UNITED
FOR GROWTH

INTEGRATED ANNUAL
REPORT 2023

INTERNATIONAL BORDERS ARE OPEN AND PEOPLE ARE TRAVELLING AGAIN.

The road ahead to global growth is straightening out and we're looking forward to making real progress. The Apollo integration is going smoothly and gathering pace. And with it, a new ***thl*** is fast emerging; a stronger global entity than before with the most diverse and complete offer for the very best in Recreational Vehicle (RV) living.

Dear Shareholders

On behalf of the Board, we present the 2023 Integrated Report and consolidated financial statements (financial statements) for the year ended 30 June 2023 (FY23).

The Board acknowledges its responsibility to ensure the integrity of the Integrated Report. We have been delivering an Integrated Annual Report for ***thl*** stakeholders since FY19. We believe the Integrated Reporting <IR> Framework enables us to provide a holistic view of our context and business that is increasingly relevant in today's complex and dynamic business environment. The Board has applied its mind to the Integrated Report and believes that it addresses the most material issues, presents fairly the integrated performance of the organisation and its impacts in accordance with the principles set out in the International Integrated Reporting Council (IIRC) Framework. The Integrated Report has been prepared according to the IIRC guidelines. The Integrated Report was approved by the Board on 28 August 2023 and is signed on its behalf by:

Cathy Quinn ONZM
Chair

Rob Hamilton
Chair of the Audit
& Risk Committee

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A letter from the Chair

Dear Shareholders

On behalf of the Board, I present the financial statements for the full year ended 30 June 2023 (FY23). In our first year returning to profitability since the start of the pandemic, I am pleased to confirm that ***thl*** has delivered a statutory net profit after tax (NPAT) of $49.9M, representing an increase of $52.0M on the prior year (FY22 statutory net loss after tax of $2.1M). It is an excellent result and is evidence that the new ***thl***, following the merger of ***thl*** and Apollo in FY23, is a larger and stronger entity that is positioned for future growth.

The Board would also like to take the opportunity to thank ***thl*** and former Apollo shareholders for their support of the businesses through-out an unprecedented challenging period. We are pleased that we have been able to reward your support with our strong return to profitability in FY23, and to see that the ***thl*** share price increased by 65% from the start to the end of FY23.

thl has achieved many new milestones in the last financial year, including a listing on the Australian Stock Exchange as a foreign-exempt entity. With the addition of our Australian-based Directors, Sophie Mitchell, Robert Baker and Luke Trouchet, the ***thl*** Board has strong Australian governance and capital markets experience befitting an ASX-listed company. The Board is strongly focused on supporting the future growth of ***thl*** while appropriately managing the risks to our business and people. Embedding a strong health and safety culture at all levels is an ongoing priority. As an operational business it is important that our crew have comfort that they can expect to go home safely at the end of each day.

> “The Board is strongly focused on supporting the future growth of ***thl*** while appropriately managing the risks to our business and people.
>
> CATHY QUINN ONZM – CHAIR

STATUTORY FY23 NPAT

$49.9M

During the year we also saw Karl Trouchet's retirement from the business. Having grown up in the family business, in more recent years Karl held roles with Apollo as Chief Financial Officer and Executive Director. On behalf of the ***thl*** Board, I would like to acknowledge Karl's significant contribution to the business over that time. Both Luke and Karl have shown a real commitment to ***thl*** being the best it can be.

In 2022 we indicated an intent to recommence dividends once the merged group delivered a full year of profit similar to pre-COVID-19 performance, and that a review of the dividend policy could result in a lower pay-out ratio than our pre-COVID-19 policy (which was a pay-out ratio of 75 to 90% of NPAT).

As ***thl*** has now delivered a financial year's profit that has exceeded pre-COVID-19 performance, we are pleased to recommence dividends with an FY23 dividend of 15 cents per share. This dividend represents an approximate 42% NPAT pay-out ratio based on the pro forma underlying NPAT of $77.1M[1]. The dividend represents a full year dividend as no interim dividend was paid. The timing of dividend payments in September complements the seasonal annual cashflow cycle of the business and enables more efficient capital management. As such, we expect the value of any future dividend payments to be more weighted towards the final dividend.

The Board have now had the opportunity to establish an appropriate new dividend policy, factoring in matters including ***thl***'s equity position, anticipated fleet regrowth capital requirements and tax efficiency given the global nature of ***thl***'s operations. The Board have agreed that ***thl*** will target a dividend pay-out ratio of 40 to 60% of underlying net profit after tax.

The company today has multiple growth levers available to it through the continued expansion of the Build/Buy - Rent - Sell model in New Zealand, Australia, North America and the UK/Europe markets. We also have a positive history of delivering on value-adding acquisitions, which we will continue to explore in future.

Lastly, I would like to acknowledge and thank all our crew globally. Managing the strong recovery of tourism volumes globally alongside the integration of two large businesses is no easy task, however our crew have been able to do so while delivering a record result. The degree of positive change and results has been unprecedented.

Grant will cover more details on outlook in his report.

Cathy Quinn ONZM
Chair

[1] Pro forma underlying NPAT is a non-GAAP measure which includes the results of Apollo and Just go for the 12-months of FY23 on an assumed 100% ownership basis, notwithstanding that those acquisitions took place part way through the year. It is not a defined term in New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS). Refer to the FY23 Investor Presentation for a reconciliation to statutory NPAT.

> As an organisation, ***thl*** is also in a positive position today with an outlook that should create the opportunity for several years of sustainable earnings growth.
>
> GRANT WEBSTER – CEO

A letter from the CEO

Dear Shareholders

We believe it is one of those times to reflect and celebrate. *thl* has delivered a record underlying NPAT having successfully merged with Apollo Tourism & Leisure in November 2022 alongside a long list of other achievements and progress. The year saw two successful businesses aligned to form the bigger, stronger entity that we are today – the world's largest commercial Recreational Vehicle (RV) rental operator, and so much more. The reality is we aren't stopping to celebrate. We have much to do and more opportunities to maximise.

We have been incredibly active as an organisation, not only with the strong momentum in integrating ***thl*** and Apollo, but across all aspects of our business. We've opened new locations, launched new fleet and retail products and have been driving forward our sustainability initiatives. All while managing the return of international tourism globally and delivering a record result. It is a strong testament to all our ***thl*** crew globally (old and new), who come to work every day with an immense passion for *creating unforgettable journeys.*

The tourism industry today is in a positive place globally. While it is not immune to broader cost pressures and economic deterioration, tourism has a unique COVID-19 recovery demand profile and competitive landscape that creates an opportunity for growth for those that are able to capitalise on it. On the contrary, the automotive industry is facing challenges after its COVID-19 pandemic boom, and we have highlighted our expectation that sales margins are normalising. Yet this is still a market where, on balance, we see we are gaining share.

As an organisation, ***thl*** is also in a positive position today with an outlook that should create the opportunity for several years of sustainable earnings growth. The merger was the first step in creating a platform for future growth and now that we have created that platform, we are assessing the growth options ahead of us, including through the continued expansion of the Build – Rent – Sell model globally and exploring acquisition opportunities as they arise.

The FY23 results

As with our interim results, we recognise that the completion of the merger part way through the financial year has created a complex set of financial statements.

Looking to the actual performance in the year, the statutory NPAT of $49.9M and pro forma underlying NPAT of $77.1M is an excellent achievement, representing a significant return to profitability.

Given the complexity of the result, we are committed to providing you, our shareholders, with a view of our results that we believe can assist you with a comparison to our historical performance. We have therefore presented a pro forma of the results including both the ***thl*** and Apollo businesses across the full 12 months of FY23. It also includes the results of Just go in Q1 FY23 assuming 100% ownership, notwithstanding it being a 49% owned joint venture until October 2022. We see this as providing a view of how our combined business can potentially perform across a full 12-month period, and therefore is a good starting point to consider future performance.

One of the complexities of the financial statements has been the impact from the acquisition accounting adjustments relating to the merger with Apollo. Under the process, ***thl*** has been required to fair value all of Apollo's assets and liabilities. While this work is not yet complete, the provisional adjustments to values have resulted in both a balance sheet and earnings impact in FY23. There will be some ongoing impact on reported earnings, which we go into more detail on in the Investor Presentation, which I recommend that you read in conjunction with this report.

FY23 saw the New Zealand and Australian businesses return to strength, particularly the rental businesses which achieved significant average rental yield growth. The Tourism division recovered to profitability with international tourists returning to New Zealand from August 2022 onwards. International tourism volumes to these markets are recovering positively with our businesses in these markets positioned to perform well in the coming period.

Our RV rental businesses in the Northern Hemisphere have been having a positive calendar 2023 high season. There has been a recent softening of sales demand in North America from constrained household budgets due to the rising cost of living, however as a supplier of used RVs we are positioned better than most with our products sitting at a lower price point. We are seeing the industry manage the broader impacts well and with the recent category growth in RV travel, we have confidence in the medium to long-term growth opportunities in the market.

Action Manufacturing Group achieved a record result on both a standalone basis and post-elimination basis (eliminating ***thl*** revenue). The business continues to grow its commercial vehicle manufacturing scale having embedded the acquisitions of Freighter and Transcold in the year.

Integration and synergies on track

To date, eight months after completion, we have realised the previously stated synergies targets at a faster than expected pace. Most notably, by June we had completed the consolidation of 13 branches across the New Zealand, Australian and UK rental businesses.

Our work continues in uncovering and leveraging further merger benefits across properties, fleet, IT systems, procurement and processes. Every day I hear of conversations across the business about how the old ***thl*** and Apollo approached things, the reasons for any differences and how best the collective proceeds. These are often about nuanced aspects of operating an RV business, in a way that only happens when you bring the two leaders in the RV rental industry together. They demonstrate the value of the intellectual property in our collective and the unquantifiable opportunities for improvements by taking the best parts of

each business moving forward. It creates an exciting challenge for the crew across the business.

During the year we spent approximately $3M in synergy implementation costs (excluding merger transaction costs) and estimate that approximately $5M in cumulative synergies were realised. Based on this, we believe there was a $2M net cash saving contribution to our FY23 performance. We remain on track with our original expectations for the expected fixed synergies to be fully realised by the end of FY25 or earlier.

Managing our fleet regrowth and capital structure

During FY23, we invested approximately $404M in gross capital expenditure (mostly on new fleet), or $119M on net capital expenditure after deducting sales proceeds from vehicles sold during the year, in each case on a pro forma basis. This investment saw our combined fleet grow by over 550 vehicles from 6,675 at the start of the financial year[1] to a closing fleet of 7,233 as at 30 June 2023.

> We are focused on smart fleet growth and continue to manage the right balance between maximising utilisation, rental yields and vehicles sales margins.

We expect to invest approximately the same net capital expenditure as FY23 (~$160M) in net fleet capital expenditure for FY24. The bulk of this net investment is expected to be in New Zealand and Australia. We also see an opportunity to significantly grow our business in the UK market and will be investing in growing fleet in that region.

In North America, we saw that wholesale demand slow to return in the early selling season, expected partly due to dealers having overstocked on towable vehicles, extended winter weather conditions and uncertainty around the rising interest rates.

