

FY23 Interim Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2022



FOR AND ON BEHALF OF THE BOARD WHO AUTHORISED
THE ISSUE OF THE INTERIM CONSOLIDATED FINANCIAL
STATEMENTS ON 22 FEBRUARY 2023.

A handwritten signature in black ink, appearing to read 'Cathy Quinn'.

CATHY QUINN
CHAIR OF THE BOARD

A handwritten signature in black ink, appearing to read 'Rob Hamilton'.

ROB HAMILTON
CHAIR OF THE AUDIT AND RISK COMMITTEE

22 FEBRUARY 2023

Consolidated income statement

For the six months ended 31 December 2022

	NOTES	UNAUDITED 6 MONTHS TO 31 DEC 2022 \$000's	UNAUDITED 6 MONTHS TO 31 DEC 2021 \$000's
Sales of services		134,094	50,301
Sales of goods		126,952	124,573
Total revenue		261,046	174,874
Cost of sales		(85,917)	(84,910)
Gross profit		175,129	89,964
Administration expenses	3	(38,209)	(22,931)
Operating expenses	3	(99,688)	(69,219)
Other income	2	5,060	1,058
Operating profit/(loss) before financing costs*		42,292	(1,128)
Finance income		260	4
Finance expenses		(6,940)	(4,947)
Net finance costs		(6,680)	(4,943)
Share of profit from associates	9	812	1,171
Profit/(loss) before tax		36,424	(4,900)
Income tax (expense)/benefit	4	(11,262)	536
Profit/(loss) for the period		25,162	(4,364)
Profit/(loss) for the period is attributable to:			
Equity holders of the Company		25,162	(4,044)
Non-controlling interests		-	(320)
Profit/(loss) for the period		25,162	(4,364)
Earnings/(loss) per share from profit attributable to the equity holders of the Company during the period			
Basic earnings/(loss) per share (in cents)		15.3	(2.7)
Diluted earnings/(loss) per share (in cents)		15.3	(2.7)

* The consolidated income statement includes one non-GAAP measure (that is, operating profit before financing costs or "EBIT") which is not a defined term in New Zealand International Financial Reporting Standards (NZ IFRS). The Directors and management believe that this non-GAAP financial measure provides useful information to assist readers in understanding the Group's financial performance. This measure should not be viewed in isolation and is intended to supplement the NZ GAAP measures. Therefore, it may not be comparable to similarly titled amounts reported by other companies.

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Consolidated statement of comprehensive income

For the six months ended 31 December 2022

	NOTES	UNAUDITED 6 MONTHS TO 31 DEC 2022 \$000's	UNAUDITED 6 MONTHS TO 31 DEC 2021 \$000's
Profit/(loss) for the period		25,162	(4,364)
Other comprehensive income/(losses)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation reserve movement (net of tax)	14	(7,195)	1,933
Equity investment reserve movement (net of tax)		(1,968)	-
Cash flow hedge reserve movement (net of tax)		944	1,592
Other comprehensive income/(loss) for the period net of tax		(8,219)	3,525
Total comprehensive income/(loss) for the period		16,943	(839)
Total comprehensive income/(loss) for the period is attributable to:			
Equity holders of the Company		16,943	(530)
Non-controlling interests		-	(309)
Total comprehensive income/(loss) for the period		16,943	(839)

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Consolidated statement of changes in equity

For the six months ended 31 December 2022

UNAUDITED	NOTES	SHARE CAPITAL \$000's	RETAINED EARNINGS \$000's	CASH FLOW HEDGE RESERVE \$000's	OTHER RESERVES \$000's	TOTAL EQUITY \$000's
Opening balance as at 1 July 2022		278,983	37,700	321	14,664	331,668
Profit for the period		-	25,162	-	-	25,162
Other comprehensive income						
Cash flow hedge reserve movement (net of tax)		-	-	944	-	944
Equity investment reserve movement (net of tax)		-	-	-	(1,968)	(1,968)
Foreign currency translation reserve movement (net of tax)	14	-	-	-	(7,195)	(7,195)
Total comprehensive income/(loss) for the period		-	25,162	944	(9,163)	16,943
Transactions with owners						
Ordinary shares Issued as part consideration for 51% acquisition of Just go	10	8,031	-	-	-	8,031
Ordinary shares Issued for the acquisition of Apollo	10	212,889	-	-	-	212,889
Issue of ordinary shares (net of issue costs)	10	646	-	-	-	646
Shares issued to employees		2,289	-	-	(2,289)	-
Cost during the period for employee share scheme		-	-	-	641	641
Total transactions with owners		223,855	-	-	(1,648)	222,207
Balance as at 31 December 2022		502,838	62,862	1,265	3,853	570,818

UNAUDITED	NOTES	SHARE CAPITAL \$000's	RETAINED EARNINGS \$000's	CASH FLOW HEDGE RESERVE \$000's	OTHER RESERVES \$000's	NON-CONTROLLING INTERESTS \$000's	TOTAL EQUITY \$000's
Opening balance at 1 July 2021		277,792	42,313	(3,617)	(1,030)	(2,859)	312,599
Loss for the period		-	(4,044)	-	-	(320)	(4,364)
Other comprehensive income							
Cash flow hedge reserve movement (net of tax)		-	-	1,592	-	-	1,592
Foreign currency translation reserve movement (net of tax)	14	-	(6)	-	1,928	11	1,933
Total comprehensive income/(loss) for the period		-	(4,050)	1,592	1,928	(309)	(839)
Transactions with owners							
Issue of ordinary shares (net of issue costs)	10	113	-	-	-	-	113
Shares issued to employees		1,022	134	-	(994)	-	162
Cost during the period for employee share scheme		-	-	-	1,394	-	1,394
Total transactions with owners		1,135	134	-	400	-	1,669
Balance at 31 December 2021		278,927	38,397	(2,025)	1,298	(3,168)	313,429

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Consolidated statement of financial position

