ACN 167 320 470

Appendix 4D

For the half year ended 31 December 2020

(Previous corresponding period being the half year ended 31 December 2019)

Results for announcement to the market

	December 2020 $000	December 2019 $000
Revenue from continuing operations	20,146	60,262
Profit before impairment. interest, taxes. depreciation and amortisation (EBITDA) from continuing operations	3,885	6,743
(Loss) / Profit before tax from continuing operations	(1,090)	273
(Loss) / Profit after tax from continuing operations attributable to shareholders	(646)	261
Net loss after tax from continuing and discontinued operations attributable to shareholders	(213)	(7,137)
Net tangible assets	**65,756**	**86,874**
Net tangible assets cents per share	11.8	15.6

Dividends

No dividend has been paid or declared during the period.

Auditor's Report

This Appendix 4D is based on the Interim Financial Report for the half year ended 31 December 2020 (as attached) which has been reviewed by Experience Co Limited's auditors.

Other Information

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

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Experience Co Limited

ACN 167 320 470

Interim Financial Report

Half year ended 31 December 2020

This Interim Financial Report is to be read in conjunction with the financial report for the period ended 30 June 2020

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DIRECTORS' REPORT

The directors present their report on the consolidated entity (referred to herein as the Group) consisting of Experience Co Limited (The Company) and its controlled entities for the half year ended 31 December 2020.

DIRECTORS

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

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

REVIEW OF OPERATIONS

Principal Activities

The principal activities of the Group during the period were the provision of adventure tourism and leisure experiences, comprising the core businesses:

- tandem skydiving in Australia and New Zealand,
- boat tours, snorkeling and diving on the Great Barrier Reef, and rainforest tours in the Daintree in North Queensland.

The experiences cater to international and domestic customers, with international visitors typically representing over 65% of volume.

The divestment of non-core operations was completed during the period, with the sale of white water rafting and Cairns ballooning. This followed the divestment of GBR Helicopters, Cairns Canyoning, Byron Bay Ballooning and Hunter Valley Ballooning in FY20.

Group Financial Performance

	31 December 2020 $000	31 December 2019 $000	% change
Revenue from continuing operations	20,146	60,262	(67%)
Underlying EBITDA from continuing operations	4,375	9,979	(56%)
Net loss after tax from continuing and discontinued operations attributable to shareholders	(213)	(7,137)	(97%)
Net debt [1]	2,602	9,019	(71%)

The Group incurred a net loss after tax from continuing and discontinued operations of $0.213 million (31 December 2019: $7.13 million loss), with the COVID-19 pandemic continuing to impact the Group's operations.

The decrease in Underlying EBITDA from continuing operations to $4.4 million (31 December 2019: $10.0 million) largely reflected the adverse impact of the pandemic. Importantly, the half represented an improvement on the second half of FY20, as operations ramped up from late May 2020 following their suspension on 23 March 2020.

As the half progressed, trading conditions improved however continued to be curtailed by domestic border restrictions in Australia, and the international borders being closed for both Australia and New Zealand. The Group has focused on generating sales activity while actively managing our workforce, including accessing employment targeted financial support in both Australia and New Zealand. The Group also welcomed specific tourism industry support provided by the Queensland and New Zealand governments.

Interstate border restrictions impacted our GBR Experiences business with the Queensland border closed to the key markets of Sydney and Melbourne, including the key school holiday periods and the all important late December to mid January peak period.

Business Simplification

The business simplification strategy implemented by the new Board and executive team was substantially completed in the period with the sale of the white water rafting and Cairns Ballooning businesses late in the half. The remaining assets held for sale at the end of the period related to surplus assets, and will continue to be actively marketed during the second half.

The implementation of the strategy has proven timely, with the Group now in a more robust position to navigate the near term challenges of the pandemic and well positioned to execute growth opportunities in the recovery period.

[1] Net debt is calculated as corporate debt and asset finance less cash and cash equivalents. Comparative as at 30 June 2020.