As the season has progressed it has become clearer that demand for retail RV sales in North America is softening due to the current macroconditions. Positively we see ***thl*** as being in a stronger position than most as we sell used motorised RVs exclusively. Used RVs are available at a lower price point, so has the benefit of buyers substituting down from the more expensive option of a new motorhome.

We are seeing the industry manage the changes well, with new RV supply responding quickly to the changes in demand. Market expectations are that new RV shipments in 2023 will be at ~50% of 2022 volumes, showing that manufacturers are conscious of managing the conditions in the overall market.

As we have shown, we are capable of managing purchases to rental and sales demand to keep fleet utilised. This will likely mean a more conservative purchase volume for CY24 in North America than previously anticipated.

Most importantly, RV travel has experienced category growth over recent years with appeal to a new generation of younger customers. We have confidence that in the medium to long-term, the industry will experience ongoing growth, and that we are managing the near-term impacts well.

Our medium-term expectations are now that global fleet will be below 9,500 vehicles at the end of FY25. We will be monitoring how the return of supply impacts the market dynamics in each operating jurisdiction and are maintaining a focus on market share, indeed aiming to grow share in some markets as demand increases. A key message I would hope was taken from our Investor Day materials is that we are heavily focused on fleet management, are proactive in responding to changing market conditions and have multiple levers that we can apply to appropriately manage any situation.

We have confidence in funding our fleet regrowth programme through our available debt facilities and expected future retained earnings. Our net debt at 30 June of $285M is in a good position representing a net debt to EBITDA ratio of ~1.3x based on our pro forma FY23 EBITDA. We continue to have strong lender support with the recent refinance of our syndicated bank facilities seeing an increase in facility size and lower borrowing fees reflecting the strengthening outlook in the tourism industry.

The return of dividends

As mentioned by the Chair, we are pleased to confirm ***thl***'s new dividend policy which targets a pay-out ratio of 40 to 60% of underlying NPAT and to declare a dividend

[1] Includes ***thl*** closing balance of 4,062 at 30 June 2022 and Apollo's closing balance of 2,613 at 30 June 2022. ***thl*** closing balance includes Just go fleet.

of 15 cents per share. The final dividend will be 100% imputed and 25% franked.

The Dividend Reinvestment Plan is available to those eligible shareholders that wish to participate and a 2% discount is available. I recommend that you read our Investor Presentation for more detail on the dividend and read our Dividend Reinvestment Plan Offer Document available at the Dividends section of www.thlonline.com for further information.

Leveraging retail opportunities

thl today, post-merger, has a much larger footprint, experience set and capital allocation within the retail RV sales market globally. A significant proportion of our global retail sales volumes are generated in the Australian market, where we had over 1,300 retail RV sales (without including any sales by Apollo before the merger). We have been exploring the retail model as it stands in each country to determine the best approach and footprint to maximise the future opportunity. Retail sales are a critical component of ***thl***'s business model and an aspect that we have prided ourselves on improving over consecutive years. We will look to update the market by the end of the calendar year about our direction for retail sales within the group.

Other highlights from the year

FY23 has been a year of real achievement across the business. We share some of these stories in the Integrated Annual Report, however some key highlights outside of the merger include:

1. **Global roll-out of Motek** (formerly Cosmos) – the implementation of our bespoke global fleet management and scheduling systems into the United States and UK businesses, and integration of the ***thl*** and Apollo fleets in Australasia, is a major milestone that will create opportunities for efficiency and optimisation
2. **Manufacturing acquisitions** – the continued diversification and strengthening of our manufacturing capabilities with Action's acquisitions of Freighter and Transcold in New Zealand
3. **Acquisition of the remaining interest in Just go** – following the purchase of the remaining 51% shareholding, ***thl*** now has a meaningful combined RV rentals presence in UK/Ireland between Just go and Bunk Campers with ambitions to grow the fleet in this market to 1,000+ in future
4. **Restart of Kiwi Experience** – with the return of international tourists to New Zealand, Kiwi Experience restarted operations for a hugely successful 2022/2023 season, after several years of hibernation.

Outlook – FY24 and beyond

The merger of ***thl*** and Apollo has created a platform for future growth, and while we are focused on integration and synergy realisation, we intend that the new collective continues this growth in the coming years.

For ***thl***, we believe the pro forma underlying NPAT in FY23 is a good starting point that illustrates the merged group's underlying performance across a full 12 months. Looking ahead to FY24, we must consider several additional factors:

- our focus on synergy realisation is expected to deliver a material benefit, particularly given that the cost synergy savings in FY23 were mostly offset by implementation costs incurred in the period;
- we intend to continue to grow our global fleet size, bookings and volume in line with returning airline capacity and the ongoing recovery of international tourism demand, on a considered market-by-market basis; and
- we expect the performance to be positively underpinned by the current strong RV rental yields.

We expect that the growth from these improvements would be partly offset by:

- the continuing normalisation of vehicle sales margins and, in some cases, volumes; and
- the ongoing increase in core operating costs due to inflation, particularly in vehicle costs (resulting in higher ongoing holding costs), interest costs, labour, general expenses and property lease costs.

The Apollo acquisition accounting adjustments will also have an impact on the reported FY24 NPAT, estimated to be a reduction of $4.4M. It is important to note that this is an accounting impact and does not change the cash or economic performance of the business.

We are positive about ***thl***'s opportunity for growth in FY24 and beyond, and intend to provide further guidance on our medium-term growth aspirations at the 2023 Annual Meeting.

The start of a new era

The tourism industry was certainly severely impacted during the COVID-19 related international border closures. It saw us reduce the number of crew, sell fleet and properties, cease dividends and seriously change the way we look at the business. Due solely to the great work of the crew across the business and the leadership of the Board and Executive team we are today a better, bigger business, with more to come in our story. If you are a shareholder or crew member reading this report, enjoy the next part of the ride, we will remain curious, be happy to receive feedback from any of you, and we will always aim to do the right thing.

Grant Webster
CEO

Our Year in Review

AS AT 30 JUNE 2023

STATUTORY NET PROFIT AFTER TAX (NPAT)
$49.9M
(FY22: -$2.1M)
↑ +$52.0M

UNDERLYING NPAT[1]
$47.8M
(FY22: -$5.4M)
↑ +$53.2M

UNDERLYING PRO FORMA NPAT[1,2]
$77.1M
(FY22: N/A)

UNDERLYING PRO FORMA NPAT[1,2,3]
(REMOVING ACQUISITION ACCOUNTING ADJUSTMENTS)
$81.1M
(FY22: N/A)

NET DEBT[4]
$285.1M
(FY22: $58.5M)
↑ +$226.6M

FLEET AT YEAR END
7,233
(FY22: 4,061)[5]
↑ +3,172

TOTAL REVENUE
$663.8M
(FY22: $345.8M)
↑ +$318.0M

EBIT
$88.9M
(FY22: $6.9M)
↑ +$82.0M

The last 12 months have seen numerous achievements and new milestones. We have merged ***thl*** and Apollo to create the world's largest commercial RV rental operator. We have delivered a record profit result. We have listed on the Australian Stock Exchange and we have recommenced the payment of dividends. It is a truly exciting time at ***thl*** as we have taken actions and capitalised on opportunities over the last 12 months to create the potential for years of future growth.

[1] Excludes the following non-recurring items: A $4.1M gain on the revaluation of 49% shareholding in Just Go and existing Apollo shares, a $1.0M gain on revaluation of shares held in Camplify Holdings Limited; offset by $$3.0M (after tax) of transaction costs in relation to the Apollo merger.

[2] Includes 12 months of Apollo and Just go results at assumed 100% ownership, notwithstanding that those businesses became wholly-owned part way through the year. Refer to the Investor Presentation for reconciliations to Statutory NPAT.

[3] $81.1M result is after removing the $4.0M net reduction in NPAT impact of the Apollo acquisition accounting adjustments.

[4] Net debt refers to interest bearing loans and borrowings less cash and cash equivalents.

[5] 4,061 includes Just go fleet and therefore differs from ***thl***'s reported fleet at FY22 year-end of 3,858.

A ***Momentous*** Year of Achievements

- TRANSFORMATIONAL MERGER WITH APOLLO TOURISM & LEISURE LTD
- ACHIEVED HIGHEST MARKET CAPITALISATION IN ***thl***'s HISTORY IN FY23
- DUAL-LISTED ON AUSTRALIAN STOCK EXCHANGE
- DELIVERED A RECORD UNDERLYING NET PROFIT AFTER TAX RESULT
- ACTION MANUFACTURING'S ACQUISITIONS OF TRANSCOLD AND FREIGHTER
- ACQUIRED REMAINING SHAREHOLDING IN JUST GO MOTORHOMES

- RELAUNCH OF KIWI EXPERIENCE FROM HIBERNATION
- ROLL OUT OF MOTEK, OUR GLOBAL BOOKING AND FLEET MANAGEMENT PLATFORM
- RATIONALISATION OF FINANCING STRUCTURE WITH REDUCTION OF LENDERS
- RETURN OF INTERNATIONAL TOURISTS TO DISCOVER WAITOMO
- IMPLEMENTED NEW FINANCING ARRANGEMENTS FOR MERGED GROUP
- LAUNCH OF NEW FUTURE FLEET EV PROJECTS GLOBALLY

- CONSOLIDATION OF 13 ***thl*** AND APOLLO BRANCHES ACROSS AUSTRALASIA
- NEW PLATINUM 4-BERTH AND 6-BERTH VEHICLE DESIGNS
- RELOCATION OF ACTION MANUFACTURING TO NEW HAMILTON FACTORY
- DIVESTMENT OF MOTORHOMES AND BRANCHES TO JUCY RENTALS
- EXPANSION OF TOWABLE AND MOTORISED PRODUCT RANGE IN AUSTRALIAN RV DEALERSHIPS
- SALE AND LEASEBACK OF APOLLO'S PROPERTIES IN CANADA

- US OPERATIONS REDUCED WATER USE BY 50% OVER LAST FOUR YEARS
- AUSTRALIA BRANCHES REDUCED ELECTRICITY USE BY 22% OVER LAST THREE YEARS
- MELBOURNE REDUCED WASTE BY 35% OVER LAST THREE YEARS
- LAX REDUCED WASTE TO LANDFILL BY ~30% OVER LAST THREE YEARS
- ROLLOUT OF NEW FUTURE-FIT BRANCH ACTION PLANS GLOBALLY
- 211 NOMINATIONS FOR CREW RECOGNITION AWARD

thl at a Glance

Employees	Total number of employees including casual staff, as of 30 June 2023.
Fleet Size	Total rental fleet, as of 30 June 2023.
Customer Experiences Delivered	Approximate number of customer experiences delivered, excluding retail but including experiences through vehicle rentals, Discover Waitomo products and Kiwi Experience, as of 30 June 2023. Figures include Apollo customer experiences from 1 July 2022.
Vehicle Sales Completed	Total ex-fleet, retail and trade-in sales in FY23. Excludes sales by Apollo prior to merger on 30 November 2022. Includes vehicle write-offs.

thl New Zealand

Auckland – CBD and Mangere, Christchurch, Hamilton, Palmerston North, Queenstown, Waitomo

909
EMPLOYEES

334,540
CUSTOMER EXPERIENCES DELIVERED[1]

