	(488)	(10,420)	(1,663)	-	(2,571)	(1,864)	(16,706)	(33,712)
Carrying amount 1 July 2023	3,198	9,797	6,236	47,138	1,936	517	25,618	94,440
Additions	521	3,059	102	3,425	271	38	1,613	9,029
Depreciation expense	(119)	(2,314)	(538)	(2,749)	(324)	(187)	(2,961)	(9,192)
Disposals	-	(26)	-	(239)	(42)	-	-	(307)
Revaluations	-	-	-	-	-	-	-	-
Impairment ¹	-	-	-	(2,354)	-	-	-	(2,354)
Reversal of prior period impairment	-	-	-	-	-	-	-	-
Movement in foreign exchange	(1)	(3)	(7)	(16)	(1)	-	-	(28)
Cost 30 June 2024	4,206	23,221	7,993	47,922	4,642	2,419	43,937	134,340
Accumulated depreciation	(607)	(12,708)	(2,200)	(2,717)	(2,802)	(2,051)	(19,667)	(42,752)
Carrying amount 30 June 2024	3,599	10,513	5,793	45,205	1,840	368	24,270	91,588

AIRCRAFT VALUATION

The fair value of aircraft is generally subject to a valuation by an independent valuer, with the last revaluation being 30 June 2023. The fair value of aircraft is expected to be determined by an independent valuer at least every three years.

During the intervening period, the directors monitor fair value movements using directors' valuations. The directors' valuations are determined on an 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. In the event the fair value is materially different from the most recent independent valuation, the fair value will be updated to reflect this. The directors have assessed that the fair value of aircraft is not materially different to the most recent independent valuation.

¹During the period, the Company recorded an impairment of \$2,354,000 in relation to one of the Company's aircraft operated by Skydive Australia which undertook a forced landing on 20 October 2024. Insurance recoveries of approximately \$2,329,000 have been recognised in Other Income in relation to the claim lodged under the insurance policy (refer Note 3).

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 14 INTANGIBLE ASSETS

	Goodwill	Trademarks	Computer Software	Customer relationships and other	Leases & Licences	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Cost 1 July 2022	28,801	15,579	2,718	4,090	3,252	54,440
Accumulated amortisation and impairment	-	-	(1,505)	(4,090)	(3,040)	(8,635)
Carrying amount 1 July 2022	28,801	15,579	1,213	-	212	45,805
Additions	563	-	568	-	199	1,330
Amortisation expense	-	-	(530)	-	(37)	(567)
Cost 30 June 2023	29,364	15,579	3,286	4,090	3,451	55,770
Accumulated amortisation and impairment	-	-	(2,035)	(4,090)	(3,077)	(9,202)
Carrying amount 30 June 2023	29,364	15,579	1,251	-	374	46,568
Cost 1 July 2023	29,364	15,579	3,286	4,090	3,451	55,770
Accumulated amortisation and impairment	-	-	(2,035)	(4,090)	(3,077)	(9,202)
Carrying amount 1 July 2023	29,364	15,579	1,251	-	374	46,568
Additions	-	-	156	-	-	156
Amortisation expense	-	-	(453)	-	(18)	(471)
Cost 30 June 2024	29,364	15,579	3,442	4,090	3,451	55,926
Accumulated amortisation and impairment	-	-	(2,488)	(4,090)	(3,095)	(9,673)
Carrying amount 30 June 2024	29,364	15,579	954	-	356	46,253

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 relevant 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 relevant cash generating unit based on five-year management projections, with sensitivities noted where acquired goodwill and trademarks are recognised at 30 June 2024 for the relevant CGU:

- **Premium Adventure (Wild Bush Luxury):** terminal growth rate of 3.0% and a pre-tax discount rate of 15.0% (30 June 2023: 14.0%). The sensitivities to impair the CGU's acquired goodwill and trademarks, all other assumptions remaining constant in each case, would be a pre-tax discount rate of 21.4% or a decrease in revenue of 13.7%.
- **Family Adventure (Treetops Adventure):** terminal growth rate of 3.0% and a pre-tax discount rate of 15.4% (30 June 2023: 15.0%). The sensitivities to impair the CGU's acquired goodwill and trademarks, all other assumptions remaining constant in each case, would be a discount rate of 18.1% or a decrease in revenue of 9.4%.