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DIRECTORS' REPORT

REVIEW OF OPERATIONS (CONTINUED)

As at 31 December 2020 the Group had cash and cash equivalents of $15.7 million and net debt had reduced to $2.6 million from $9.0 million at 30 June 2020. The Group is extremely pleased with this achievement, particularly in light of the challenging market conditions that have prevailed over the last twelve months.

COVID-19

With the opening up of the three Victorian Drop Zones in November, the Group had reopened core operations in all key operating localities. This is a testament to the commitment and expertise of our workforce and the support of many key stakeholders.

The Group remains vigilant on compliance with health advice and requirements in all aspects of our operation, and this will continue to be a priority as long as the pandemic continues.

We continue to be grateful to all levels of Government for support provided to the tourism industry and continue to actively participate in and monitor developments in relevant initiatives.

Discontinued operations

The discontinued operations remained mothballed during the period until the time of divestment with the financial contribution representing the holding costs for the period.

OUTLOOK

Global and domestic vaccine implementation strategies are positive developments for the adventure tourism industry.

The Group anticipates international borders will remain closed in the near term, with the exception of a potential trans tasman bubble later in the second half. As the calendar year progresses we expect a reduction in the level of domestic border uncertainty and further developments in regards to the medium term prospects for inbound visitation.

The Group remains focused on prudently managing the business through the impacts of the pandemic in the short term and maintaining the ability of the business to scale up as demand returns.

DIVIDENDS

No dividend was paid or declared during the period.

SUBSEQUENT EVENTS

The tourism sector in Australia and New Zealand continues to be impacted by the effective closure of international borders in both countries. Since balance date, domestic border restrictions and snap lock downs, including Brisbane, Perth and Victoria, have continued to impact operations.

The Australian Government announced in early January 2021 the COVID-19 Vaccine National Rollout Strategy, which sets out the phases in which vaccine doses will be made available in Australia. This, and similar advancements globally, will be key factors to the recovery path out of the pandemic.

ROUNDING OF AMOUNTS

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

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as requested under section 307C of the *Corporation Act* 2001 is set out on page 14.

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

John O'Sullivan
Chief Executive Officer

Kerry Robert (Bob) East
Chairman

Dated: **17 February 2021**

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	31 December 2020 $000	31 December 2019 $000
Continuing operations			
Sales revenue		20,146	60,262
Cost of sales		(13,005)	(36,851)
Gross profit		**7,141**	**23,411**
Other income	3	8,071	905
Employee expenses		(6,472)	(7,724)
Depreciation and amortisation expenses		(3,999)	(5,451)
Impairment of property, plant and equipment and other assets		(199)	(1,600)
Marketing and advertising expenses		(504)	(1,175)
Repairs and maintenance expenses		(543)	(874)
Operating expenses		(2,268)	(4,564)
Restructure and other significant expenses	4	(1,419)	(1,636)
(Loss) on disposal of assets		(121)	-
(Loss)/profit before financial income and taxes		**(313)**	**1,292**
Net finance costs		(777)	(1,019)
(Loss)/profit before income tax from continuing operations		**(1,090)**	**273**
Income tax benefit / (expense)		444	(12)
Net (loss)/ profit for the half year from continuing operations		**(646)**	**261**
Discontinued operations			
Profit/(loss) after tax for the half year from discontinued operations	5	433	(7,398)
Loss for the half year from continuing and discontinued operations		**(213)**	**(7,137)**
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange differences on translating foreign operations, net of income tax		(12)	304
Other comprehensive (loss)/income for the half year		**(12)**	**304**
Total comprehensive loss for the half year		**(225)**	**(6,833)**
(Loss) / earnings per share for continuing operations			
Basic (loss) / earnings per share (cents)		(0.12)	0.05
Diluted (loss) / earnings per share (cents)		(0.12)	0.05