As at 31 December 2022

	NOTES	31 DEC 2022 UNAUDITED \$000's	30 JUNE 2022 AUDITED \$000's		NOTES	31 DEC 2022 UNAUDITED \$000's	30 JUNE 2022 AUDITED \$000's
Assets				Liabilities			
Non-current assets				Non-current liabilities			
Property, plant and equipment	6	473,226	311,831	Interest bearing loans and borrowings	11	154,943	97,298
Right-of-use assets	7	130,424	70,766	Derivative financial instruments	12	-	45
Intangible assets	9	212,496	55,407	Lease liabilities	7	103,223	72,721
Derivative financial instruments	12	1,652	453	Deferred income tax liability		42,497	16,077
Investments in associates	9	121	5,966	Other Payables/Provisions		53	-
Financial asset	12	18,681	5,630	Total non-current liabilities		300,716	186,141
Total non-current assets		836,600	450,053	Current liabilities			
Current assets				Interest bearing loans and borrowings	11	153,122	-
Cash and cash equivalents		58,807	38,816	Trade and other payables		50,789	31,913
Trade and other receivables		40,456	33,082	Revenue in advance		45,214	26,046
Inventories		159,218	67,290	Employee benefits		17,948	9,041
Current tax receivables		6,250	6,254	Provisions		3,199	618
Derivative financial instruments	12	146	-	Derivative financial instruments	12	-	15
Assets classified as held for sale	9	57,995	333	Lease liabilities	7	16,965	9,898
Total current assets		322,872	145,775	Current tax liabilities		701	-
Total assets		1,159,472	595,828	Liabilities classified as held for sale		-	488
Equity				Total current liabilities		287,938	78,019
Share capital	10	502,838	278,983	Total liabilities		588,654	264,160
Other reserves		3,853	14,664	Total equity and liabilities		1,159,472	595,828
Cash flow hedge reserve		1,265	321				
Retained earnings		62,862	37,700				
Total equity		570,818	331,668				

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Consolidated statement of cash flows

For the six months ended 31 December 2022

NOTES	UNAUDITED 6 MONTHS TO 31 DEC 2022 \$000's	UNAUDITED 6 MONTHS TO 31 DEC 2021 \$000's	NOTES	UNAUDITED 6 MONTHS TO 31 DEC 2022 \$000's	UNAUDITED 6 MONTHS TO 31 DEC 2021 \$000's
Cash flows from operating activities			Cash flows from financing activities		
	155,733	49,773		(19,312)	(4,702)
Receipts from customers			Payment for lease liability principal		
Proceeds from sale of goods	107,023	131,522	Proceeds from borrowings	62,669	6,241
Interest received	189	4	Repayments of borrowings	(76,112)	(41,939)
Payments to suppliers and employees	(145,079)	(71,179)	Proceeds from share issue	849	193
Purchase of rental assets	(103,538)	(68,061)			
Interest paid	(7,441)	(4,885)	Net cash flows used in financing activities	(31,906)	(40,207)
Taxation (paid)/received	(450)	(356)	Net increase/(decrease) in cash and cash equivalents	20,984	(5,386)
Proceeds from insurance recoveries	-	133	Opening cash and cash equivalents	38,816	38,087
Net cash flows from operating activities	6,437	36,951	Exchange (losses)/gains on cash and cash equivalents	(993)	318
Cash flows from investing activities			Closing cash and cash equivalents	58,807	33,019
Proceeds from sale of property, plant and equipment	75	80			
Purchase of property, plant and equipment	(3,228)	(819)			
Purchase of intangibles	(5,370)	(1,391)			
Net cash received as part of Apollo merger	9	50,602			
Net cash received as part of the step acquisition of Just go	9	4,374			
Net cash from/(used in) investing activities	46,453	(2,130)			

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Notes to the consolidated financial statements

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Notes to the consolidated financial statements

About this report

Basis of preparation

The primary operations of Tourism Holdings Limited (the 'Company' or 'Parent' or '**thl**') and its subsidiaries (together 'the Group') are the manufacture, rental and sale of RVs including motorhomes, campervans and caravans and other tourism related activities. The Parent is domiciled in New Zealand. The registered office is Level 1, 83 Beach Road, Auckland 1010, New Zealand. Tourism Holdings Limited is a company registered under the Companies Act 1993 and is an FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013.

The interim consolidated financial statements of the Group have been prepared:

- in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and IAS 34 *Interim Financial Reporting*. They comply with NZ IAS 34 *Interim Financial Reporting*. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and therefore should be read in conjunction with the annual report for the year ended 30 June 2022;
- in New Zealand dollars with values rounded to thousands (\$000's) unless otherwise stated.

These condensed interim financial statements were approved for issue on 22 February 2023.

These condensed interim financial statements have not been audited.

Significant changes in the group in the current reporting period

On 30 November 2022, the merger between **thl** and Apollo Tourism & Leisure Ltd (ATL) completed with the implementation of the scheme of arrangement. As a result of the acquisition there are some considerable balance sheet movements between 30 June and 31 December 2022, in particular, property, plant and equipment, intangible assets, right-of-use assets, financial asset, inventories, lease liabilities and borrowings.

Refer to note 9.2 for further details.

In addition, **thl** commenced trading on Australian Securities Exchange (ASX) on 2 December 2022 under the name Tourism Holdings Rentals Limited and ASX ticker code "THL".

Seasonality of business

The tourism industry is subject to seasonal fluctuations with peak demand for tourism attractions and transportation over the summer months of each country the Group operates in. The operating revenue and profits of the Group's segments are disclosed in note 1. New Zealand and Australia's profits are typically generated over the southern hemisphere summer months and in Canada and the United States of America, profits are typically generated over the northern hemisphere summer months. Due to the seasonal nature of the businesses the risk profile at 31 December 2022 is not representative of all risks faced during the year.

New Zealand and Australia re-opened their borders to international visitors from July and February 2022, respectively. In the prior corresponding periods, both regions were significantly impacted by COVID-19 travel restrictions. This can make comparisons between the current and prior corresponding periods challenging.

Critical accounting estimates and judgement

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The estimates used in the preparation of these interim financial statements are consistent with those used in the 30 June 2022 annual financial statements.

Changes in accounting policies

The accounting policies used in the preparation of these interim financial statements are consistent with those used in the 30 June 2022 annual financial statements.