1,400
FLEET SIZE

436
VEHICLE SALES COMPLETED

thl Australia

Adelaide, Alice Springs, Brisbane, Broome, Cairns, Darwin, Hobart, Melbourne, Perth, Sydney

703
EMPLOYEES

66,427
CUSTOMER EXPERIENCES DELIVERED

2,081
FLEET SIZE

1,478
VEHICLE SALES COMPLETED

[1] New Zealand customer experiences higher than other markets due to inclusion of Discover Waitomo and Kiwi Experience.

thl Canada

Calgary, Edmonton, Halifax, Montreal, Toronto, Vancouver, Whitehorse

271
EMPLOYEES

23,226
CUSTOMER EXPERIENCES DELIVERED

1,402
FLEET SIZE

179
VEHICLE SALES COMPLETED

thl USA

Chicago; Dallas; Denver; Las Vegas; Los Angeles: LAX/Santa Fe Springs, San Bernadino, Van Nuys, Agoura Hills; Miami; New Jersey; New York City; Orlando; Reno; Sacramento; Salt Lake City; San Diego; San Francisco: Dublin, San Leandro; Santa Cruz; Seattle; Victorville

337
EMPLOYEES

76,346
CUSTOMER EXPERIENCES DELIVERED

1,818
FLEET SIZE

789
VEHICLE SALES COMPLETED

thl UK & Europe

Belfast, Dublin, Edinburgh, Hamburg, London: Heathrow, Toddington

157
EMPLOYEES

17,503
CUSTOMER EXPERIENCES DELIVERED

532
FLEET SIZE

113
VEHICLE SALES COMPLETED

Creating System Value

These six capitals represent stocks of value that ***thl*** draws on and transforms into outputs, to create system value through our Future-Fit Sustainability Programme shown on the right.

Manufactured Capital

Manufactured objects used in the production of goods or the provision of services, including vehicles, buildings, equipment and infrastructure.

Intellectual Capital

thl's knowledge-based intangibles, including intellectual property such as patents, copyrights, software, rights and licences; and our systems, procedures and protocols.

Human Capital

Our crew's competencies, capabilities and experience, and their motivation to innovate on, support, implement and improve; our governance framework, risk management approach, ethical values, corporate strategy; processes; goods and services, including our crew's ability to lead, manage and collaborate.

Social & Relationship Capital

thl's social licence to operate; our relationships, with institutions and groups of stakeholders including communities, governments, suppliers and customers; the ability to transparently share information to enhance collective wellbeing; our integrity, values and behaviours, trustworthiness, brand value and reputation.

Natural Capital

Includes resources we use such as air, water, land, minerals and forests, solar energy, crops and carbon sinks; biodiversity and ecosystem health; and resources which cannot be replaced such as fossil fuels.

Financial

Funds obtained through financing or generated by means of productivity.

To see the six capitals in the context of our business, see our Value Creation Model.

Building long-term value through our Global Future-Fit Sustainability Programme

TELLING OUR STORIES

TRAINING & BUILDING CAPABILITY

CLIMATE & CARBON STRATEGY
DECARBONISING OUR BUSINESS
GOALS
- Operational GHGS
- Product GHGS

FUTURE FLEET PROGRAMME
TRANSITIONING TO A LOW-CARBON FLEET
GOALS
- Product harm
- Product GHGS
- Products repurposed

SUSTAINABLE PROCUREMENT
OUR GLOBAL FRAMEWORK AND CIRCULAR ECONOMY PILOTS
GOALS
- Procurement
- Products repurposed

THRIVE
SUPPORTING OUR CREW, CREATING A HEALTHY CULTURE AND BUILDING CULTURAL CAPABILITY
GOALS
- Employee health
- Living wage
- Fair employment terms
- Employee discrimination
- Employee concerns

ACCELERATE
PARTNERSHIP FOR POSITIVE IMPACTS
GOALS
- Natural resources
- Operational encroachment
- Community health
- Product communications
- Product concerns
- Product harm

IGNITION
CREATING FUTURE-FIT BRANCHES
GOALS
- Renewable energy
- Water use
- Operational emissions
- Operational GHGS
- Operational waste

Protecting the value we create through Enterprise Risk Management

Our Value Creation Model

At ***thl*** we recognise that we are part of wider, interconnected systems and that all our value creation activities have positive or negative impacts. We take a science-based, 'future-fit' approach to address issues and create value for ourselves and the systems in which we operate. We create value through all our business activities, build long-term value through our sustainability programme and protect the value we create through our Enterprise Risk Management framework.

Our Inputs

- Natural Capital
- Manufactured Capital
- Intellectual Capital
- Human Capital
- Social & Relationship Capital
- Financial

Natural Capital
- Global Sustainability Work Programme (page 34)
- Future-fit Goals and Health Check (page 42)
- Tourism Experiences - Discover Waitomo (page 28)

Manufactured Capital
- Future Fleet Programme (page 23)
- Design and Manufacturing (page 22)

Intellectual Capital
- We Are RV (page 20)
- Our People and Responsibility (page 29)

Human Capital
- Our Crew - Navigating Change (page 30)
- Health Safety and Wellbeing (page 30)
- Diversity and Inclusion Developments (page 32)

Social & Relationship Capital
- Accelerate – Responsible Travel Partnerships (page 33)
- Sustainable Procurement (page 36)
- Building our Cultural Capability (page 33)

Financial
- Our Business (page 15)
- Financial Statements (page 47)

Our Impacts & Outcomes

IMPACT & OUTCOMES INFORM CAPITAL INPUTS

Our Value Creation Model *cont.*

	Our Inputs →	Our Impacts & Outcomes
Natural Capital	The natural resources, energy, fuels and water used in our vehicles and operations. The pristine karst and cave environment that our Discover Waitomo business - and the glowworms in the Waitomo caves - depend on. The high quality environments, ecosystems and cultural values of the destinations our customers visit.	• **Natural resources and ecosystem health** - aiming to limit harm and addressing impacts on and from climate change; environmental, natural resource and destination impacts of our vehicles, tourism experiences, products and operations. • **Contributing positively to communities and destinations** where we operate or have an impact. • **Restoring and regenerating** the environment and sensitive ecosystems in Waitomo New Zealand.
Manufactured Capital	Expertise and innovation as the largest global RV rental operator, in manufacturing, in tourism operations and customer services and in creating compelling experiences.	• **True expertise and passion** for improving our products, experiences and impacts. • **RV design build and rental expertise** providing safe, comfortable, high quality vehicles. • **Future fleet** development to reduce GHG emissions and impacts of our vehicles. • **Innovating with circular economy** products, materials and business models.
Intellectual Capital	The RV fleet we design, build, rent and sell. Buildings and infrastructure we lease and maintain for our operations. The technology, process and systems to improve our customer experiences and operations.	• **Curiosity, creativity and commitment** to continuously improve our operations, products, guest experiences and services. • **Ignition programme** reducing the impacts of our country and branch operations. • **Responsible innovation and improvement in technology, processes and systems.**
Human Capital	Our crew's skills, talent, energy and engagement. Leadership, strong values and our future-fit pathway. Governance and management systems for risk, health, safety and wellbeing, and operational performance.	• **Diverse, equitable and inclusive teams; engaged, skilled and committed crew**; addressing crew concerns and supporting health and wellbeing. • **Flexible working policies, fair employment terms, healthy and safe workplaces.** • **Crew, training and development** pathways and recognition awards. • **Promoting a healthy and safe work environment for our suppliers** through our Supplier Code of Conduct that supports human rights and has a strong stance against modern slavery.
Social & Relationship Capital	Active engagement with: industry partners, tourism, travel and transport groups/forums. Relationships with: local communities, Iwi/hapū/Indigenous groups, Government agencies, and local partners where we are based, and where our products create impact. Our engagement with a global network of suppliers.	• **Accelerate partnerships for positive impact** for communities, stakeholders and destinations. • **Promoting responsible travel**, addressing community concerns and creating opportunities to authentically connect with communities. • **Building our cultural capability** and relationships with Indigenous and First Nations Peoples. • **Supplier relationships**, embedding our sustainable procurement framework for positive impact across our value chains.
Financial Capital	The revenue and value we generate and access to funds and investment into our products, experiences, people and the places where we operate.	• **Creating value for our customers, crew and communities**, shareholders and stakeholders. • **Products and experiences** we provide creating unforgettable journeys and positive economic impacts for communities. • **Protecting the value we create and managing obstacles to business objectives** through our Enterprise Risk Management framework.

Our Business

We Are One

ALL TOGETHER *orange*

The completion of the merger between *thl* and Apollo in November 2022 was a major milestone, creating a new *thl* that is bigger and broader in scale, listed on the ASX and NZX. The new global group is diversified across five key regions, with 2,377 employees, a fleet of 7,233, and we delivered over half a million customer experiences in FY23.

We have the strength, scale and levers for growth, connected and enabled globally, reflecting the unique heritage of our diverse brands in each market. This reach brings purchasing benefits built on long-standing relationships with manufacturers and deep connections with tourism bodies and industry associations in each market.

As a merged group, ***thl*** will continue to invest, grow and be future-fit, drawing on decades of experience designing and building durable Recreational Vehicles (RVs) for rentals, and a diverse range of brands and products.

We are ***thl***, a global family, providing the most enriching way to experience the world.

thl was recognised with the MinterEllisonRuddWatts M&A Transaction of the Year Award at the INFINZ Awards in May 2023.

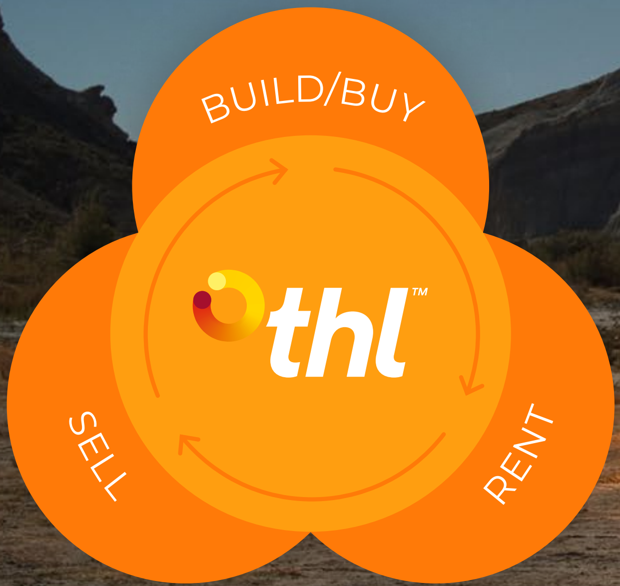
This award is given to the corporate and adviser to the best merger, acquisition or divestment transaction as nominated by the industry and determined by an expert judging panel. The judges commented that; *"The winning transaction displayed uniqueness, complexity and was well received by investors. This was a rare example of an NZX-listed company successfully completing a scrip-for-scrip acquisition of an ASX-listed company by way of Scheme of Arrangement"*.

We Are RV

The ***thl*** Build/Buy - Rent - Sell business model is vertically integrated and multi-national, with a unique reach, scale and network globally, this means we hold a global leadership position in the RV industry. We are a leader in RV rentals, with a network of RV brands and aligned businesses (tourism and manufacturing). This means ***thl*** is RV-centric, but not RV-exclusive.