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2020 $000	As at 30 June 2020 $000
Assets			
Current assets			
Cash and cash equivalents		15,662	12,469
Trade and other receivables		3,231	2,935
Inventories		2,894	3,009
Asset under construction		2,699	-
Other assets		2,196	1,550
		26,682	**19,963**
Non-current assets classified as assets held for sale		4,059	8,350
Total current assets		**30,741**	**28,313**
Non-current assets			
Trade and other receivables		-	164
Property, plant and equipment	6	66,181	68,926
Right-of-use assets		12,242	12,381
Deferred tax assets		10,927	11,149
Intangible assets	7	1,171	895
Total non-current assets		**90,521**	**93,515**
Total assets		**121,262**	**121,828**
Liabilities			
Current liabilities			
Trade and other payables		5,381	4,571
Lease liabilities		5,058	4,749
Employee benefits		1,709	1,576
Current tax liabilities		581	1,459
Contract liabilities		4,033	1,292
		16,762	**13,647**
Liabilities directly associated with assets classified as held for sale		977	1,020
Total current liabilities		**17,739**	**14,667**
Non-current liabilities			
Borrowings	8	8,655	9,760
Lease liabilities		17,002	19,396
Employee benefits		221	218
Total non-current liabilities		**25,878**	**29,374**
Total liabilities		**43,617**	**44,041**
Net assets		**77,645**	**77,787**
Equity			
Issued capital		168,551	168,645
Retained earnings		(88,651)	(88,438)
Reserves		(2,255)	(2,420)
Total equity		**77,645**	**77,787**

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Issued Capital $000	Retained Earnings $000	Asset Revaluation Reserve $000	Common Control Reserve $000	Share Option Reserve $000	Foreign Currency Translation Reserve $000	Total $000
Balance at 1 July 2019		**168,860**	**(38,713)**	**6,051**	**(4,171)**	**250**	**122**	**132,399**
Transfer from asset revaluation reserve to retained earnings		-	347	(347)	-	-	-	-
Comprehensive income								
Loss for the half year		-	(7,137)	-	-	-	-	**(7,137)**
Other comprehensive income for the half year		-	-	(257)	-	200	361	**304**
Total comprehensive loss for the half year		**-**	**(6,790)**	**(604)**	**-**	**200**	**361**	**(6,833)**
Balance at 31 Dec 2019		**168,860**	**(45,503)**	**5,447**	**(4,171)**	**450**	**483**	**125,566**
Balance at 1 July 2020		**168,645**	**(88,438)**	**1,347**	**(4,171)**	**596**	**(192)**	**77,787**
Reduction in share capital		(94)	-	-	-	-	-	**(94)**
Comprehensive income								
Loss for the half year			(213)					(213)
Other comprehensive loss for the half year				-	-		(12)	(12)
Total comprehensive loss for the half year		**(94)**	**(213)**	**-**	**-**	**-**	**(12)**	**(319)**
Transactions with owners, in their capacity as owners, and other transfers								
Options issued during the half year		-	-	-	-	177	-	177
Total transactions with owners and other transfers		**-**	**-**	**-**	**-**	**177**	**-**	**177**
Balance at 31 December 2020		**168,551**	**(88,651)**	**1,347**	**(4,171)**	**773**	**(204)**	**77,645**

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	31 December 2020 $000	31 December 2019 $000
Operating activities			
Receipts from customers (GST inclusive)		24,504	77,784
Payments to suppliers and employees (GST inclusive)		(19,800)	(69,029)
Interest received		28	-
Finance costs		(565)	(762)
Income tax (paid) / refund		(219)	2,363
Net cash provided by operating activities		**3,948**	**10,356**
Investing activities			
Sale of property, plant and equipment		2,597	1,576
Proceeds from the sale of discontinued operations and assets held for sale		2,895	-
Proceeds from grant contribution to assets under construction		1,050	-
Payments for assets under construction		(1,891)	-
Purchase of property, plant and equipment		(1,244)	(5,391)
Net cash provided by / (used in) investing activities		**3,407**	**(3,815)**
Financing activities			
Share purchases		(94)	-
Proceeds from borrowings		553	4,966
Repayment of borrowings		(1,871)	(5,629)
Repayment of leases liabilities		(2,671)	(744)
Loan repayments to related parties		(79)	-
Net cash used in financing activities		**(4,162)**	**(1,407)**
Net increase in cash held		3,193	5,134
Cash and cash equivalents at beginning of the period		12,469	4,803
Cash and cash equivalents at end of the period		**15,662**	**9,937**

The accompanying notes form part of these financial statements.