Notes to the consolidated financial statements (continued)

Section A – Financial performance

In this section

This section explains the financial performance of **thl**, providing additional information about individual items in the income statement, including segmental information, certain expenses and dividend distribution information.

1. Segment note

The operating segments of **thl** are reported from a geographic and service type perspective. They are made up of the following business operations:

- New Zealand Rentals - Rental of maui, Britz and Mighty motorhomes, and the sale of motorhomes (excluding Apollo);
- Action Manufacturing - Manufacturing and the sale of motorhomes and other speciality vehicles;
- Tourism Group - Kiwi Experience and the Discover Waitomo Caves Group experiences;
- Australia Rentals - Rental of maui, Britz and Mighty motorhomes and 4WD vehicles, and the sale of motorhomes (excluding Apollo);
- United States Rentals - Rental and sale of Road Bear, Britz, Mighty and El Monte RVs;
- Apollo Tourism & Leisure - Manufacturing, rental, sales and distribution of a range of RVs including motorhomes, campervans and caravans, with operations in Australia, New Zealand, Canada, Germany and Ireland. As the acquisition of Apollo completed close to the end of the reporting period to 31 December 2022, the Group has not yet been able to determine the appropriate segment breakdown and for the purpose of this interim report, has grouped all of Apollo's results for the month of December 2022 under one operating segment. Refer to note 9.2 for further detail.
- Other - includes Group Support Services, Group elimination entries, **thl** digital and Just go. **thl** digital includes Cosmos and Outdoria (Mighway and SHAREaCAMPER was sold in April 2022). The remaining 51% of Just go was acquired in October 2022 which was previously reported as an associate with a shareholding interest of 49%. Refer to note 9.1 for further detail.

Notes to the consolidated financial statements (continued)

1. Segment note (continued)

UNAUDITED FOR THE SIX MONTHS ENDED 31 DECEMBER 2022	NEW ZEALAND RENTALS \$000's	ACTION MANU- FACTURING \$000's	TOURISM GROUP \$000's	AUSTRALIA RENTALS \$000's	UNITED STATES RENTALS \$000's	APOLLO GROUP* \$000's	OTHER \$000's	TOTAL \$000's
Sales of services	24,860	-	9,361	42,179	50,674	5,956	1,064	134,094
Sales of goods - external	20,860	22,111	-	15,392	44,012	22,145	2,432	126,952
Sales of goods - inter-segment	-	39,471	-	-	-	-	(39,471)	-
Total revenue	45,720	61,582	9,361	57,571	94,686	28,101	(35,975)	261,046
Depreciation	(5,801)	(1,632)	(729)	(7,150)	(10,376)	(1,347)	(494)	(27,529)
Other costs - inter-segment	-	(37,274)	-	-	-	-	37,274	-
Amortisation	(15)	(2)	(309)	(13)	(63)	(160)	(436)	(998)
Other costs - external	(35,216)	(18,763)	(6,850)	(31,571)	(67,029)	(24,343)	(6,455)	(190,227)
Operating profit/ (loss) before interest and tax	4,688	3,911	1,473	18,837	17,218	2,251	(6,086)	42,292
Interest income	-	10	-	143	33	85	(11)	260
Interest expense	(323)	(280)	(30)	(613)	(1,809)	(1,535)	(2,350)	(6,940)
Share of profit from joint ventures and associates	-	-	-	-	-	-	812	812
Profit/(loss) before tax	4,365	3,641	1,443	18,367	15,442	801	(7,635)	36,424
Taxation	(1,222)	-	(469)	(5,510)	(4,239)	(311)	489	(11,262)
Profit/(loss) for the period	3,143	3,641	974	12,857	11,203	490	(7,146)	25,162
Capital expenditure	35,240	1,722	161	18,194	46,722	7,938	2,783	112,760
Total non- current assets	97,924	19,323	16,408	100,653	209,229	211,545	181,518	836,600
Total assets**	119,581	58,775	19,662	129,189	259,499	360,563	212,203	1,159,472
Net funds employed	81,608	35,056	9,973	56,930	187,059	241,254	208,196	820,076

*Apollo Group results are only for the December 2022 month.

** "Other" segment includes the provisional goodwill recognised on acquisition of Apollo and Just go (refer to note 9.1 and 9.2).

Notes to the consolidated financial statements (continued)

UNAUDITED FOR THE SIX MONTHS ENDED 31 DECEMBER 2021	NEW ZEALAND RENTALS \$'000's	ACTION MANU-FACTURING \$'000's	TOURISM GROUP \$'000's	AUSTRALIA RENTALS \$'000's	UNITED STATES RENTALS \$'000's	OTHER \$'000's	TOTAL \$'000's
Sales of services	6,151	-	846	15,675	26,903	726	50,301
Sales of goods - external	41,840	13,468	-	16,218	52,966	81	124,573
Sales of goods - inter-segment	-	17,038	-	-	-	(17,038)	-
Total revenue	47,991	30,506	846	31,893	79,869	(16,231)	174,874
Depreciation	(6,633)	(1,221)	(752)	(6,423)	(6,750)	(350)	(22,129)
Amortisation	(8)	(2)	(328)	(14)	(52)	(540)	(944)
Other costs - external	(48,327)	(11,120)	(2,202)	(26,416)	(61,857)	(3,007)	(152,929)
Other costs - inter-segment	-	(15,664)	-	-	-	15,664	-
Operating profit/(loss) before interest and tax	(6,977)	2,499	(2,436)	(960)	11,210	(4,464)	(1,128)
Interest income	-	-	-	-	-	4	4
Interest expense	(291)	(150)	(32)	(572)	(1,485)	(2,417)	(4,947)
Share of profit from joint ventures and associates	-	-	-	-	-	1,171	1,171
Profit/(loss) before tax	(7,268)	2,349	(2,468)	(1,532)	9,725	(5,706)	(4,900)
Taxation	2,034	-	622	459	(2,640)	61	536
Profit/(loss) for the period	(5,234)	2,349	(1,846)	(1,073)	7,085	(5,645)	(4,364)
Capital expenditure	4,136	370	139	23,000	44,761	2,601	75,007
Total non-current assets	76,500	11,543	18,111	97,386	140,049	42,063	385,652
Total assets	105,413	38,962	18,991	117,276	178,795	47,184	506,621
Net funds employed	78,294	24,421	16,784	63,603	104,660	44,382	332,144

1. Segment note (continued)

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive management team who together with the Board of Directors (the Board), make strategic decisions.