Our products, services and connections enable us to provide all that our guests, owners and customers need throughout their RV journey. Our manufacturing expertise enables innovation, such as our Future Fleet electric (eRV) pilot, and to respond to challenges including continuing supply chain issues.

At ***thl*** we are the global RV network, ambitious for what RVs can do and how we move forward with true expertise in our craft, and pure passion for our product and experiences.



INTEGRATED GLOBAL RV LEADERS

We Are On Track

The merger created a unique opportunity to build on the best of both businesses, to become better, and to deliver the synergies and opportunities identified through the merger process. Over the first eight months we have been laser focused on rapidly unlocking the merger synergies and benefits quantified at $27 to $31 million per annum at a pre-tax cash level. We are progressing well, realising merger synergy opportunities, leveraging the existing overheads of rentals businesses, integrating properties, fleet, systems and processes as shown in the Project Orange update on the following page and in the FY23 Investor Presentation.

Over the first eight months we have been laser focused on rapidly unlocking the merger synergies and benefits quantified at $27 to $31 million per annum at a pre-tax cash level. Within FY23, we incurred $3M in one-off synergy implementation costs and estimate that $5M in cumulative synergies were realised, resulting in a net $2M cash saving contribution.

Combining the skills, resources and knowledge of both businesses provided rapid testing, learning and transformation opportunities, based on real data and experiences. This enabled us to identify and implement improvements effectively. The use of design-thinking, creative collaboration, and our science- and systems-based future-fit mindset to bring opportunities to life around the organisation has been very powerful.

At ***thl***, we know our people make us who we are. Our greatest strengths are the skills, passion and commitment of our crew. We recognise the merger impacts have created both opportunities and challenges for our crew, navigating change and uncertainty. Through our People Promise, we will provide the tools, skills and brand identity our crew need to be successful. In addition, we have revitalised the ***thl*** brand system to represent our identity as a collective, and the interconnectedness of our diverse business.

Our Future-Fit Mindset and Methodology

At ***thl*** over the past four years, we have used the Future-Fit Business Benchmark, a systems-thinking and science-based holistic approach, as both a mindset and methodology, guiding our decision-making and activities, recognising that business, society and the environment are systems which depend on one another to thrive.

Our global approach focuses on our priority future-fit goals, reflects each country's context and is activated by crew locally at each location.

Our future-fit commitment remains core to our business strategy and is implemented through our Global Sustainability Programme (pages 34-36). Embedding our future-fit framework across all businesses globally has been a priority following the merger. We continue to actively collaborate with partners in each region, sharing our experience on our future-fit pathway, and our aspiration to contribute towards an environmentally restorative, socially just and economically inclusive society.

Future-Fit Business

Motek

Motek Global Fleet management system

A major milestone in FY23 was the successful implementation of Motek (previously Cosmos), our global fleet management system across the US, UK, Ireland, and the merged locations in Australia and New Zealand. Motek provides a unified global platform that gives greater visibility over our global fleet, creating new opportunities for growth, efficiency, productivity, sustainability and for enhancing our customer experience.

Implementation was a complex and ambitious undertaking for our global operations and will improve efficiency and customer experience. A huge thanks to our talented team for doing a fantastic job making it happen.

Project orange

Managing the transition, creating synergies

Project Orange, the integration programme for ***thl***, Apollo Tourism & Leisure, and Just go, launched on December 1st, 2022, and enabled significant progress and strong momentum in a short timeframe. Our approach has been one of "Better Together" knitting together the best of both, for a new whole. Bringing together people, property, and technology has been a critical integration step, and we prioritised transition to realise synergies and stand together as quickly as possible.

Within six months of merger completion, we successfully completed a global organisation design, consolidated rental and retail branch operations, unified under Motek as a single booking and fleet management platform, and consolidated fleet plans in Australia, New Zealand, and the UK and Europe. The realisation of synergies is progressing well and we are on track to deliver a steady-state EBIT uplift of $23 - $24 million.

Property consolidation was completed in mid-May, 13 properties have been consolidated, duplicate fixed costs are being removed, and repairs and maintenance synergies are delivering, while managing against inflation-based cost increase. Synergy opportunities across commercial, operational and marketing are underway and the next phase of IT and finance projects have been initiated. We expect to complete most integration work by the end of 2024.

Work aligning operational processes, policies, and standards and pursuing procurement opportunities that incorporate our future-fit approach is ongoing. Looking ahead, synergy benefits include opportunities refining the manufacturing model in Australia and New Zealand, exploring procurement, fleet utilisation and sales channels synergies for the United States and Canada. In the United Kingdom and Ireland consolidation opportunities for marketing, product standardisation, scheduling, servicing and repairs.

Bringing Branches together 'As One'

As an integral part of Project Orange, we successfully consolidated 13 rental and retail branch locations. In New Zealand, this included Auckland and Christchurch. In Australia, the locations were Adelaide, Alice Springs, Brisbane, Broome, Cairns, Darwin, Hobart, Melbourne, Perth, and Sydney. In the UK and Europe, consolidation took place in Edinburgh.

These property integrations have brought numerous benefits, in fleet flexibility and utilisation, rental synergies, team productivity, and collaboration. Initially, we operated side-by-side operations in the consolidated branch as teams came together and technology integrations were still in progress. This created an immersive opportunity to learn from one another's operational processes.

Now, all overlapping properties are unified, and function as one team, led by one branch manager and operating on one system: Motek. Our crew have done an exceptional job coming together, being positive, open and productive so that customer service delivery and satisfaction remained consistently high.

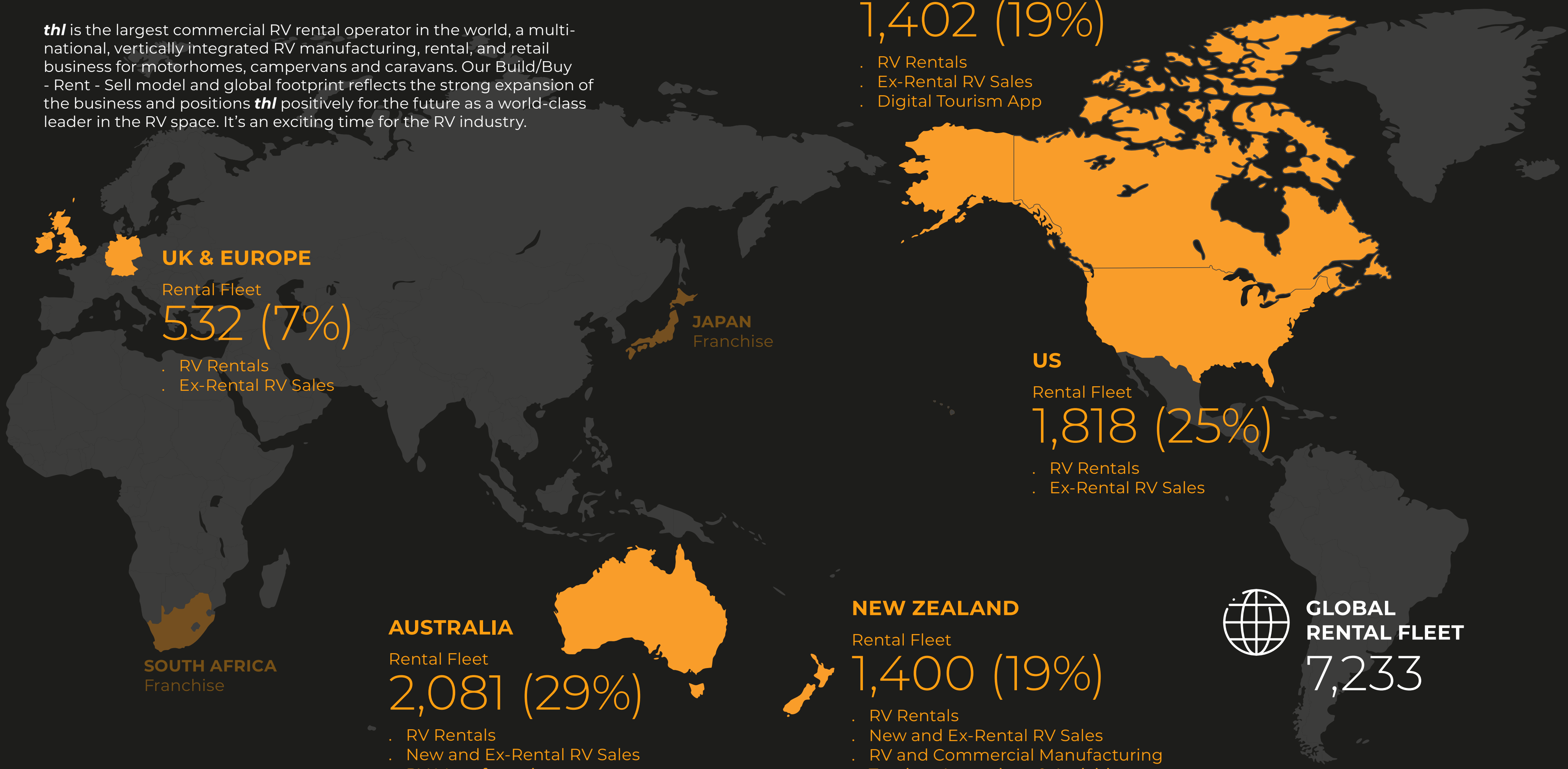
Looking ahead our teams will focus on optimising performance, implementing a unified approach to processes, policies, and standards and progressing Future-Fit Branch Action Plans as part of the Ignition Programme. There are a few sites that will be challenged for space in the coming years, so we are actively exploring appropriate options for the future.

We are RV

A Global RV Leader

FOOTPRINT AS AT 30 JUNE 2023

thl is the largest commercial RV rental operator in the world, a multi-national, vertically integrated RV manufacturing, rental, and retail business for motorhomes, campervans and caravans. Our Build/Buy - Rent - Sell model and global footprint reflects the strong expansion of the business and positions ***thl*** positively for the future as a world-class leader in the RV space. It's an exciting time for the RV industry.



CANADA

Rental Fleet

1,402 (19%)

- RV Rentals
- Ex-Rental RV Sales
- Digital Tourism App

UK & EUROPE

Rental Fleet

532 (7%)

- RV Rentals
- Ex-Rental RV Sales

JAPAN

Franchise

US

Rental Fleet

1,818 (25%)

- RV Rentals
- Ex-Rental RV Sales

SOUTH AFRICA

Franchise

AUSTRALIA

Rental Fleet

2,081 (29%)

- RV Rentals
- New and Ex-Rental RV Sales
- RV Manufacturing
- Digital Tourism App

NEW ZEALAND

Rental Fleet

1,400 (19%)

- RV Rentals
- New and Ex-Rental RV Sales
- RV and Commercial Manufacturing
- Tourism Attractions & Activities
- Digital Tourism App

GLOBAL RENTAL FLEET

7,233

Our Build/Buy Model

Manufacturing plays an important role in our business and has contributed considerably to our growth. The scale, strength, and scope of our manufacturing has expanded considerably, with five manufacturing facilities in New Zealand, one in Brisbane and a sub-assembly plant in Melbourne.