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The interim financial report of Experience Co Limited (the Company) and its subsidiaries (collectively, the Group) for the six months ended 31 December 2020 was authorised for issue in accordance with a resolution of the directors.

The Company is listed on the Australian Securities Exchange, incorporated and domiciled in Australia and its shares are publicly traded. The registered office is located at Level 1, 17 Castlereagh Street, Sydney, New South Wales, Australia.

BASIS OF PREPARATION

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

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

The accounting policies adopted in the preparation of the interim financial report are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the half year ended 30 June 2020, except for the adoption of new standards effective as of 1 July 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

SIGNITICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the interim financial report, the Group has made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates. Significant judgements made by management in applying the Group's accounting policies and the key sources of estimate uncertainty were the same as that applied to the audited consolidated financial statements for the year ended 30 June 2020.

Discontinued operations and assets held for sale

The assets and liabilities of non-core operations have been classified where appropriate as discontinued operations and assets held for sale as at 31 December 2020.

GOING CONCERN

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

For the period ended 31 December 2020, COVID-19 has been a key factor in the Group's operations and we note the following:

- Cash and cash equivalents increased to $15.7 million (30 June 2020: $12.5 million) and net debt decreased to $2.6 million (30 June 2020: $9.0 million).
- Trading volumes improved over the period following the recommencement of operations from late in the previous financial year and the Group reported net cash inflows over the period.
- The Group amended its debt facilities with the National Australia Bank ('NAB') including an extension of the maturity to 28 February 2022 and the resetting of covenants to take into account the impact of the pandemic.
- The Group has met all interest and scheduled amortisation payments during the period, and as at the end of the period has no material financing or rental deferrals repayable.
- The Group has participated in the Jobkeeper and Wage Subsidy programmes in Australia and New Zealand respectively and continues to work with various levels of Government on eligible financial assistance programmes.

The directors have prepared cash flow projections for the two years from 31 December 2020 taking into consideration the estimation of the continued business impacts of COVID-19. These projections indicate that, taking account of reasonably possible downsides, the Group is expected to continue to operate, based on an assessment of forward earnings, existing cash levels and ongoing communications with debt and equity providers.

Based on these forecasts, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis and have a reasonable expectation that the Group will continue to meet its obligations as and when they fall due.

NOTE 2 OPERATING SEGMENTS

IDENTIFICATION OF REPORTABLE OPERATING SEGMENTS

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

- **Skydiving**: comprises tandem skydive and related products, with ancillary aircraft maintenance activities.
- **GBR Experiences**: reef based dive and snorkel experiences and rainforest tours operating out of Cairns and Port Douglas in the Tropical North Queensland region.
- **Corporate**: comprises the centralised management and business administration services.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 2 OPERATING SEGMENTS (CONTINUED)

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.

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

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

31 December 2019	Skydiving $000	GBR Experiences $000	Corporate $000	Continuing operations $000
Sales to external customers at a point in time	38,079	22,121	62	60,262
Sales revenue	**38,079**	**22,121**	**62**	**60,262**
Other income	141	703	61	905
Total segment revenue	**38,220**	**22,824**	**123**	**61,167**
EBITDA	**8,459**	**2,110**	**(3,826)**	**6,743**
Restructure and other significant expenses	566	(28)	1,098	1,636
Impairment	435	1,165	-	1,600
Underlying EBITDA	**9,460**	**3,247**	**(2,728)**	**9,979**
Depreciation and amortisation	(2,658)	(2,448)	(345)	(5,451)
Segment profit before financial income and taxes	**5,801**	**(338)**	**(4,171)**	**1,292**
Total assets as at 30 June 2020	**64,634**	**28,528**	**20,316**	**113,478**
Total liabilities as at 30 June 2020	**(16,294)**	**(1,458)**	**(25,269)**	**(43,021)**