Operating profit/(loss) before interest and tax is the main financial measure used by the CODM to review the Group's performance.

All revenue is reported to the executive team on a basis consistent with that used in the income statement. Segment assets and liabilities are measured in the same way as in the financial statements. These assets and liabilities are allocated based on the operations of the segment, and the physical location of assets.

Segment assets consist primarily of property, plant and equipment, intangible assets, right-of-use assets, inventories, receivables and operating cash. The investments and derivatives designated as hedges of borrowings are allocated to "Other segment". Net funds employed are non-GAAP measures that are not defined in NZ IFRS. The Board and management believe that these non-GAAP financial measures provide useful information to assist readers in understanding the Group's financial performance. These measures should not be viewed in isolation and are intended to supplement the NZ GAAP measures and therefore may not be comparable to similarly titled amounts reported by other companies. The net funds employed are segment total assets less segment non-interest-bearing liabilities and cash on hand. The lease liability as a result of NZ IFRS 16 is not considered to be part of funds employed.

Notes to the consolidated financial statements (continued)

2. Other income, net

UNAUDITED	6 MONTHS TO 31 DEC 2022 \$000's	6 MONTHS TO 31 DEC 2021 \$000's
Fair value movements on financial assets recognised at fair value through profit or loss	760	703
Gain on previously held equity instrument *	3,507	-
Insurance repairs	-	(402)
Gain/(loss) on disposals of non-fleet assets	(17)	12
Dividend Income	-	430
Proceeds from insurance recoveries	9	88
Other income	801	227
Other income	5,060	1,058

3. Administration and operating expenses

Profit before tax includes the following specific expenses:

UNAUDITED	6 MONTHS TO 31 DEC 2022 \$000's	6 MONTHS TO 31 DEC 2021 \$000's
Transaction costs**	5,229	2,094
Depreciation	27,529	22,129
Amortisation of intangible assets	998	944
Rental and operating lease costs	1,252	818
Raw materials and consumables	1,023	530
Repairs and maintenance including damage repairs	13,088	10,430
Wages and salaries	49,210	30,297
Net foreign exchange loss	170	100

* \$3.5 million relates to the Group's revaluation of its previously held 49% shareholding in Just go (refer to note 9.1).

** Transaction costs in relation to the Apollo merger of \$5.2 million have been incurred to 31 December 2022 and expensed through the income statement.

4. Income tax expense

Tax has been applied on all taxable income at the respective tax rate applicable to each jurisdiction in which the Group operates.

5. Dividends

There was no dividend paid or declared during the six months ended 31 December 2022.

Notes to the consolidated financial statements (continued)

Section B – Assets used to generate profit

In this section

This section describes the assets **thl** uses in the business to generate profit, including:

- **Property, plant and equipment**

The most significant component is the motorhome fleet. Premises in general are leased, however significant owned properties are the Waitomo Caves Visitor Centre and the Waitomo Caves Homestead. In Canada there are four properties which have been classified as held for sale assets at 31 December 2022.

- **Leased assets**

The most significant leased assets relate to the premises in New Zealand, Australia, Canada and the United States.

Notes to the consolidated financial statements (continued)

6. Property, plant and equipment

UNAUDITED	MOTORHOMES \$000's	OTHER PLANT AND EQUIPMENT \$000's	CAPITAL WORK IN PROGRESS \$000's	TOTAL \$000's
Six months ended 31 December 2022				
Opening cost	369,555	62,951	20,848	453,354
Opening accumulated depreciation	(68,035)	(44,110)	-	(112,145)
Opening net book amount as at 1 July 2022	301,520	18,841	20,848	341,209
Additions and transfers from work in progress (net)	74,701	2,944	35,114	112,759
Disposals	(1,340)	(146)	(764)	(2,250)
Reclassification of motorhomes to inventories	(48,886)	-	-	(48,886)
Additions through acquisitions	136,077	5,680	103	141,860
Exchange rate differences	(6,662)	(112)	-	(6,774)
Depreciation charge	(18,918)	(2,193)	-	(21,111)
Closing net book amount	436,492	25,014	55,301	516,807
As at 31 December 2022				
Cost	519,920	83,255	55,301	658,476
Accumulated depreciation	(83,428)	(58,241)	-	(141,669)
Net book amount	436,492	25,014	55,301	516,807
Less reclassification of motorhomes to inventories at balance date				
Cost	58,323	-	-	58,323
Accumulated depreciation	(14,742)	-	-	(14,742)
Net book amount reclassified	43,581	-	-	43,581
Closing net book amount post reclassification	392,911	25,014	55,301	473,226

UNAUDITED	MOTORHOMES \$000's	OTHER PLANT AND EQUIPMENT \$000's	CAPITAL WORK IN PROGRESS \$000's	TOTAL \$000's
Six months ended 31 December 2021				
Opening cost	359,917	62,729	14,619	437,265
Opening accumulated depreciation	(85,865)	(42,368)	-	(128,233)
Opening net book amount as at 1 July 2021	274,052	20,361	14,619	309,032
Additions and transfers from work in progress (net)	62,581	723	10,941	74,245
Disposals	(19,529)	(810)	(1,829)	(22,168)
Reclassification of motorhomes to inventories	(68,534)	-	-	(68,534)
Transfer to assets held for sale	-	-	(8)	(8)
Exchange rate differences	(3,720)	(17)	-	(3,737)
Depreciation charge	(17,818)	(1,916)	-	(19,734)
Closing net book amount	227,032	18,341	23,723	269,096
As at 31 December 2021				
Cost	300,850	62,646	23,723	387,219
Accumulated depreciation	(73,818)	(44,305)	-	(118,123)
Net book amount	227,032	18,341	23,723	269,096
Less reclassification of motorhomes to inventories at balance date				
Cost	48,642	-	-	48,642
Accumulated depreciation	(14,644)	-	-	(14,644)
Net book amount reclassified	33,998	-	-	33,998
Closing net book amount post reclassification	193,034	18,341	23,723	235,098

Notes to the consolidated financial statements (continued)

7. Leases

During the six months ended 31 December 2022, the Group had leased asset additions of \$8.0 million (31 Dec 2021: \$10.1 million) and modifications of \$2.9 million (31 Dec 2021: \$2.3 million), and the Group disposed of or reduced the right-of-use asset by \$1 million (31 December 2021: \$0.4m). As part of the Apollo merger, the Group acquired rental fleet leased assets of \$42.6 million and leased building assets of \$15.4 million. These amounts are provisional for interim purposes.