NOTE 15 TRADE AND OTHER PAYABLES

	30 June 2024	30 June 2023
	\$000	\$000
Trade payables	2,324	2,224
Sundry payables and accrued expenses	7,703	7,709
Insurance premiums financing	1,021	960
Trade and other payables	11,048	10,893

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 16 BORROWINGS

	30 June 2024 \$000	30 June 2023 \$000
Current		
Bank loans (net of capitalised borrowing costs) ¹	2,005	-
Total current borrowings	2,005	-
Non-current		
Government loan ²	1,830	1,838
Bank loans (net of capitalised borrowing costs) ¹	13,353	7,372
Total non-current borrowings	15,183	9,210
Total borrowings	17,188	9,210

Movement:	\$000
Carrying amount at 30 June 2023	9,210
Drawdowns (net of capitalised borrowing costs)	16,280
Repayments	(8,295)
FX revaluation	(7)
Carrying amount at 30 June 2024	17,188

¹In December 2023, the Group entered into a new secured corporate debt facility with Commonwealth Bank of Australia (CBA). The CBA facility replaced the Group's Multi Option Facility Agreement with National Australia Bank (NAB). The CBA facility limits at 30 June 2024 are:

- Equipment loan facility: \$14.0 million, drawn to \$13.1m at 30 June 2024. Facility expiry is December 2028. Principal and interest payments are payable quarterly.
- Market rate loan facility: \$20.5 million, drawn to \$3.0 million at 30 June 2024. Facility expiry is December 2026. Interest is payable monthly.
- Asset finance lease facility: \$3.0 million revolving subject to annual review, undrawn at 30 June 2024.
- Other facilities: \$5.2 million, comprising working capital (overdraft, credit card) and bank guarantee facilities.

Interest rates on the drawn CBA borrowings range from 6.8% to 7.2% per annum at 30 June 2024. The Group has entered into a General Security Agreement with CBA for both the Australia and New Zealand operations. CBA holds a security interest in and over all the secured property of the Group. Additionally, under the Equipment loan facility, CBA has a first registered charge over 11 of the Group's aircraft as security.

The CBA facility includes Gross Leverage Ratio and Debt Service Cover Ratio financial covenants.

²The Group has also drawn down on the Strategic Tourism Asset Protection Program (STAPP) to the amount of NZ\$2.0 million (limit NZ\$2.0 million) which is repayable by April 2026. This loan was interest free until 21 April 2023. Thereafter the interest rate on the STAPP facility is fixed at 3.0% per annum and is payable quarterly.

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 17 SHARE BASED PAYMENTS

Expenses arising from equity-settled share-based payment transactions

Share-based payment expense

30 June 2024	30 June 2023
\$000	\$000
(98)	1,127
(98)	1,127

OPTIONS

In 2015, a total of 10,300,000 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 options expire on 9 February 2025. No share options were exercised during the period.

PERFORMANCE RIGHTS

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 \$
16 Nov 2020	30 Nov 2024	-	4,508,196	-	2,254,098	(2,254,098)	-	\$0.260	N/A	N/A	1,001,038
23 Nov 2021	30 Nov 2025	-	2,464,193	-	-	(1,101,038)	1,363,155	\$0.340	N/A	N/A	742,085
21 Dec 2022	30 Sep 2027	-	12,000,000	-	-	(4,500,000)	7,500,000	\$0.225	74.71%	3.28%	2,700,000
21 Dec 2022	30 Nov 2025	-	1,447,811	-	-	(827,189)	620,622	\$0.225	74.71%	N/A	325,757
22 Dec 2023	30 Nov 2026	-	-	1,780,650	-	(657,064)	1,123,586	\$0.185	55.00%	3.70%	329,420

The weighted average share price during the financial year was \$0.195 (2023: \$0.232). The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.6 years (2023: 2.6 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.