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

	31 December 2020 $000	31 December 2019 $000
(Loss) / Profit for the half year from continuing operations	**(646)**	**261**
Finance costs	777	1,019
Depreciation and amortisation	3,999	5,451
Impairment	199	-
Income tax (benefit) / expense	(444)	12
EBITDA from continuing operations	**3,885**	**6,743**
Restructure and other significant expenses	1,419	1,636
Impairment	-	1,600
Profit on disposal of assets	121	-
Queensland Growing Tourism Infrastructure Program grant	(1,050)	-
Underlying EBITDA from continuing operations	**4,375**	**9,979**

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

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 3 OTHER INCOME

	31 December 2020 $000	31 December 2019 $000
Jobkeeper income	5,232	-
Wages subsidy income	180	-
Queensland Tourism Icons Program grant	1,000	-
Queensland Growing Tourism Infrastructure Program grant	1,050	-
New Zealand Strategic Tourism Asset Protection Program grant	154	-
Diesel Fuel Rebate	168	485
Insurance Recoveries	179	164
Other	108	256
	8,071	**905**

NOTE 4 RESTRUCTURE AND OTHER SIGNIFICANT EXPENSES

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

	31 December 2020 $000	31 December 2019 $000
Redundancy and severance	507	643
Business simplification	426	12
Strategic review	-	579
Share based payments	177	192
Other (net)	309	210
Restructure and other significant expenses	**1,419**	**1,636**

NOTE 5 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

DISCONTINUED OPERATIONS

During the period ended 31 December 2020 the following asset sales were completed:

- Raging Thunder white water rafting and Cairn ballooning businesses were divested in November 2020, for total net proceeds of $748,000; and
- Surplus property, plant and equipment net proceeds of $4.7 million.

These discontinued operations are no longer included in the operating segment note disclosures. The results of these discontinued operations are presented below.

	31 December 2020 $000	31 December 2019 $000
Sales revenue	4	10,065
Expenses	(69)	(11,004)
Profit on disposal of assets	498	-
Impairment loss recognised on the remeasurement to fair value less costs to sell	-	(6,459)
Loss before tax from discontinued operations	**433**	**(7,398)**
Income tax expense	-	-
Loss after tax from discontinued operations	**433**	**(7,398)**

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 5 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE (CONTINUED)

ASSETS HELD FOR SALE

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

	31 December 2020 $000	30 June 2020 $000
Assets		
Property, plant & equipment	3,993	8,290
Deferred tax assets	66	60
Assets held for sale	**4,059**	**8,350**
Liabilities		
Employee benefits - Current	2	27
Employee benefits - Non-Current	3	16
Provisions - Non-Current	857	857
Contract liabilities	115	120
Liabilities directly associated with assets held for sale	**977**	**1,020**
Net assets directly associated with assets held for sale	**3,082**	**7,330**

NOTE 6 PROPERTY PLANT & EQUIPMENT

	Land & Buildings	Plant & Equipment	Leasehold Improv.	Aircraft	Motor Vehicles	Office Equipment	Vessels	Total
	$000	$000	$000	$000	$000	$000	$000	$000
Cost 1 July 2020	**1,735**	**12,272**	**4,325**	**32,456**	**5,533**	**1,804**	**32,273**	**90,397**
Accumulated depreciation	**(261)**	**(6,679)**	**(1,325)**	**-**	**(3,062)**	**(1,378)**	**(8,765)**	**(21,471)**
Carrying amount 1 July 2020	**1,474**	**5,593**	**2,999**	**32,456**	**2,471**	**426**	**23,508**	**68,926**
Additions	168	18	21	179	3	89	70	**548**
Depreciation expense	(7)	(495)	(43)	(573)	(200)	(87)	(1,422)	**(2,827)**
Disposals	221	(107)	(23)	(469)	72	(3)	(98)	**(407)**
Revaluations	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Movement in foreign exchange	(1)	-	(85)	18	8	1	-	**(59)**
Transfer between asset classes	-	-	-	-	-	-	-	-
Cost 31 December 2020	**2,123**	**12,226**	**4,238**	**32,184**	**5,616**	**1,891**	**32,202**	**90,479**
Accumulated depreciation	**(268)**	**(7,174)**	**(1,368)**	**(573)**	**(3,262)**	**(1,465)**	**(10,187)**	**(24,298)**
Carrying amount 31 December 2020	**1,855**	**5,052**	**2,869**	**31,611**	**2,354**	**426**	**22,015**	**66,181**