To ensure we are making the most of our expertise and scale across our manufacturing operations, Brisbane manufacturing has become part of the Action Manufacturing family, led by Chris Devoy, CEO of Action Manufacturing.

This change strengthens opportunities to collaborate and leverage the strengths of both businesses for the greater advancement of manufacturing and the wider organisation. Combining decades of experience designing and building durable RVs, strong relationships with key suppliers, scale purchasing benefits and creating new opportunities to innovate.

In New Zealand, Action Manufacturing designs and manufactures specialist commercial vehicles, taking a design-led approach, for a range of public and private customers and manufacture truck and trailer bodies. In Australia, Apollo RV Manufacturing in Brisbane, now part of Action Manufacturing, produces motorised (motorhomes and campervans) and towable (caravans and camper-trailers) products for the Australian and New Zealand markets.

In the United States, Canada, and the United Kingdom we purchase assembled motorhomes from manufacturers, and have long-standing relationships with key suppliers. Supply remained a challenge in each market, however lead times are continuing to normalise as the pandemic backlog and labour shortages are addressed. New vehicle pricing has increased in each market, reflecting inflation and other pressures, with the greatest increases in North America.

> Connecting the expertise, resources and skills of our diverse businesses has been a huge highlight. We are focused on maintaining the strengths of each business while building our Action culture, capability and capacity to expand our impact as manufacturing leaders. United for growth, we are leveraging the benefits from a design, innovation and scale perspective in both aspects of the business.
>
> CHRIS DEVOY, CHIEF EXECUTIVE OFFICER - ACTION MANUFACTURING

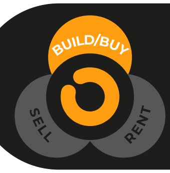
Action Manufacturing New Zealand: innovation, integration and growth

A major milestone for Action this year was bringing our motorhome production together in Hamilton (from Albany) and opening a second Hamilton factory. The diverse experience of our teams combined with our customer centric, design-led approach coming together in one location has created a large scale (~8000m2) manufacturing center of excellence. Action has continued to grow and expand its non-motorhome commercial manufacturing of heavy trucks and trailers, through Fairfax and the acquisition of MaxiTrans' New Zealand assets, now named Freighter NZ.

We are proud to have become a market leader in temperature-controlled transport in New Zealand. We also acquired Transcold the New Zealand distributor for Carrier refrigeration units and Dhollandia tail lifts with service outlets available to support our customers through the whole of life of the vehicle. Bringing these market leading businesses together delivers many benefits, vertically integrating systems, diversification, design of new products and buildings designed for manufacturing. Growth and success relies on our great people and the team has grown to nearly 400 crew today, compared to under 240 crew before the pandemic.

Successful recruitment in a tight labour market is a positive reflection of our culture which is creative, innovative and safety focused, underpinned by supportive teamwork, training and development pathways, including well-established apprenticeships. Supply chain challenges that were significant through last year are easing and stabilising, with congestion at ports the main remaining pressure. Through strong relationships with suppliers, creativity and lean manufacturing to reduce waste, improve efficiency and promote quality we have managed the supply chain challenges well.

The team is working hard on our sustainability progress, recognising the critical role and impact design and manufacturing has in achieving the future-fit priority goals. The most significant challenge being carbon emissions from our fleet. We are working on a new electric RV model as part of our Future Fleet programme. In our operations we are reviewing our sustainability at our facilities, exploring circular materials and product innovations and contributing in our communities.



Apollo RV Manufacturing (*part of the Action family*) – Brisbane building for the future

It has been a positive and highly productive year for the manufacturing team in Brisbane, with continued growth and expanded production. The team has repeatedly set new production output records, achieving a 20% increase in factory output in FY23. Work on new product designs and vehicle models is ongoing; a highlight this year was the introduction of the new Euro Mini (2-Berth van) into production.

We are committed to creating new product ranges to meet the needs of current and future customers through quality design and building a diverse range of products.

As a result of this strong growth, the team in the Brisbane factory has increased from 200 to over 300 crew. Critical to the success of our expanded team is building a strong and supportive health, safety and wellbeing culture.

We continue to uplift safety across the business with a constant focus on eliminating and controlling critical risk areas in our manufacturing operations. We have also launched new leadership programmes focused on culture, performance teamwork and development opportunities. We have continued to manage the impacts of major supply chain disruptions for vehicles and key components used in production. This included making significant improvements in our inventory management, reducing inventory holdings and increasing inventory turns, to maximise efficiency in procurement and reduce costs.

Looking ahead, the team is excited for what lies ahead. We have built the foundations we need and are excited to be working on a number of projects that will continue our growth and improve sustainability performance including reducing waste, emissions and improving energy efficiency to contribute to future-fit priority goals.

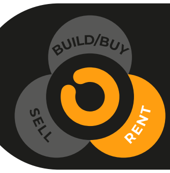
> “ The team have really stepped up to the challenges of the last couple of years. Being able to continue to grow despite these challenges has established the foundation we need moving forward.
>
> JOSH ANNELLS, GM – BRISBANE MANUFACTURING

Future Fleet - Preparing for the transition to eRV

The emissions from our motorhome fleet is our greatest sustainability challenge and highest priority future-fit goal. This year we are developing six new EV campervans in the New Zealand market, built by Action Manufacturing on a chassis manufactured by a key OEM manufacturer. We plan to trial this new EV rental product for the 2023/24 New Zealand summer. Notably, the travel range is expected to be up to 250kms, a meaningful increase from ***thl***'s earlier 2018 EV trial which had an expected range of up to 140kms. The Board has approved a level of ongoing annual capital expenditure to trial EV and other sustainable new vehicle technologies. Our category of vehicles (light commercial, long-range) remains a low priority for Original Equipment Manufactures (OEMs) globally, but we continue to explore tipping points, technology developments and partnership opportunities in each market.

FUTURE FLEET PROGRAMME
TRANSITIONING TO A LOW-CARBON FLEET

GOALS
- Product harm
- Product GHGS
- Products repurposed



Our Rental Model

We are the largest commercial RV rental operator in the world and *thl* is now the largest or second-largest commercial RV rental operator in each operating jurisdiction[1] (#1 in New Zealand, Australia and United Kingdom, #2 in North America). We are in a strong growth position as the travel and tourism industry has remained resilient and is experiencing strong growth despite broader macroeconomic challenges.

In each rental market we operate in, we are focused on the return of international visitors and continuing to grow our domestic customer base. We continue to provide technology solutions that enhance our guest experiences including triptech, Roadtrippers App and CanaDream Club, and play important roles in industry responsible travel partnerships and programmes.

In Australia and New Zealand, rental vehicles range from small to large and new to ~6 years of age, across a portfolio of brands which targets all customer segments. Nearly all the fleet is self-manufactured supported by European imports. The greater rental durability of vehicles we manufacture means these vehicles remain on the rental fleet for longer than in other markets.

The New Zealand rental market is strongly concentrated on the international customer segment. In Australia, the market is less seasonal, and has a greater domestic market, with more consistent utilisation being achieved across the year, noting the four-wheel drive (4WD) fleet is seasonal with a peak from April to November. Australia had a stellar rental performance driven by elevated yields over the summer. International visitor arrivals are forecast to return to, and exceed, pre-pandemic levels by 2025 in Australia and New Zealand.

North America is the largest RV sales market in the world, however it is also a highly fragmented rental market, with few operators of scale and significant private equity investment in peer to peer (P2P) in recent years. The US fleet has 4 to 8-Berth Class A to Class C vehicles, with Road Bear offering near-new fleet and El Monte having vehicles with a longer average age. The CanaDream fleet of 2 to 6-Berth Class C, Class B and campers is mostly under two years old. The Canadian market has a greater weighting of international bookings compared to the United States with both a domestic and international customer base.

In Canada, with the return of international guests, volume and utilisation were up, and high yields were maintained during the summer season. In the US peak season, fleet size was constrained as 200 vehicles scheduled for delivery in Q4 FY22 were delayed. Despite this the rentals business delivered a strong result.

Just go and Bunk are collectively the largest commercial RV rental operator in the UK, where the rental market is highly fragmented and predominantly domestic. We offer a premium product and operate a young fleet with a good opportunity to increase the fleet, and growing interest in motorhome and RV travel.

[1] Market position based on management estimates.

Our Sales Model

Through our retail sales business, we offer a wide range of caravan and motorhome brands including our own brand suite and products ranging from new to ex-rental, towables and motorised. We are focused on maximising the value achieved in sales, leveraging existing overheads of rentals businesses and ancillary opportunities in the RV category.

In Australia and New Zealand (ANZ) we sell new RVs and the majority of the ex-rental fleet via our retail sites to maximise value. Australia has eight dealerships, and New Zealand has three dealerships and is growing. We offer a wide range of RV accessories in-store and online, we also offer finance, insurance, protection products, parts and servicing. Outside of the ANZ markets, our vehicle sales are focused on the ex-rental fleet. Vehicle sales are via retail and wholesale and mix can vary by year depending on supply and demand constraints and opportunities.

Vehicle sales demand in all regions has softened from recent peaks. While vehicle sales margins have remained elevated longer than earlier expectations, these are now starting to normalise in most markets, with the United States experiencing the most rapid change.

FY23 vehicle sales	Number of vehicles sold[1]
New Zealand Rentals and Sales	432
Australia Rentals and Sales	1,478
United States Rentals and Sales	789
Canada Rentals and Sales	179
United Kingdom & Europe Rentals and Sales	113

We encourage shareholders to refer to the Investor Presentation Pack for a more detailed analysis of vehicle sales movements.

[1] Includes fleet and non-fleet sales and vehicle write-offs.

> Over the coming year we will focus on building a strong sales network, enhancing our customer experience, improving our retail experience, bringing new products to market and enabling existing and new owners to fully enjoy the RV lifestyle.
>
> STACEY DAVIS, COO AUSTRALIA

PRO FORMA AUSTRALIAN SALE OF GOODS REVENUE

$228.9M[1]

↑9%

Australia Dealership Retail Network Strengthens

Our dealership and sales network in Australia source brands to sell, either built in our factory or from our manufacturer partners. Offering a range of towable and motorised brands and additional products and services, including RV accessories in-store and online, finance, insurance, protection products, parts and servicing. The team is committed to giving all our customers an excellent experience throughout their RV ownership journey.

Creating great connectivity across our vehicle sales activities has been a priority in FY23. Our expanded network includes well-known dealerships purchased through the Apollo merger: George Day, Kratzmann, Sydney RV, and Apollo RV sales.

Building strong foundations for future growth will be a key objective for FY24. Through the delivery of consistency and alignment of systems, skills, sustainability, and strategy, we will not only be paving the way for growth in sales, but raise the bar in terms of standards, service, and most importantly the support of our valued owners. We will also look to leverage our supplier network purchasing power to provide great products, great prices and great after-sales services.

Strong sales and marketing efforts to drive leads in a softer market is a priority, coupled with aligning sales teams to market conditions through training and development. Understanding how our diverse brands and products are positioned and aligned for changing customer demands will also drive future sales growth.

We are working to enhance our customer experience across all our activities, from shows, to in store and online sales, to enable our dealerships and retail offering to stand out and have an impact in market, reflecting our scale, range and service excellence. We were very proud of our George Day team winning the '2023 Judges choice Award' at the Perth Caravan and Camping Show, for best display, best range, best access and best customer service.