8. Capital commitments

Capital commitments relate to the build of the Group's fleet.

Capital expenditure contracted for at balance date but not yet incurred is as follows:

	31 DEC 2022 \$000's UNAUDITED	30 JUN 2022 \$000's AUDITED
Property, plant and equipment	280,045	109,059

Notes to the consolidated financial statements (continued)

Section C – Investments

In this section

thl's investments comprise subsidiaries, associate and joint ventures. This section explains the investments held by **thl** and the acquisitions made during the period.

9. Business combinations

9.1 Acquisition of 51% of Just go Motorhomes

The Group had a 49% interest in Skewbald Limited (trading as Just go), a motorhome rental operation in the United Kingdom, which the Group accounted for under the equity method of accounting.

On 4 October 2022, **thl** purchased the remaining 51% shareholding in Just go from its joint venture partners, resulting in Just go becoming a wholly owned subsidiary of the Group. At this time **thl** ceased equity accounting and consolidated the subsidiary in the Group's financial statements from that date.

The following table summarises the equity accounted investments in Just go up to the date of the acquisition, 4 October 2022:

	4 OCT 2022 \$000's UNAUDITED	30 JUN 2022 \$000's AUDITED
Investment in Just go, beginning balance	5,966	4,936
Share of profits recognised against the investment balance during the period	812	1,105
FX gain/(loss)	2	(75)
Investment in Just go – closing balance	6,780	5,966

The assets acquired from Just go constitute a "business" under NZ IFRS 3 Business Combinations ("NZ IFRS 3").

The parties agreed to a purchase price of GBP 5,355,000 (NZD \$10.7 million), which was satisfied through a cash payment of GBP 1,350,000 (NZD \$2.7 million) and the issue of 2,941,857 new ordinary shares in **thl**. **thl**'s closing share price on 3 October 2022 was \$2.73 with the fair value of the shares issued being NZ \$8.0 million.

Notes to the consolidated financial statements (continued)

9. Business combinations (continued)

The fair value of the consideration paid for the remaining 51% shareholding is as follows:

	\$000's
Issued capital of <i>thl</i>	8,031
Cash consideration	2,680
Total consideration	10,711

Total consideration transferred for the remaining 51% equity interest in Just go: \$10.7 million.

NZ IFRS 3 also requires the acquirer to re-measure its previously held equity interest in the acquiree at its acquisition date fair value. Just go is not publicly traded so the fair value of the previously held equity interest was derived by reference to the consideration transferred for the remaining 51%, which is \$10.7 million. As a result, a fair value gain of \$3.5 million has been recognised in the income statement in relation to the previously held 49% equity interest.

The total consideration is \$21.0 million being the implied fair value for 100% of Just go:

	\$000's
Fair value of the 49%	10,292
Fair value of the 51%	10,711
Total fair value of the consideration	21,003

The fair value of assets and liabilities arising from the acquisition have been determined on a provisional basis due to the acquisition being completed close to the end of the interim reporting period for the 6 months to 31 December 2022. The fair values will be finalised within 12 months from acquisition as permitted under NZ IFRS 3. It is also not yet possible to provide information about any other intangible assets acquired and any contingent liabilities of the acquired entity.

The following table summarises the amounts determined for the purchase consideration and the provisional fair value of assets acquired and liabilities assumed:

Acquisition date fair value of assets acquired and liabilities assumed	Provisional fair value
	\$000's
Cash and cash equivalents	7,054
Trade and other receivables	678
Prepayments	150
Inventories	1,305
Computer equipment	111
Furniture & fixings	27
Property, plant and equipment	17,464
Other assets	134
Total assets	26,923
Trade and other payables	1,427
Deferred tax liability	2,268
Revenue received in advance	516
Employee benefits	29
Interest bearing loans and borrowings	13,698
Total liabilities	17,938
Total identifiable net assets at book value	8,985
Goodwill on acquisition	12,018
Total consideration	21,003

The goodwill of \$12.0 million arising from the acquisition is attributable to expected cost synergies within the wider global Group and its strategic position in the United Kingdom and Europe.

Notes to the consolidated financial statements (continued)

9. Business combinations (continued)

9.2 Acquisition of Apollo Tourism & Leisure Ltd

On 10 December 2021, the Company announced that it had entered into a conditional Scheme Implementation Deed with Apollo Tourism & Leisure Ltd (Apollo, ATL) to merge through an Australian Scheme of Arrangement. Under the Scheme **thl** would acquire all outstanding shares in ATL. The scheme was conditional upon **thl** receiving approval to list on the Australian Securities Exchange (ASX) and subject to approval of Apollo shareholders and finalisation of appropriate funding arrangements for the merged entity. In addition, there were various court and regulatory approvals in Australia and New Zealand, including competition regulatory clearance and other conditions specified.

Following the satisfaction of all conditions, the Group acquired Apollo on the 30 November 2022 with the implementation of the Scheme of Arrangement. ATL shareholders were issued one **thl** share for every 3.210987 ATL shares held resulting in 57,693,364 shares being issued.

thl's closing share price on 30 November 2022 of \$3.69 was used to calculate the acquisition consideration of \$213.9 million as per the requirements under NZ IFRS 3. The consideration value is comprised of the fair value of the new shares issued and the fair value of 898,150 ATL shares that were previously held by **thl**.