NOTE 18 CAPITAL

MOVEMENTS IN ORDINARY SHARE CAPITAL

	30 June 2024 \$000	30 June 2023 \$000	30 June 2024 Number	30 June 2023 Number
Opening balance	232,218	231,398	755,203,289	752,272,746
Employee share plan/performance rights purchases	-	-	2,254,098	2,930,543
Transfer from option reserve	475	820	-	-
Closing balance	232,693	232,218	757,457,387	755,203,289

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 plus amounts outstanding under asset finance leases less cash and cash equivalents.

	30 June 2024 \$000	30 June 2023 \$000
Borrowings	(17,188)	(9,210)
Amounts outstanding under asset finance	-	(6,180)
Cash and cash equivalents	8,244	8,587
Net (Debt)/Cash	(8,944)	(6,803)
Equity	(128,942)	(128,964)
Total	(137,886)	(135,767)
Gearing ratio	7%	5%
Underlying EBITDA	14,384	11,311
Net Debt to Underlying EBITDA	(0.6x)	(0.6x)

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 18 CAPITAL (CONTINUED)

DIVIDENDS AND FRANKING ACCOUNT

No dividend was paid or declared during the period (30 June 2023: nil). 30% franking credits available to shareholders for subsequent periods were \$9,334,000 at 30 June 2024 (30 June 2023: \$9,334,000).

NOTE 19 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 2024 \$000	30 June 2023 \$000
Asset revaluation reserve		
Opening balance	5,813	1,347
Revaluation gain/(loss) on property, plant & equipment	(446)	4,466
	5,367	5,813
Share options reserve		
Opening balance	2,186	1,879
Amount recognised in income statement during period	(573)	307
	1,613	2,186
Common control reserve		
Opening balance	(4,171)	(4,171)
Amounts acquired during period	-	-
	(4,171)	(4,171)
Foreign currency translation reserve		
Opening balance	(218)	(210)
Translation differences from foreign operations during period	(38)	(8)
	(256)	(218)
Reserves	2,553	3,610

NOTE 20 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.

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 2024 \$000	30 June 2023 \$000
Cash and cash equivalents	8,244	8,587
Trade and other receivables	4,395	3,612
Financial assets	12,639	12,199

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 20 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
30 June 2024						
Expected credit loss rate	0%	>0% to 25%	>25% to 50%	>50% to 75%	>75% to 100%	
Gross balance outstanding (\$000)	3,574	-	-	-	146	3,720
Expected credit loss	-	-	-	-	146	146
		0%	0%	0%	100 %	4%

30 June 2023

Expected credit loss rate	0%	>0% to 25%	>25% to 50%	>50% to 75%	>75% to 100%	
Gross balance outstanding (\$000)	2,875	148	16	3	149	3,191
Expected credit loss	-	15	7	-	168	190
		10%	44%	0%	113%	6%

a) 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's 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.

Financial maturity analysis

	Carrying amount \$000	Contracted cash flow \$000	6 months or less \$000	6 to 12 months \$000	1 to 2 years \$000	More than 2 years \$000
30 June 2024						
Government loan	1,830	1,830	-	-	1,830	-
Bank loans	15,358	15,358	982	944	4,149	9,283
Trade and other payables	11,047	11,047	11,047	-	-	-
Lease liabilities	18,395	18,395	1,502	1,471	2,616	12,806
Deferred consideration	1,075	1,075	-	1,075	-	-
Financial liabilities	47,705	47,705	13,531	3,490	8,595	22,089
30 June 2023						
Government loan	1,838	1,838	-	-	1,838	-
Bank loans	7,372	7,372	-	-	7,372	-
Trade and other payables	10,893	10,893	10,893	-	-	-
Lease liabilities	23,125	23,125	2,262	2,084	3,658	15,121
Deferred consideration	3,270	3,270	120	2,075	1,075	-
Financial liabilities	46,498	46,498	13,275	4,159	13,943	15,121