NOTE 7 INTANGIBLE ASSETS

	Goodwill	Trademarks	Computer Software	Customer relationships	Leases & Licences	Total
	$000	$000	$000	$000	$000	$000
Cost 1 July 2020	**23,483**	**5,351**	**1,395**	**18,550**	**9,574**	**58,347**
Accumulated amortisation and impairment	**(23,483)**	**(5,351)**	**(500)**	**(18,550)**	**(9,574)**	**(57,458)**
Carrying amount 1 July 2020	**-**	**-**	**895**	**-**	**-**	**895**
Additions	-	-	448	-	-	448
Amortisation expense	-	-	(172)	-	-	(172)
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Movement in foreign exchange	-	-	-	-	-	-
Transfers to other asset classes	-	-	-	-	-	-
Cost 30 December 2020	**23,483**	**5,351**	**1,843**	**18,550**	**9,574**	**58,801**
Accumulated amortisation and impairment	**(23,483)**	**(5,351)**	**(672)**	**(18,550)**	**(9,574)**	**(57,630)**
Carrying amount 31 December 2020	**-**	**-**	**1,171**	**-**	**-**	**1,171**

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 8 BORROWINGS

	31 December 2020 $000	30 June 2020 $000
Non-current		
Bank loans	8,655	9,760
Total non-current borrowings	**8,655**	**9,760**
Total borrowings	**8,655**	**9,760**

During the period the Group's Multi Option Facility Agreement with the National Australia Bank (NAB) was amended in response to the impact of COVID-19.

This included an extension of the Facility to 28 February 2022 and previous covenants being replaced by a minimum cash requirement of $6 million.

The facility limits have been revised to the following as at 31 December 2020:

- Cash Advance Facility: $8.7 million (30 June 2020: $25.0 million)
- Master Asset Finance Facility: $11.3 million (30 June 2020: $15.0 million). Drawn to $9.6 million as at 31 December 2020.

NOTE 9 DIVIDENDS

No dividend paid or declared during the period (31 December 2019: nil)

NOTE 10 SUBSEQUENT EVENTS

The tourism sector in Australia and New Zealand continues to be impacted by the effective closure of international borders in both countries. Since balance date, domestic border restrictions and snap lock downs, including Brisbane, Perth and Victoria, have continued to impact operations.

The Australian Government announced in early January 2021 the COVID-19 Vaccine National Rollout Strategy, which sets out the phases in which vaccine doses will be made available in Australia. This, and similar advancements globally, will be key factors to the recovery path out of the pandemic.

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AUDITOR'S INDEPENDENCE DECLARATION

In accordance with a resolution of the directors of Experience Co Limited, the directors of the Company declare that:

1. The financial statements and notes, as set out on pages 3 to 11:

   (a) comply with the Corporation's Act 2001, AASB 134 Interim Financial Reporting, The Corporations Regulations 2001 and other mandatory professional reporting requirements.

   (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the period ended on that date.

2 In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.



John O'Sullivan
Chief Executive Officer



Kerry Robert (Bob) East
Chairman

Dated: **17 February 2021**

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AUDITOR'S INDEPENDENCE DECLARATION

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Experience Co Limited for the half year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

CAMERON HUME
Partner

Sydney, NSW
Dated: 17 February 2021

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

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

INDEPENDENT AUDITORS REVIEW REPORT

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Experience Co Limited which comprises the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half=year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Experience Co Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

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INDEPENDENT AUDITORS REVIEW REPORT

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Conclusion

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

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance of the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial reporting* and *Corporations Regulations 2001*.

RSM Australia Partners

Sydney, NSW
Dated: 17 February 2021

CAMERON HUME
Partner