The contribution of Apollo for 1 month to the Group results for the period ended 31 December 2022 was revenue of \$28.1 million and operating profit before interest and tax of \$2.2 million. If the acquisition had occurred at the beginning of the half year, the contribution to revenue and operating profit before interest and tax for the period is estimated at \$233.4 million and \$44.2 million respectively.

The fair value of assets and liabilities arising from the acquisition have been determined on a provisional basis due to the acquisition being completed close to the end of the interim reporting period for the 6 months to 31 December 2022. The fair values will be finalised within 12 months from acquisition as permitted under NZ IFRS 3. It is also not yet possible to provide information about any other intangible assets acquired and any contingent liabilities of the acquired entity.

The following table summarises the amounts determined for the purchase consideration and the provisional fair value of assets acquired and liabilities assumed:

	Provisional fair value
Acquisition date fair value of assets acquired and liabilities assumed	\$000's
Assets	
Non-current assets	
Property, plant and equipment	143,857
Intangible assets	23,753
Investments accounted for as financial assets*	14,934
Deferred tax assets	6,543
Other non-current assets	2,244
Total non-current assets	191,331
Current assets	
Cash and cash equivalents	50,602
Trade and receivables and other assets	54,776
Assets held for sale**	59,052
Inventories	84,509
Current tax receivables	36
Total current assets	248,975
Total assets	440,306

* The investment in Camplify Holdings Ltd is held at fair value determined by the closing share price on 30 November 2022 and classified as a financial asset on the balance sheet.

** The Canadian properties are held at fair value less cost to sell at 30 November 2022 with the fair value as determined by a signed sales and purchase agreement. As at 31 December 2022 the properties have been classified as 'held for sale' assets at their fair value less costs to sell, also the carrying amount, per the requirements under NZ IFRS: 5 *Non-current Assets Held for Sale and Discontinued Operations*. The properties have been subsequently sold. Refer to note 16 for further details.

Notes to the consolidated financial statements (continued)

9. Business combinations (continued)

	Provisional fair value
Acquisition date fair value of assets acquired and liabilities assumed	\$000's
Non-current liabilities	
Interest bearing loans and borrowings	42,290
Deferred income tax liability	20,433
Lease liabilities	34,331
Other liabilities	180
Total non-current liabilities	97,234
Current liabilities	
Interest bearing loans and borrowings	160,240
Trade and other payables	30,780
Revenue in advance	22,666
Employee benefits	6,615
Provisions	509
Current tax liabilities	1,450
Lease liabilities	27,704
Other liabilities	45
Total current liabilities	250,009
Total liabilities	347,243
Net assets	93,063
Goodwill on acquisition	120,858
Purchase consideration	213,921

Notes to the consolidated financial statements (continued)

Section D – Managing Funding and Risk

In this section

This section summarises **thl's** funding sources and financial risks.

10. Share capital

	31 DEC 2022 SHARES 000's UNAUDITED	30 JUN 2022 SHARES 000's AUDITED	31 DEC 2022 \$000's UNAUDITED	30 JUN 2022 \$000's AUDITED
Ordinary shares				
Opening balance	152,061	151,489	278,983	277,792
Ordinary shares issued as the consideration for the acquisition of Apollo	57,693	-	212,889	-
Issue of ordinary shares – 51% acquisition of Just go	2,942	-	8,031	-
Issue of ordinary shares – in lieu of directors' fees	13	55	35	99
Ordinary shares to be issued – in lieu of directors' fees	-	-	6	28
Ordinary shares issued – share options	473	94	849	193
Ordinary shares issued – share rights	831	423	2,045	871
Closing balance	214,013	152,061	502,838	278,983

The total number of ordinary shares is 214,013,477 (Jun 2022: 152,060,700) and these are classified as equity. The shares have no par value. All ordinary shares are issued and fully paid. All ordinary shares rank equally with one vote attached to each fully paid ordinary shares.

On 4 October 2022 the Group issued 2,941,857 new ordinary shares to its joint venture partners as part of the purchase price consideration to acquire the remaining 51% of Just go Motorhomes (refer note 9.1).

On 30 November 2022, as per Scheme Implementation Deed, Apollo shareholders received 1 **thl** consideration share in exchange for every 3.210987 ATL shares held, resulting in 57,693,364 shares being issued (refer note 9.2).

For the six months ended 31 December 2022, the Group has issued 12,714 shares to directors in lieu of director's fees, and 1,304,842 shares to employees as share options and share rights conversion. Cash proceeds from employees' share options exercises is \$849k.

Notes to the consolidated financial statements (continued)

11. Borrowings

As a result of the Scheme, the Group renegotiated and consolidated its banking facilities with new and/or existing financiers effective 30 November 2022. The structure includes a syndicated corporate debt facility, asset financiers and floor plan finance, including a number of previous lenders to Apollo.

The guaranteeing group consisting of Tourism Holdings Limited and all New Zealand, Australian and USA 100% owned subsidiaries had, at 31 December 2022, multi-currency revolving cash advance and short term debt facilities with Westpac Banking Corporation, Westpac New Zealand Limited, ANZ Bank New Zealand Limited and Australia and New Zealand Banking Group Limited. The Group has provided a composite first ranking debenture over the assets and undertakings of the Group in New Zealand, Australia and the USA. Certain members of the Group also have asset finance and floor plan facilities in place. In support of these facilities, the relevant members of the Group have granted specific security over the assets financed under these facilities as well as related property and proceeds of such financed assets.

In aggregate, the total funding available exceeds the requirements of the Group. The Group has sufficient working capital and undrawn financing facilities to service its operating activities and ongoing fleet investment.