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 20 FINANCIAL RISK MANAGEMENT (CONTINUED)

b) 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 2024, approximately 10% (30 June 2023: 55%) of the Group's 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 or loss, and has no derivatives designated as hedging instruments under the fair value hedge accounting model. As such, a change in interest rates at reporting date would not impact profit or loss.

In relation to variable interest rate instruments, principally being bank loans under the secured debt facility with CBA, 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.

NOTE 21 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; and
- **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
30 June 2024				
Aircraft	-	-	45,205	45,205
Total assets	-	-	45,205	45,205
30 June 2023				
Aircraft	-	-	47,138	47,138
Total assets	-	-	47,138	47,138

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 21 FAIR VALUE MEASUREMENT (CONTINUED)

AIRCRAFT

The fair value of aircraft equipment is expected to be determined every three years based on valuations by an independent valuer, with the last valuation being 30 June 2023.

	Aircraft \$000	Total \$000
Balance at 1 July 2022	35,358	35,358
Additions	5,627	5,627
Disposals	(890)	(890)
Gains recognized in profit or loss	2,689	2,689
Gains recognized in other comprehensive income	6,337	6,337
Depreciation	(2,073)	(2,073)
Other	90	90
Balance at 30 June 2023	47,138	47,138
Balance at 1 July 2023	47,138	47,138
Additions	3,425	3,425
Disposals	(239)	(240)
Gains recognized in profit or loss	-	-
Gains recognized in other comprehensive income	(2,354)	(2,353)
Depreciation	(2,749)	(2,749)
Other	(16)	(16)
Balance at 30 June 2024	45,205	45,205

NOTE 22 CASH FLOW INFORMATION

	30 June 2024 \$000	30 June 2023 \$000
Loss after income tax	(71)	(542)
Non-cash items in profit or loss		
Depreciation and amortisation	12,927	11,706
Impairment	2,354	(2,689)
One-off items – non-cash	(962)	1,357
Net loss on sale of assets	197	268
Unrealised foreign currency exchange gains/(losses)	19	(145)
	14,464	9,955
Changes in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(1,654)	(3,155)
Decrease in other current assets	93	952
(Increase) in inventories	(326)	(356)
Decrease in trade and other payables	909	39
(Increase) in income taxes payable	793	10
Decrease/(Increase) in deferred taxes payable	(2,925)	2,051
Decrease in provisions	157	225
Cash flows from operating activities	11,511	9,721

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 23 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 2024	30 June 2023
	\$	\$
Short-term employee benefits	1,464,222	1,668,030
Post-employment benefits	110,415	112,123
Share-based payments	(24,342)	851,154
Total KMP remuneration	1,550,295	2,631,307

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 2024	30 June 2023
	\$	\$
Property leases and outgoings	391,983	350,392
Asset acquisitions	260,000	2,206,686
Related party expenses	651,983	2,557,078

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.

Asset acquisitions

During the period, the Group paid a deposit of \$260,000 to entities controlled by Anthony Boucaut (Director) in relation to the purchase of interests in a hangar facility and related equipment located at Shellharbour Airport, NSW (refer Note 24).

NOTE 24 SUBSEQUENT EVENTS

In July 2024, the Group purchased interests in a hangar facility and related equipment located at Shellharbour Airport, NSW for \$1,350,000 from entities controlled by Anthony Boucaut (Director). The Group's aircraft maintenance operations currently utilise the hangar facility and the Group negotiated terms to acquire the interests following an assessment of the Group's future aircraft maintenance requirements.