[1] Pro forma Australia sales of goods revenue represents both *thl* and Apollo for the twelve months ending 30 June 2023. The prior year comparison also includes twelve months of both *thl* and Apollo, despite Apollo not being owned by *thl* in that period.

ACCELERATE
PARTNERSHIP FOR POSITIVE IMPACTS

GOALS
- Natural resources
- Operational encroachment
- Community health
- Product communications
- Product concerns
- Product harm

BUILD/BUY
SELL
RENT

Accelerate Responsible and Regenerative travel - partnerships for positive impact

We have deep connections with tourism bodies and industry associations in each market and we continue to engage in industry action towards this transition and move from responsible to regenerative travel. While broader tourism trends towards regenerative, lower-carbon and sustainable holidays are apparent, they remain far from tipping points. We are focused on having a positive impact for communities and destinations and continuing our cultural capability journey as part of our future-fit commitment.

Promoting Responsible Travel

We continue to actively engage in responsible and regenerative travel partnerships globally. In New Zealand we were a founding member of *Tiaki – Care for New Zealand* and this year have reinvigorated our efforts to engage all guests with the Tiaki Promise actions in each branch and through our tourism experiences with updated materials and Tiaki training for our crew.

The US team continued to extend Travel with Heart, sharing responsible travel ideas, information and itineraries with guests, new initiatives include developing one-tank trip itineraries to encourage customers to drive less, and spend more time experiencing the places they visit.

In Australia we are progressing on the new Sustainable Tourism certification developed by Ecotourism Australia building on the current certification and green travel leader status. We were proud to be featured in Tourism Australia's sustainability storyteller profiles sharing our experiences working to tackle the global challenge of measuring, managing and minimising (or eliminating) carbon and other greenhouse gas emissions.

Our Digital Tourism Apps – creating meaningful connections

Through our Digital Travel Apps we connect travellers with everything they need to plan their trip, explore and book activities when on the road. This creates exciting opportunities to showcase businesses and operators providing unique, authentic and immersive experiences that create benefits for communities and destinations across Australia, New Zealand and Canada.

A great example from Australia is the new partnership triptech developed with non-profit Welcome to Country enabling app users to discover over 150 unforgettable experiences guided by Traditional Custodians of Country showcased in the 'Indigenous Experiences' category in the App. Creating opportunities for travellers to learn from the wisdom of the world's oldest living cultures, and for First Nations tourism operators and business owners to access to a new audience of travellers.

Industry Collaboration for Impact

This year ***thl*** became a member of the newly created RV Industry Association (RVIA) Sustainability Committee in the United States. The committee was created to be the primary advisory body providing ongoing guidance and best practices on promoting sustainable RVs and a sustainable RV lifestyle. It serves as the convening body for sustainability experts in the RV industry to share ideas and best practices as well as an educational resource for companies looking to increase their sustainability practices.

In New Zealand ***thl*** is a partner in the Aotearoa Circle inputting into their Tourism Sector Adaptation Roadmap which is helping to ensure the sector is resilient and reducing the impact of climate change. The aim is to create an abundant, regenerative tourism sector that ensures that people, planet and prosperity are balanced.

thl's Chief People & Capability Officer, Kate Meldrum, was appointed to the Board of the Caravan Industry Association of Australia (CIAA) in 2021 and has been Deputy Co-Chair since 2022. ***thl*** is now a proud sponsor of the CCIA Future Leaders Award that recognises young professionals and allows this next generation of leaders to influence the future of their industry.

Our Tourism Experiences

Strong restart for Kiwi Experience

Kiwi Experience rebounded this year, with a strong restart from hibernation during the pandemic. Starting with small group tours, followed by Hop-On, Hop-Off tours relaunching in November 2022 and we are currently the only touring company operating Hop-On, Hop-Off experiences in New Zealand. It was fantastic to open the new office to provide customer support and welcome guests once again. We were delighted to have a large number of our driver-guides return to Kiwi Experience after being away so long.

There was exceptional and rapid demand as we reopened and from January to March 2023 we were fully booked. Driver-guide recruitment, training and retention is a priority in a competitive labour market, retention payments and appropriate reviews of base pay have helped attract new driver-guides as required.

This summer was an extremely challenging environment to operate in, with many severe weather impacts across the country. Limited accommodation options in some locations also impacted routes and utilisation. The team were extremely resilient and did an incredible job caring for customers and dealing with disruptions impacting operations, including road closures and impacts of flooding, cyclones and ferry cancellations.

We are lucky to have strong brand awareness and long-standing industry relationships enabling us to connect guests to a wide range of products and activities. Hop-On, Hop-Off departures are set to double and new small group tours will be released in FY24, including our 'Revive' North Island tour with a focus on sustainable travel, aligned to our future-fit priority goals, crew cultural capability training and embedding the Tiaki Promise.

"I am really proud of how the team has exceeded customer expectations in every aspect of their visit, from product experience, hospitality, retail and customer service, right through to the presentation of our sites, crew and vehicles. For this to be validated by guest and trade partner feedback – really makes me confident we are on the right track.

DAN THORNE, GM WAITOMO

Photo by Stephen Barker Photography

Discover Waitomo – Exceeding guest expectations

International guests returned to Waitomo in FY23 and the team responded superbly to meet the rapid demand in visitor numbers while maintaining the word class visitor experiences. The continuation of the small group tours provided an intimate visitor experience in Waitomo Glowworm enabling deeper storytelling and sharing Tikanga (protocols) and environmental outcomes with guests. This authentic, more personal experience is increasingly what guests are seeking, reflected in increased guest feedback scores.

Recruitment and training has been major focus points. Rebuilding and retraining our teams and retaining excellence in health, safety and environmental management, underpinned by values of Kaitiakitanga (guardianship), Manaakitanga (hospitality, respect) and Whanaugatanga (connection, kinship). It was great to see the Homestead acting as a true gateway to Waitomo with guests booking tours, checking in and collecting general information over the summer.

It is a privilege to operate in Waitomo and we are committed to contributing positively, from community conservation projects and promoting Tiaki Promise to local sourcing in our retail products. Among other awards, the Waitomo team was proud to be awarded the Waikato Chamber of Commerce Community Contribution Award in recognition of our contribution to the Waitomo community including the Kaimahi for Nature restoration project.

Our People and Responsibility

Our Crew, Navigating Change

THRIVE

SUPPORTING OUR CREW, CREATING A HEALTHY CULTURE AND BUILDING CULTURAL CAPABILITY

GOALS
- Employee health
- Living wage
- Fair employment terms
- Employee discrimination
- Employee concerns

Health, Safety and Wellbeing is paramount

The health, safety and wellbeing (HS&W) of our crew, guests and visitors is an ongoing journey of improvement, one on which the organisation is keenly focused. In FY22, we reviewed and significantly developed our HS&W capability, employing a new global Health, Safety and Wellbeing lead. This year we have further developed our internal capability and support in each jurisdiction, with HS&W leads either appointed or commenced in all jurisdictions.

> "Our crew have experienced a significant degree of change since the merger in December 2022 and our teams brought their best selves to the challenge and worked through the necessary changes with intelligence, resilience and compassion for each other and our customers. We were committed to retaining and growing the great talent in our combined crew, providing opportunities and optionality for development and growth. Overall, we came through the first six months of change in good shape and positive about the future.
>
> KATE MELDRUM, CHIEF PEOPLE AND CAPABILITY OFFICER

We are implementing initiatives to continuously improve our HS&W systems, processes and culture, empowering our crew to make decisions, speak up and continuously improve in health, safety and wellbeing. Since the merger we have been capitalising on the best of both businesses' systems. A key focus was to ensure that HS&W was the top priority as we merged operational sites.

This focus means we continue to challenge ourselves to ensure that we are reporting the right metrics to improve safety outcomes and ultimately, to reduce the number of injuries to our crew. A key metric that we track at Executive and Board level is our Lost Time Injury Frequency Rate (LTIFR). In FY22 we reported an LTIFR of 21.51 for the combined AU and NZ rentals businesses. The LTIFR for the same business units is 12.24 at the end FY23, a reduction of 54.8%. As the business has changed substantially during this period, we are implementing standardised reporting for each business unit as a goal for FY24 which includes LTIFR, Total Recordable Incident Frequency Rate (TRIFR) and key leading indicators. We believe that all injuries at our sites are preventable and recognise that we are still firmly on a journey of reducing the number of injuries that occur on our sites globally.

Our strong focus on mental health continues to enable our crew to thrive. On the back of mental health training conducted last year, we have piloted Mental Health First Aid courses and will be broadening our base of Mental Health First Aiders in FY24.

Looking ahead in FY24, we will continue to empower our leaders and crew to embed our focus on proactive reporting, implement critical risk controls, broaden mental health training and ensure our crew have the right training, tools and support to do their jobs safely.

Leadership Conference - *moving forward together*

In May, 170 leaders from around the world arrived in Auckland for our global Leadership Conference with the theme *moving forward together*. It was exciting to see our combined culture developing and our shared values and language coming to life as ***thl*** leaders from around the globe connected, shared experiences and learned from each other. Our Brand and Culture journey was shared at this sustainably-run event, and we will see this evolve over the next few months. The identity of each individual and each regional team are important foundations that make up ***thl***'s DNA. We know our crew are at the heart of our business success. The development of our company culture will be supported by meaningful elements for our crew such as recognition awards, benefits and training.

"Creating development opportunities for our crew globally has been a huge highlight this year. The US Reservations teams did a fantastic job supporting Australia and New Zealand to provide 24-hour cover for customers during the southern hemisphere summer. Our first global branch manager secondment was a real success with Kathryn Gerstel, a US-based Branch Manager taking up a leadership role with the Auckland Branch, sharing skills, knowledge and capacity. The implementation of Motek also enabled US team members to step up, learn and lead important areas of work as part of the project team.

GORDON HEWSTON, COO USA

Diversity and Inclusion Developments

In late 2021, ***thl*** re-commenced a programme of work around diversity and inclusion. The initial focus was on collating data regarding the gender representation within main role categories across New Zealand, Australia and the United States. This year, post-merger, we include Canada and the United Kingdom and Ireland. Gender Diversity Reporting Data and analysis is outlined below. Our intent in FY23 was to go beyond the gender dimension to provide a fuller diversity and inclusion picture. With merger activities this work is now scheduled for FY24.

A broader understanding of diversity is required within the company and the approach will be considered in FY24 as part of a review of our approach to diversity, equity and inclusion. This programme of work will be redefined, including a focus on education and training around diversity and inclusion for leadership groups and hiring managers, plus the ongoing work being undertaken as part of cultural capability building work shared below. Diversity is considered in several ***thl*** future-fit goals within our Thrive sustainability programme which aims to support our crew, building a healthy culture and cultural capability across ***thl*** globally.

Gender Diversity Reporting Data

The continued focus for FY23 diversity and inclusion reporting has been on female representation across the business in terms of four main categories: Key Management People (KMP) representing C-Suite executives, senior management, middle and supervisory level management, and non-management roles. The table below reflects the outcome of the analysis undertaken to date.

The Board endorses and supports the ***thl*** Diversity, Equality and Inclusion Policy. It has reviewed and approved the 40:40:20 categorisation approach and recognises that there is more work to be done.