	31 DEC 2022 \$000's UNAUDITED	30 JUN 2022 \$000's AUDITED
Non-current		
Syndicated bank borrowings	98,579	97,298
Asset finance	46,509	-
Other loans	963	-
COVID-19 support loans	79	-
Lease liability - rental fleet	8,813	-
	154,943	97,298
Current		
Asset finance	75,343	-
Floor plan finance	37,275	-
Other loans	26,920	-
COVID-19 support loans	3,701	-
Lease liability - rental fleet	9,883	-
	153,122	-
Total borrowings	308,065	97,298

The Group has the following undrawn facilities:

UNAUDITED	TOTAL FACILITY \$000's	USED AT REPORTING DATE \$000's	UNUSED AT REPORTING DATE \$000's
Borrowings			
Syndicated bank borrowings	148,481	98,579	49,902
Asset finance	377,787	121,853	255,934
Floor plan finance	60,259	37,275	22,984
Other loans	29,630	27,883	1,747
COVID-19 support loans	3,780	3,780	-
Lease liability - rental fleet	24,067	18,695	5,372
Total	644,004	308,065	335,939

Notes to the consolidated financial statements (continued)

11. Borrowings (continued)

Syndicated bank borrowings

Effective 30 November 2022, the Group amended its multi-currency syndicated banking facilities with Westpac Banking Corporation, Westpac New Zealand Limited and ANZ Bank New Zealand Limited. The amendment includes committed facilities for debt funding of approximately \$149 million, reduced from \$258 million at 30 June 2022. The facility consists of a number of tranches maturing in June 2024. The Group's covenants include leverage ratio, debt service cover ratio, guaranteeing Group coverage ratio, minimum shareholder funds and loan to value ratio. Interest rates applicable at 31 December 2022 range from 4.62% to 7.34% p.a.

Asset finance

The Group's loans from asset financiers include new as well as some previous Apollo facilities totalling approximately \$380 million. Loans from asset financiers are fully secured debt in relation to fleet assets and may only be used for the purchase of fleet assets and are subject to a number of covenants ratios, including a current ratio, debt service coverage and debt to tangible net worth ratio. Interest rates applicable at 31 December 2022 range from 3.24% to 8.95% p.a.

Floor plan finance

Floor plan facilities are maintained to fund the inventory of new motorhomes and caravans held for resale at Apollo's retail sales outlets. As part of the merger with Apollo, the Group consolidated its overall number of floor plan lenders. Terms are interest only for the first six months and then interest plus principal of between 7.55% to 10.5% p.a. For some lenders, balances are secured through retention of title until point of sale.

Other loans

Other loans of \$28 million include mortgages over land and buildings. Interest rates applicable at 31 December 2022 range from 5.65% to 6.45% p.a. Following the sale of four Canadian properties in January 2023, C\$23 million (NZD\$27 million) was subsequently repaid (refer to note 16 for further detail).

COVID-19 support loans

COVID-19 support loans previously provided to Apollo entities in Canada and the United Kingdom remain in place. Following the sale of the Canadian properties in January 2023, C\$2.4 million (NZD\$2.7 million) was subsequently repaid. Interest rates applicable to 31 December 2022 range from 6.45% to 7.00% p.a.

Covenants

The consolidated Group is subject to lending covenants across a number of its borrowing facilities. The Group met all its covenant requirements in the current period ended 31 December 2022.

Lease liability - rental fleet

Lease liabilities for the rental fleet are fully secured by the lessor's title to the leased assets and may only be used for the purchase of fleet assets. Interest rates applicable to 31 December 2022 range from 3.18% to 6.25% p.a.

12. Financial risk management

The carrying amount of financial assets and financial liabilities recorded in the interim consolidated financial statements approximates their fair values:

- Derivative financial instruments and financial assets are carried at fair value as discussed below.
- Receivables and payables are short term in nature and therefore approximate fair value.
- Interest bearing liabilities re-price at least every 90 days and therefore approximate fair value.

Financial instruments of the Group that are measured in the consolidated statement of financial position at fair value are classified by level under the following fair value measurement hierarchy:

- Level 1** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

There were no changes to these valuation techniques during the period.

As at 31 Dec 2022 the Group's assets and liabilities measured at fair values are issued shares in Camplify Holdings (CHL) which are classified within Level 1 of the fair value hierarchy (financial assets at fair value through OCI), derivative financial instruments which are classified within Level 2 of the fair value hierarchy (Jun 2022: Level 2), and the receivable of deferred consideration in relation to CHL shares (tranche 2 shares) (financial assets at fair value through profit and loss) which are classified within Level 3 of the fair value hierarchy. There were no transfers of financial instruments between levels of the fair value hierarchy during the period.

Notes to the consolidated financial statements (continued)

12. Financial risk management (continued)

The following financial instruments are subject to recurring fair value measurements:

	31 DEC 2022 UNAUDITED					30 JUN 2022 AUDITED				
	FINANCIAL ASSET AT AMORTISED COST \$000's	FINANCIAL ASSETS VALUE THROUGH PROFIT OR LOSS \$000's	FINANCIAL ASSETS VALUED THROUGH OCI \$000's	DERIVATIVES USED FOR HEDGING \$000's	TOTAL \$000's	FINANCIAL ASSET AT AMORTISED COST \$000's	FINANCIAL ASSETS VALUE THROUGH PROFIT OR LOSS \$000's	FINANCIAL ASSETS VALUED THROUGH OCI \$000's	DERIVATIVES USED FOR HEDGING \$000's	TOTAL \$000's
Asset										
Financial asset	-	3,741	14,940	-	18,681	-	3,625	2,005	-	5,630
Cash and cash equivalents	58,807	-	-	-	58,807	38,816	-	-	-	38,816
Trade and other receivables	40,302	-	-	-	40,302	28,231	-	-	-	28,231
Derivative financial instruments	-	-	-	1,798	1,798	-	-	-	453	453
	MEASURED AT AMORTISED COST \$000's	MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS \$000's	FINANCIAL ASSETS VALUED THROUGH OCI \$000's	DERIVATIVES USED FOR HEDGING \$000's	TOTAL \$000's	MEASURED AT AMORTISED COST \$000's	MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS \$000's	FINANCIAL ASSETS VALUED THROUGH OCI \$000's	DERIVATIVES USED FOR HEDGING \$000's	TOTAL \$000's
Liabilities										
Interest bearing loans and borrowings	308,065	-	-	-	308,065	97,298	-	-	-	97,298
Derivative financial instruments	-	-	-	-	-	-	-	-	60	60
Trade and other payables	54,870	-	-	-	54,870	29,114	-	-	-	29,114

Notes to the consolidated financial statements (continued)

Section E – Other

In this section

This section includes the remaining information relating to **thl's** financial statements which is required to comply with financial reporting standards.