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

NOTE 25 CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2024, the Group had drawn bank guarantees amounting to \$1,784,516 (30 June 2023: \$1,626,863).

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 26 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	
		2024	2023
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%
ILB Pty Ltd	Australia	100%	100%
Reef Magic Cruises 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%
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%
Capital Jet Engineering Pty Ltd	Australia	100%	100%
Skydive Shellharbour Pty Ltd	Australia	100%	100%
Australian Jump Pilot Academy Pty Ltd	Australia	100%	100%
There by Air Pty Ltd	Australia	100%	100%
Canopy Adventure Pty Ltd	Australia	100%	100%
Canopy Adventure Yanchep Pty Ltd	Australia	100%	100%
TATPP Pty Ltd	Australia	100%	100%
and as Trustee for the TATPP Unit Trust			
Trees Adventure Holdings Pty Ltd	Australia	100%	100%
Trees Adventure Pty Ltd	Australia	100%	100%

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

NOTE 26 CONTROLLED ENTITIES (CONTINUED)

NAME OF SUBSIDIARY	PRINCIPAL PLACE OF BUSINESS	OWNERSHIP INTEREST	
		2024	2023
Trees Canberra Pty Ltd ¹	Australia	100%	-
Trees Central Coast Pty Ltd	Australia	100%	100%
Trees Kuringai Pty Ltd	Australia	100%	100%
Trees Mosman Pty Ltd	Australia	100%	100%
Trees Newcastle Pty Ltd	Australia	100%	100%
Trees Nowra Pty Ltd	Australia	100%	100%
Trees Pennant Hills Pty Ltd	Australia	100%	100%
Trees Sunshine Pty Ltd	Australia	100%	100%
Trees Western Sydney Pty Ltd	Australia	100%	100%
Trees Yarramundi Pty Ltd	Australia	100%	100%
Trees Yeodene Pty Ltd	Australia	100%	100%
Treetop Adventure Australia Pty Ltd	Australia	100%	100%
Treetop Adventures Holdings Pty Ltd	Australia	100%	100%
Trees Coffs Harbour Pty Ltd	Australia	100%	100%
Treetops Cape Tribulation Pty Ltd	Australia	100%	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%
Skydive (New Zealand) Ltd	New Zealand	100%	100%

¹ New entity during the year

NOTE 27 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 2024 \$000	30 June 2023 \$000
Profit/(loss) for the period	(6,057)	(9,278)
Other comprehensive income	-	-
Total comprehensive income for the period after tax	(6,057)	(9,278)
Current assets	3,916	16,991
Non-current assets	194,805	191,141
Total assets	198,721	208,132
Current liabilities	6,143	7,487
Non-current liabilities	14,274	19,429
Total liabilities	20,417	26,916
Issued capital	231,789	231,186
Retained earnings	(57,367)	(51,310)
Reserves	999	1,341
Total Equity	175,421	181,217

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.

In FY24 a number of registered entities had equity transferred to the parent entity totalling (\$2,883)

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

The following information is provided pursuant to section 295(3A) of the Corporations Act 2001.