FEMALE REPRESENTATION SUMMARY BY BUSINESS UNITS

Female %	KMP	Senior Executive and Management	Middle Managers and Supervisory Positions	Non-Managers	Overall Combined Female Representation Across All Categories
NZ		34.6%	53.0%	51.4%	50.5%
AU		46.2%	27.5%	37.9%	36.7%
US		28.6%	40.5%	40.9%	40.1%
CA		30.0%	60.0%	52.5%	52.6%
UK		25.0%	50.0%	44.6%	44.1%
NZ and AU Manufacturing		28.6%	13.9%	12.5%	13.0%
Combined Representative	26.7%	32.9%	38.6%	36.4%	36.5%

Please note: The analysis used in the table above has used a 40/40/20 categorisation as an interim review method, which has been adopted by a number of organisations to identify balances and possible imbalances in terms of the participation of women with the organisation. The analysis covers all employees within ***thl*** regions, including the merged entities and all permanent/continuous, fixed term, seasonal and casual roles. The above information excludes female representation at the ***thl*** Board level which currently is at 50 percent.

Balance Achieved (40-60% or more) (i.e. female representation is achieved)

Out of Balance (male dominant) (if < 40%)

Analysis:

The initial information contained in the table reflects an overall participation rate of women within the ***thl*** workforce of 36.5% percent. The participation rate of females in the ***thl*** workforce excluding manufacturing is 46.0%. The Apollo RV Manufacturing business now comes under New Zealand's Action Manufacturing business and the figures are combined. That combined manufacturing workforce represents 29% of the total ***thl*** workforce and is predominantly male at present. However, Action Manufacturing has increased representation of females in senior executive management albeit from a low base. Female participation in other parts of the business in New Zealand, Australia and the US largely remains the same as FY22.

New Zealand and United States representation of females in leadership roles remains similar to last year, with some re-assignment of Branch Managers to 'Middle Managers' to align with other jurisdictions. Australia sees an increase in senior executive and management compared to FY22 due to the merger that has brought more women into the business in senior group services roles as well as COO Australia, taking over from another female in this role. Canada has the strongest representation of females in the business at 53%. The United Kingdom is also strong at 44%, with opportunities in both countries to increase female representation at senior executive and management levels.

There continues to be some key areas within ***thl***, such as representation at KMP (27%) and senior management level positions (33%) which will need to be considered when setting any measurable objectives or targets and approaches to succession planning for FY24.

Our Cultural Capability Journey Continues

Last year, ***thl*** made a global commitment to building our cultural capabilities, specifically: the skills, knowledge, behaviours and protocols required to plan, support, improve and deliver products and services in a culturally respectful, genuine and appropriate manner. This means taking a place-based approach to building our cultural capability in each Country, guided by a set of global principles, actively recognising, valuing and respecting First Nations Peoples and Cultures and their continuing connection to lands, waters, air and communities.

At our global Leadership Conference we were very privileged to hear from inspirational Indigenous and First Nations leaders from Aotearoa New Zealand, Australia and Canada during a panel discussion on Building our Cultural Capability and Indigenous Tourism Connections.

ACCELERATE
PARTNERSHIP FOR POSITIVE IMPACTS

GOALS
- Natural resources
- Operational encroachment
- Community health
- Product communications
- Product concerns
- Product harm

Aotearoa New Zealand

Kowhaiwhai Oranga, our programme in Aotearoa, means ‘to intertwine all cultures, ideas and aspirations, and ensure our collective health and wellbeing by moving forward together as one’. It reflects not only our obligations under Te Tiriti o Waitangi (the Treaty of Waitangi) in which our leadership team have been trained, but also the commitment of our crew in Aotearoa to learn from our long partnership with the Ruapuha Uekaha Hapū (sub-tribe) in Waitomo to grow cultural capability across our branches.

Discover Waitomo, in partnership with Ruapuha Uekaha Hapū, have continued to develop cultural experiences and immersive education programmes, including bilingual and full immersion Te Reo Māori tours. Matariki events continue to be an inspiring focal point for our crew and guests to learn and connect, with a diverse range of activities celebrating Māori culture and Mātauranga Māori (Indigenous wisdom). In FY24 we will be implementing a Te Tiriti Action Plan and providing Te Reo Māori language classes for our crew in Aotearoa.

Australia

We have completed our first ‘Reflect’ Reconciliation Action Plan (RAP) in partnership with Reconciliation Australia and have delivered actions under each RAP pillar of *respect, relationships, opportunities* and *governance*. We are growing our cultural awareness and learning, building relationships, connecting our guests with Aboriginal Experiences and commencing our procurement journey with First Nations Suppliers. In FY24, we will continue to deliver our Reflect RAP to bring the wider Australia-based crew along the journey and we will start work on exploring reciprocal opportunities with communities locally.

We are members of the new Tourism Reconciliation Industry Network Group (RING) a partnership with Tourism Australia, Reconciliation Australia supported by 21 tourism businesses. The RING provides members with a space to share challenges and learnings with the delivery of their RAP and provides a platform to hear from a diverse range of Aboriginal and Torres Strait Islander Peoples involved in tourism or culture and create opportunities for collaboration and partnerships.

North America

In North America we are beginning our cultural capability journey focusing on learning and building relationships with First Nations groups in Canada and the United States. We are building our cultural awareness and connecting with Indigenous Tourism groups and Indigenous Tourism Associations at a Federal, Province and State level to explore opportunities including through the CanaDream club where we partner with over 25 Indigenous Tourism operators.

Our Global Sustainability Programme

Our sustainability strategy implemented through our Global Sustainability Programme is underpinned by the 23 science-based goals of the Future-Fit Business Benchmark. For more information, see the Creating Systems Value and the FY23 Health Check sections of this report.

We are focused on addressing our most significant sustainability impacts. These include the emissions from our fleet of Internal Combustion Engine (ICE) vehicles and our operations, ensuring our products do not cause harm to people or the environment, and protecting the health of communities and ecosystems where we operate and where our products and activities have an impact.

Our work on our Climate & Carbon Strategy, building our cultural capability, embedding a sustainable procurement framework, and embedding Ignition future-fit branch actions at each location is highlighted in this report. We transparently share our progress towards all 23 future-fit goals in the updated FY23 Health Check and how we protect the value we create through our Enterprise Risk Management framework – find both in Our Responsible Management Disclosures section.

Our priority in FY23 has been to onboard, embed and integrate the global sustainability workstreams at a country and branch level following the merger, bringing in new locations, businesses and teams. Future-fit progress is a core component of ***thl*** country, business and branch plans, supported with resources, training and tools, this year 127 rental crew completed new future-fit modules as part of our TRX 25 customer experience training. The year ahead holds exciting opportunities to activate and expand the impact of our future-fit progress across all regions.

IGNITION
CREATING FUTURE-FIT BRANCHES

GOALS
- Renewable energy
- Water use
- Operational emissions
- Operational GHGS
- Operational waste

Ignition – branch sustainability impact

The Ignition Programme is delivered locally in every branch and is the foundation of our sustainability progress. All branches have targets and actions underway for five priority impact areas for our operations: energy efficiency and renewables, water conservation, waste, operational emissions and community contribution. Country and Branch Impact Reports track progress on actions, reduction targets and emissions impacts annually. We share some highlights from our Ignition Programme 2023 review (based on FY22 verified data) and look forward to reporting impact across our expanded operations, including all Apollo sites, in 2024.

- Our San Francisco branches moved to 100% renewable energy in FY23 through the community energy purchase scheme.
- Overall, the US branches reduced energy use by 15% and operational emissions by 38% from FY20.
- A major focus on water in response to severe drought conditions has seen US operations reduce water use by over 50% in the last four years.
- Australia delivered a significant reduction in overall operational emissions which reduced by 22% from FY20. Energy efficiency changes reduced energy use by 20% in the same period.
- The Melbourne manufacturing site reduced waste generation by 35% over the last three years, through waste reduction initiatives implemented by our factory team.

Five Sustainability Focus Areas for all branches globally

Climate & Carbon Strategy

Our Climate & Carbon Strategy remains front and centre for the business. At ***thl*** we're facing this challenge head-on through our Future Fleet programme, despite the frustratingly slow - but improving - progress of low-emissions RV technologies, read more on page 23. We have also updated our Climate Risks and Opportunities (CR&O) and the scenarios we use, to reflect our global business and new disclosure standards. See Our Responsible Management Disclosures section for our CR&O summary reporting aligned with the Taskforce on Climate-related Financial Disclosures (TCFD).

This year's carbon footprint looks different from prior years, being a 'transitional' footprint now including many Apollo sites. Our FY23 full footprint with commentary is in Our Responsible Management Disclosures section. Reflecting our status as a merged business, we will be restating our baseline in FY24 to capture our full global business activities and Scope 3 emissions. This will also require an update to our science-aligned carbon reduction target, currently an absolute reduction in emissions of 50.4% from a FY20 baseline by 2032 to limit warming within 1.5 degrees Celsius.

In our view, any target needs to be accompanied by a realistic plan for achievement. We have been frustrated by the lack of progress across our supply chain to transition to zero or low-emissions chassis. We are therefore not comfortable setting a reduction target for our Scope 3 emissions as was our intention in FY23, but will be continue to stay abreast of developments.

In the meantime we will in FY24 seek to set interim and intensity targets to drive change which will require the whole business to get behind our climate and carbon challenge. We're in good shape to make progress as we engaged a consultant (WSP) to deliver our first *Future Fleet Global Scan* of infrastructure readiness for eRVs, ICE phase-out regulation deadlines, technology tipping points, climate trends and innovation grants.

CLIMATE & CARBON STRATEGY
DECARBONISING OUR BUSINESS

GOALS
- Operational GHGS
- Product GHGS

OUR PRIORITY CLIMATE RISKS & OPPORTUNITIES (CR&O)

SHORT-TERM
0-24 MONTHS

MEDIUM-TERM
2-10 YEARS

LONG-TERM
>10 YEARS

TRANSITION RISK: Uncertainty in the supply of cost-effective, long-range, low emissions technology

TRANSITION RISK: Reduction in customer demand due to a trend away from carbon-intensive travel

TRANSITION RISK: Speed of regulatory change and legal compliance

PHYSICAL RISK: Changes in booking patterns due to physical climate impacts

PHYSICAL RISK: Inability to access attractions and locations due to infrastructure damage

OPPORTUNITY: Increased demand for mobile housing and emergency service vehicles

OPPORTUNITY: Gain competitive advantage by positioning ***thl*** as a first mover where appropriate

A high proportion of our business is exposed to transition risks, in particular the need to decarbonise our fleet. A low to moderate portion of our business is exposed to physical risks, including the impacts of extreme weather events.

Quantitative metrics for our climate disclosures will be developed in FY24 aligned with industry metrics. These will be informed by qualitative metrics that are already used within our Future-Fit Business Benchmark.

Sustainable Procurement Framework

Our Global Sustainable Procurement Working Group, supported by country-level groups, continues to make strong progress against our five-year 'Flexible Framework' plan. We have moved from embedding sustainable procurement in FY23 to improving practices in FY24 and working towards circular economy outcomes in FY25.