13. Related party transactions

Key management compensation

UNAUDITED	6 MONTHS TO 31 DEC 2022 \$000's	6 MONTHS TO 31 DEC 2021 \$000's
Salaries and other short-term employee benefits	2,784	2,211
Share based payments benefits	457	637

Total positions included in the executive team are 16 (31 December 2021: 13).

Executive management do not receive any Directors' fees as Directors of subsidiary companies.

Directors' fees (shares issued in lieu of cash)

At the 2013 Annual Meeting of shareholders, shareholder approval was obtained for **thl** to issue shares in whole or in part payment of directors' remuneration. For the period to 31 December 2022, Rob Hamilton elected to receive 25% of his director fees in shares. Rob Campbell resigned in June 2022 and 50% of his directors fees in lieu of shares for the period from 1 April 2022 to 30 June 2022 was issued in October 2022.

UNAUDITED	6 MONTHS TO 31 DEC 2022 \$000's	6 MONTHS TO 31 DEC 2021 \$000's
No. of shares issued in lieu of cash	13	35
Value of shares issued in lieu of cash	35	85
Accrued value of shares yet to be issued in lieu of cash	6	28

Notes to the consolidated financial statements (continued)

13. Related party transactions (continued)

Grant Brady (Director of Action Manufacturing LP)

Grant Brady, Director of Action Manufacturing, is a minority shareholder and director of Bush Road Enterprises Limited. **thi** leased a property in Bush Road which is owned by Bush Road Enterprises Limited up until February 2022 when the property sold. The amount of the lease payments are set out in the table below. In addition, Grant purchased a motor home from Action Manufacturing on an arm's length basis for \$151,376 (excluding GST).

UNAUDITED	6 MONTHS TO 31 DEC 2022 \$000's	6 MONTHS TO 31 DEC 2021 \$000's
Total lease payments	-	323

Schork Family

As part of the consideration for the acquisition of El Monte Rents Inc in January 2017, the Group issued 3,384,266 ordinary shares to entities associated with the Schork family. An entity associated with the Schork family provides warranties to customers of El Monte Rents Inc. The total amount paid by customers during the six months ended 31 December 2022 was \$32k (six months ended 31 December 2021: \$169k). At the time of the acquisition, the Group entered into a number of property lease agreements with entities associated with the Schork family. The leases are in relation to branches used by El Monte RV. The cost of the leases are set out in the table below:

UNAUDITED	6 MONTHS TO 31 DEC 2022 \$000's	6 MONTHS TO 31 DEC 2021 \$000's
Total lease payments	1,795	1,566

Trouchet Family

Following the merger with Apollo on 30 November 2022, Luke and Karl Trouchet hold an interest in 27,910,023 ordinary shares via a number of holding companies and intermediary trusts. Luke Trouchet is also an executive director of Tourism Holdings Limited.

The following transactions occurred with the Trouchet family and related entities during the period:

UNAUDITED	1 MONTH TO 31 DEC 2022 \$000's	AS AT 31 DEC 2022 RECEIVABLES \$000's
Motorhomes sold to Caravans Aways Pty Ltd - Director related entity of L Trouchet	312	1,255

UNAUDITED	1 MONTH TO 31 DEC 2022 \$000's	AS AT 31 DEC 2022 PAYABLES \$000's
Rental expenses paid to KL One Trust - Director related entity of L Trouchet and K Trouchet	10	22
Rental expenses paid to Eastglo Pty Ltd - Director related entity of L Trouchet and K Trouchet	18	52

Notes to the consolidated financial statements (continued)

14. Foreign currency translation reserve

Exchange differences arising on the translation of foreign operations are taken to the foreign currency translation reserve. When any net investment is disposed of, the related component of the reserve is recognised in profit and loss as part of the gain or loss on disposal.

The closing exchange rates used to translate the statement of financial position are as follows:

	31 DEC 2022	30 JUN 2022
NZD/AUD	0.9366	0.9031
NZD/USD	0.6335	0.6214
NZD/GBP	0.5252	0.5127
NZD/CAD	0.8588	-

15. Contingencies

As at 31 December 2022, other than bank guarantees, which are predominantly in lieu of bonds paid relating to leased assets, the Group has no material contingent liabilities.

16. Events after the reporting period

Canadian Property Sale

On 5 January 2023, **thl** completed the sale and leaseback of its properties in Canada for a total purchase price of CAD\$51 million (NZ\$59.4 million). Following the merger with Apollo on 30 November 2022 and classification of the Canadian properties as 'held for sale' at their fair value (less costs to sell), no accounting gain on sale is expected. The sale generated pre-tax net cash proceeds (after the repayment of associated debt and closing costs) of approximately CAD\$25.8 million (NZ\$30 million).

The lease terms provide **thl** with rights to the properties for up to 10 years (with two further five-year rights of renewal) at a starting annual base rent of approximately CAD \$3 million (NZ\$3.5 million).

Independent auditor's review report

To the shareholders of Tourism Holdings Limited



Report on the interim consolidated financial statements

Our conclusion

We have reviewed the interim consolidated financial statements of Tourism Holdings Limited (the Company) and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six month period ended on that date, and significant accounting policies and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2022, and its financial performance and cash flows for the six month period then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's responsibilities for the review of the interim consolidated financial statements* section of our report.

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. In addition to our role as auditor, our firm has carried out an agreed upon procedures engagement in respect of a subsidiary's financial information. The provision of this service has not impaired our independence.

Directors' responsibilities for the interim consolidated financial statements

The Directors of the Company are responsible on behalf of the Company for the preparation and fair presentation of these interim consolidated financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the interim consolidated financial statements

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim consolidated financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34.

A review of interim consolidated financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these interim consolidated financial statements.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

The engagement partner on the review resulting in this independent auditor's review report is Karen Shires.

For and on behalf of:

A handwritten signature in black ink that reads 'Karen Shires'.

Chartered Accountants
Auckland

22 February 2023