NAME OF SUBSIDIARY	TYPE OF ENTITY	TRUSTEE / JV PARTNER / JV PARTICIPANT	PLACE OF INCORPORATION / FORMATION	OWNERSHIP INTEREST	AUSTRALIAN OR FOREIGN TAX RESIDENT
Aircraft Maintenance Centre Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Australia Skydive Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
B & B No 2 Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Bill & Ben Investments Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Skydive Holdings Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Skydive the Beach and Beyond Airlie Beach Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Skydive the Beach and Beyond BB Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Skydive the Beach and Beyond Central Coast Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Skydive the Beach and Beyond Great Ocean Road Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Skydive the Beach and Beyond Hunter Valley Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Skydive the Beach and Beyond Melbourne Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Skydive the Beach and Beyond Newcastle Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
SBB Trading Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Skydive the Beach and Beyond Sydney Wollongong Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Skydive the Beach and Beyond Yarra Valley Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Skydive.com.au Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
STBAUS Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Skydive International Holdings Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Skydive Investments Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Raging Thunder Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Fitzroy Island Ferries Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Fitzroy Island Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Martheno Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
ILB Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Reef Magic Cruises Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Calypso Reef Charters Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Fish for Fish Investments Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Experience Daintree Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
J & J Wallace (Holdings) Pty. Ltd.	Body Corporate	Not applicable	Australia	100%	Australian
J & J Wallace (Projects) Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
J & J Wallace (Tours) Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
J & J Wallace (Permits) Pty. Ltd.	Body Corporate	Not applicable	Australia	100%	Australian
Experience Marine Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Experience Co Admin Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Experience Co Admin QLD Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Skydive Australia Collections Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Wild Bush Luxury Experience Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Capital Jet Engineering Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Skydive Shellharbour Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Australian Jump Pilot Academy Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
There by Air Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Canopy Adventure Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Canopy Adventure Yanchep Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
TATPP Pty Ltd	Body Corporate	Trustee	Australia	100%	Australian
TATPP Unit Trust	Trust	Not applicable	Australia	100%	Australian
Trees Adventure Holdings Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Trees Adventure Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian

EXPERIENCE CO LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

CONSOLIDATED ENTITY DISCLOSURE STATEMENT (CONTINUED)

NAME OF SUBSIDIARY	TYPE OF ENTITY	TRUSTEE / JV PARTNER / JV PARTICIPANT	PLACE OF INCORPORATION / FORMATION	OWNERSHIP INTEREST	AUSTRALIAN OR FOREIGN TAX RESIDENT
Trees Canberra Pty Ltd ¹	Body Corporate	Not applicable	Australia	100%	Australian
Trees Central Coast Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Trees Coffs Harbour Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Trees Kuringai Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Trees Mosman Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Trees Newcastle Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Trees Nowra Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Trees Pennant Hills Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Trees Sunshine Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Trees Western Sydney Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Trees Yarramundi Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Trees Yeodene Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Treetop Adventure Australia Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Treetop Adventures Holdings Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Treetops Cape Tribulation Pty Ltd	Body Corporate	Not applicable	Australia	100%	Australian
Experience Co NZ Holdings Limited	Body Corporate	Not applicable	New Zealand	100%	Foreign / New Zealand
Skydive Queenstown Limited	Body Corporate	Not applicable	New Zealand	100%	Foreign / New Zealand
Ultimate Adventure Group Ltd	Body Corporate	Not applicable	New Zealand	100%	Foreign / New Zealand
Parachute Adventure Queenstown Limited	Body Corporate	Not applicable	New Zealand	100%	Foreign / New Zealand
Skydive Wanaka Limited	Body Corporate	Not applicable	New Zealand	100%	Foreign / New Zealand
Performance Aviation (New Zealand) Limited	Body Corporate	Not applicable	New Zealand	100%	Foreign / New Zealand
Skydive (New Zealand) Limited	Body Corporate	Not applicable	New Zealand	100%	Foreign / New Zealand

¹ New entity during the year

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 2024 and of its performance for the period ended on that date.
2. The Consolidated Entity Disclosure Statement is true and correct.
3. 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 (Bob) East
Chair

Dated: **21 August 2024**

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 2024, 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.

A handwritten 'RSM' logo in blue ink.**RSM AUSTRALIA PARTNERS**A handwritten signature in blue ink, appearing to read 'G N Sherwood'.

G N Sherwood
Partner
Sydney, NSW
Dated: 21 August 2024

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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 2024, 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 material accounting policy information, the consolidated entity disclosure statement 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 2024 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 (including independence standards)* (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.

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Key Audit Matter	How our audit addressed this matter
Recognition of Revenue	
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. There are potential risks in relation to the following: - 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 recognised before the services have been provided. - 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.	Our audit procedures in relation to revenue recognition, deferred revenue and breakage revenue included the following: - Obtaining a detailed understanding of each of the sources of revenue and the related systems processes for quantifying and recording revenue and deferred revenue. - Considered the adequacy of the Group's revenue recognition policies and assessing them for compliance with Australian Accounting Standards. - Where applicable, testing the operating effectiveness of key controls in relation to bookings and revenue recognition. - Selecting a sample of entries in the sales ledger accounts and testing accuracy and occurrence of the revenue. - 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. - Obtaining the breakage revenue calculated by management, assessing managements estimates utilised in the process to determine the redemption rate. Assessing the reasonability of managements estimations, judgements, and calculations in accordance with AASB 15. - 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.

Recoverability of Deferred Tax Assets Refer to Note 6 in the financial statements	
The Australian tax consolidated group has unutilised carried forward tax losses of \$60,747,731 (30 June 2023: \$57,824,831). The deferred tax asset that has been raised in relation to these tax losses amounts to \$18,224,319 of the total deferred tax asset balance of \$23,742,577 as at 30 June 2024. These losses are expected to be utilised within 5 years based on projections and forecasts compiled by management and approved by the Board. Paragraph 34 of AASB 112 confirms that a DTA shall be recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Management has performed an assessment that has been approved by the Board on the recoverability of the deferred tax assets by using the Group's five year forecast to satisfy the probability criteria that future taxable profits will be available against which the balance can be utilised. Based on management's projections, it is expected that carried forward tax losses will be utilised within five years with the most sensitive assumption being trading volume.	Our audit procedures in relation to assessing the reasonability of the utilisation of the carried forward tax losses included the following: - Assessed whether it is probable that the entity will have taxable profits to utilise the carried forward tax losses by reviewing the accounting paper prepared by management to assess recoverability of DTA on carry forwarded tax losses. - Reviewed and assessed the reasonableness of FY24 strategy plan prepared this year including all key assumptions. - Assessed past budgeting against actual to assess the past accuracy of management forecasting - Reviewed disclosures in the financial statements to access the reasonableness and adequacy of the disclosure. - Assessing whether appropriate adjustments to reflect the differences between accounting and taxable profits have been made in management's forecasts.

Goodwill and Other Intangible Assets Refer to Note 14 in the financial statements	
Experience Co group has significant intangible assets \$46 million which mainly resulted from acquisitions 2022 financial year for Treetop and Wild Luxury Bush business units. Goodwill and Trade Names have an indefinite useful economic life. Therefore, they are not amortised, but are subject to annual testing for impairment in accordance with AASB 136 <i>Impairment</i>. We determined this area to be a key audit matter due to the size of the intangible assets balance, and because the directors' assessment of the 'value in use' of each ('CGU') involves judgements about the future underlying cash flows of the business and the discount rates applied to them. For the year ended 30 June 2023 management have performed an impairment assessment over the goodwill balance by: • Determining that the entity has five CGUs and allocating goodwill and other intangible assets across the three CGUs. • Calculating the value in use for each CGU using a discounted cash flow model. These models used cash flows (revenues, expenses and capital expenditure) for the CGU for five years, with a terminal growth rate applied to the fifth year. These cash flows were then discounted to net present value using the discount rate of each CGU; and • Comparing the resulting value in use of each CGU to their respective carrying book values. Management also performed a sensitivity analysis over the value in use calculation, by varying the assumptions used (growth rates and discount rate) to assess the impact on the valuations.	Our audit procedures in relation to the valuation of goodwill and other intangible assets included the following: • Assessing the appropriateness of the management's allocation of the goodwill across the CGUs. • Evaluating the assumptions and methodologies used by the Company in preparing the value in use calculation, in particular those relating to the sales growth rate, projected future expenditure, and pre-tax discount rate. • The cash flow projections for each cash-generating unit have been assessed and challenged by us, including an assessment of the historical accuracy of management's estimates and evaluation of business plans. • Assessing the adequacy of the disclosures in the financial statements for Goodwill assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of goodwill.

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 2024, 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.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and
- b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of 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 have no realistic alternative but to do so.

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: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.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 12 to 19 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Experience Co Limited, for the year ended 30 June 2024, 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 that reads 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink that reads 'G N Sherwood'.

G N Sherwood
Partner

Sydney, 21 August 2024

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is current as at 5 August 2024.

1. Shareholding

a) Distribution of Shareholders

CATEGORY (SIZE OF HOLDING)	NUMBER OF HOLDERS	NUMBER ORDINARY SHARES	% HELD BY CATEGORY
1-1,000	164	50,216	0.010
1,001-5,000	439	1,235,841	0.160
5,001-10,000	218	1,651,810	0.220
10,001-100,000	461	16,382,597	2.160
100,000 - and over	131	738,136,923	97.450
	1,413	757,457,387	100.000

b) Shareholdings in less than marketable parcels

The number of shareholdings held in less than marketable parcels is 492.

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
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	200,783,830	26.508%
BOUCAUT ENTERPRISES PTY LTD	175,181,212	23.128%
HSBC CUSTODY NOMINEES (AUSTRLIA) LIMITED	125,210,829	16.530%
CITICORP NOMINEES PTY LIMITED	80,253,308	10.595%
UBS NOMINEES PTY LTD	54,751,401	7.228%

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
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	200,783,830	26.508%
BOUCAUT ENTERPRISES PTY LTD	175,181,212	23.128%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	125,210,829	16.530%
CITICORP NOMINEES PTY LIMITED	80,253,308	10.595%
UBS NOMINEES PTY LTD	54,751,401	7.228%
RICHMOND HILL CAPITAL PTY LTD <PARACHUTE SPV A/C>	11,719,471	1.547%
NATIONAL NOMINEES LIMITED	8,664,257	1.144%
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	7,360,605	0.972%
MAUCLAI PTY LTD <THE FLASTER FAMILY A/C>	5,810,276	0.767%
BNP PARIBAS NOMS PTY LTD	5,681,782	0.750%
MS ARIANE RADFORD	5,057,370	0.668%
H&G INVESTMENT MANAGEMENT LTD <H&G VAIL LANE FUND A/C>	4,000,000	0.528%
BNP PARIBAS NOMS (NZ) LTD	3,675,742	0.485%
H&G HIGH CONVICTION LIMITED	3,015,000	0.398%
EQUITY TRUSTEES LIMITED <EXPERIENCE CO EEST ALLOC>	2,537,577	0.335%
CLJOS HOLDINGS PTY LTD	2,124,233	0.280%
OCEAN CAPITAL PTY LIMITED	2,000,000	0.264%
H&G HIGH CONVICTION LIMITED	1,985,000	0.262%
TLISL INVESTMENT PTY LTD <TLISL INVESTMENT GROUP A/C>	1,937,185	0.256%
ASH & BEC INITIATIVES PTY LTD <THE ABI FAMILY A/C>	1,937,185	0.256%
TOTAL SHARES OF TOP 20 HOLDINGS	703,686,263	92.901%

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 8, 210 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

Directors:	Kerry (Bob) East Neil Cathie Michelle Cox Anthony Boucaut Alexander White John O'Sullivan
Company Secretary:	Fiona van Wyk
Registered Office:	Level 5, 89 York Street Sydney 2000
Principal Place of Business:	Level 5, 89 York Street Sydney 2000
Auditors:	RSM Australia Partners Level 13, 60 Castlereagh Street Sydney NSW 2000
Share Registry:	Boardroom Pty Ltd Level 8, 210 George Street Sydney NSW 2000
Bankers:	Commonwealth Bank of Australia Level 8, 11 Harbour Street Sydney NSW 2000
Stock Exchange Listing Code:	ASX: EXP
Website:	www.experienceco.com

EXPERIENCECO



THANK YOU