Achievements include the continued on-boarding of suppliers to our Supplier Code of Conduct which has been positively received; publication of our Sustainable Procurement Policy; ongoing future-fit hotspot assessments of supplier categories now linked to our tender process; and sustainable procurement as a key element in our Global Uniform Project.

We've also taken positive steps in our supplier diversity approach, with a Supplier Diversity plan developed in Australia as part of our Reconciliation Action Plan (RAP). A pilot partnership in New Zealand was not effective in delivering value for local suppliers given ***thl***'s vehicle-focussed supplier requirements - this is an area for further development. A product stewardship assessment has set us up well for a pilot project with RVSC suppliers who are keen to partner with us on sustainability.

Modern Slavery Statement

This year we worked with Edge Impact to complete a global assessment of our modern slavery risks as a merged business. We completed a gaps and opportunities analysis and progressed work on our global Modern Slavery Statement and Implementation Roadmap covering the six key pillars shown below. The Statement will be made available online on the ***thl*** sustainability website: www.thlsustainability.com

- STRATEGY
- GOVERNANCE
- INTERNAL CAPACITY
- SUSTAINABLE PROCUREMENT
- EXTERNAL COLLABORATION
- GRIEVANCE & REMEDIATION

SUSTAINABLE PROCUREMENT
OUR GLOBAL FRAMEWORK AND CIRCULAR ECONOMY PILOTS

GOALS
- Procurement
- Products repurposed

Our Responsible Management Disclosures

Our FY23 Carbon Footprint

Our FY23 greenhouse gas (carbon) footprint has been independently assured by McHugh & Shaw Ltd. It is considered consistent with the mandatory requirements of ISO 14064-1:2018, with Reasonable Assurance (Scope 1/ISO Category 1 Emissions and Scope 2/ISO Category 2 Emissions) and Limited Assurance (Scope 3/ISO Category 3-6 Emissions).

Our FY23 carbon footprint is a 'transitional' footprint given the merger with Apollo businesses. To capture as much data as possible, we took a materiality approach to include the larger sites in our footprint which now covers approximately 85% of our total combined sites. Excluded sites include three sites in the UK / Ireland, three newly acquired Action Manufacturing sites and two Australian dealership sites. Scope 1 and 2 emissions for specific sites across Canada, Australia, the UK and Ireland have been included as partial years from date of acquisition.

Our transitional footprint continues to be based on our previous approach (full Scope 1 and 2 and limited Scope 3), keeping to a FY19 baseline for consistency with previous years, with customer journeys included in our Scope 1 emissions. Our total transitional footprint as a much larger merged business is 65,472 tCO_2e, this includes data for merged business units since date of acquisition. This footprint includes an increase in our operational emissions of 73% from FY22 (an increase of 4% from our FY19 baseline year), and also an increase in our customer journey emissions of 58% from FY22 (a decrease of 22% from our FY19 baseline year).

Prior to the merger, our intention was to extend our FY23 footprint to include our full Scope 3 emissions. However, given the additional data required from Apollo businesses, we will instead be restating our entire greenhouse gas inventory in FY24, to include full Scope 1, 2 and 3 emissions. FY24 will then become our new baseline year, which will enable us to refine our science-aligned target as discussed in the Climate & Carbon Strategy section in this report.

In the following graphs we have included customer journey emissions in Scope 1 but have also reported them separately for consistency with previous years. As international visitors return to New Zealand, Kiwi Experience has restarted after a period of hibernation and we have seen a corresponding increase in their emissions and from our Discover Waitomo tourism operations.

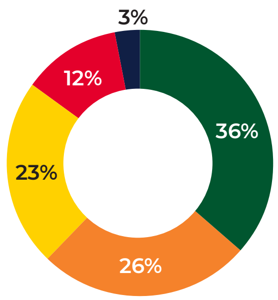
Note: ***thl*** uses the ISO 14064-1:2018 standard but also aligns with language and framing from the GHG Protocol's standards. ***thl*** follows the equity share approach.

Our full Scope 3 GHG inventory in FY24 will align with the GHG Protocol Value Chain (Scope 3) Standard.

Country-specific emission factors have been used if available. For further information please visit www.thlsustainability.com.

GROUP-WIDE OPERATIONAL GHG EMISSIONS FY23* – EXCLUDING CUSTOMER JOURNEYS

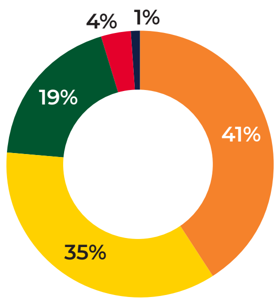
(tonnes CO_2e) (transitional year)



New Zealand	2,773	
Australia	1,958	
US	1,724	
Canada	911	
UK & Ireland	219	
Joint ventures	0	
Total GHG emissions (tonnes CO_2e)	7,585	73% increase on FY22 (includes data for merged business units since acquisition date).

GROUP-WIDE CUSTOMER JOURNEY GHG EMISSIONS FY23

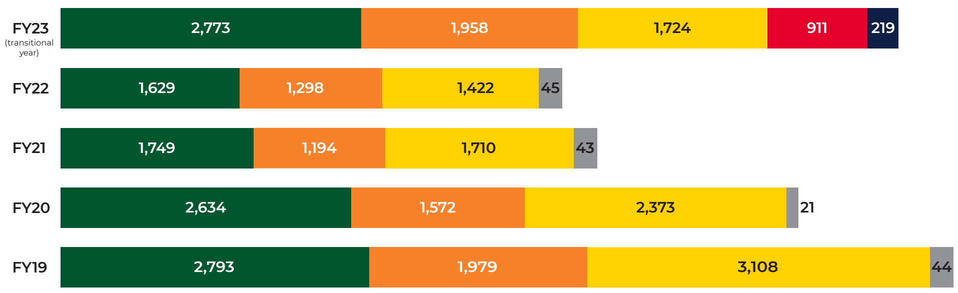
(tonnes CO_2e) (transitional year)



Australia	23,768	
US	20,472	
New Zealand	11,030	
Canada	2,034	
UK & Ireland	583	
Joint ventures	0	
Total GHG emissions (tonnes CO_2e)	57,887	58% increase on FY22 (includes data for merged business units since acquisition date).

GROUP-WIDE OPERATIONAL GHG EMISSIONS YEAR-ON-YEAR – EXCLUDING CUSTOMER JOURNEYS

(tonnes CO_2e)



	Total GHG emissions (tonnes CO_2e)	New Zealand	Australia	US	Canada	UK & Ireland	Joint ventures
FY23 (transitional year)	7,585	36%	26%	23%	12%	3%	0%
FY22	4,394	37%	30%	32%	0%	0%	1%
FY21	4,696	37%	26%	36%	0%	0%	1%
FY20	6,600	40%	24%	36%	0%	0%	0%
FY19	7,924	35%	25%	39%	0%	0 %	1%

Our 'transitional' operational carbon footprint includes:

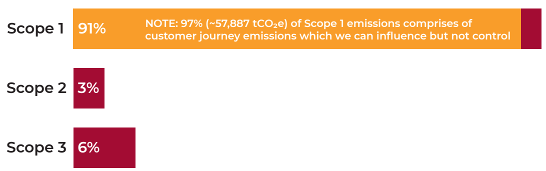
Scope 1 Direct GHG emissions: transport fuel used in our company cars, fuel used at our sites (LPG, natural gas, diesel) and customer journeys included in Scope 1 but also reported separately

Scope 2 Indirect GHG emissions from energy: emissions associated with purchased electricity

Scope 3 Other indirect GHG emissions: fuel used by staff commuting to work; air and taxi travel; waste sent to landfill; and motorhome maintenance materials (replacement tyres, batteries and water)

GROUP-WIDE GHG EMISSIONS BY SCOPE FY23 – INCLUDING CUSTOMER JOURNEYS IN SCOPE 1

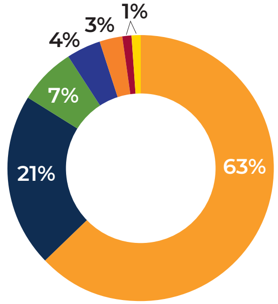
(tonnes CO_2e) (transitional year)



	Total tonnes CO_2e
Scope 1	59,393
Scope 2	1,953
Scope 3	4,126
Total FY23 footprint (tonnes CO_2e)	65,472

GHG EMISSIONS BY BUSINESS UNIT FY23 – EXCLUDING CUSTOMER JOURNEYS

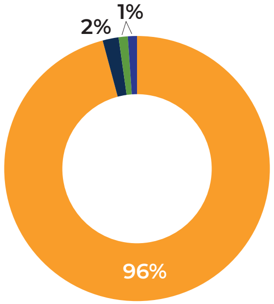
(tonnes CO_2e) (transitional year)



Self Drive Experiences (Global)	4,808
Manufacturing	1,619
Kiwi Experience	559
Discover Waitomo	306
Dealerships Australia	211
Head Office	57
thl Digital	25
Total GHG emissions (tonnes CO_2e)	7,585

GHG EMISSIONS BY BUSINESS UNIT FY23 – INCLUDING CUSTOMER JOURNEYS

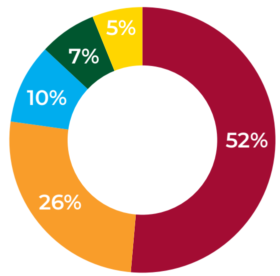
(tonnes CO_2e) (transitional year)



Self Drive Experiences (Global)	62,695
Manufacturing	1,619
Kiwi Experience	559
Discover Waitomo	306
Dealerships Australia	211
Head Office	57
thl Digital	25
Total GHG emissions (tonnes CO_2e)	65,472

GROUP-WIDE GHG EMISSIONS BY EMISSION SOURCE FY23 – EXCLUDING CUSTOMER JOURNEYS

(tonnes CO_2e) (transitional year)



Transport & Stationary Fuels	3,920
Electricity	1,953
Materials	747
Air Travel	533
Waste sent to Landfill	424
Taxi Use	8
Total FY23 footprint (tonnes CO_2e)	7,585

Our Climate Disclosures

Below please find a summary of ***thl***'s climate-related disclosures, aligned with External Reporting Board (XRB) / Te Kāwai Ārahi Pūrongo Mōwaho standard NZ CS 1. NZ CS 1 was developed in response to the TCFD framework and adjusted to take account of the International Sustainability Standards Board (ISSB) development of sustainability reporting standards.

For our full disclosures, please visit the ***thl*** sustainability website: thlsustainability.com.

Governance: NZ CS 1 disclosures 7, 8, 9

Refer to Our Global Sustainability Work Programme and Future-Fit Health Check sections of this report.

The ***thl*** Board oversees and is ultimately responsible for group-wide risks, including those relating to climate change. The Audit & Risk Committee (ARC) and Health, Safety and Sustainability Committee (HSSC) also have oversight of climate-related risks and opportunities (CR&O).

The identification and management of CR&Os is integrated throughout all levels of our business. Our operational-level Regional Risk Networks (RRN – previously Risk Champions Networks) report up to the Executive-level Risk & Improvement Committee (RIC) reports up to the ARC, which in turn makes recommendations to the Board. These committees are responsible for implementing ***thl***'s Enterprise Risk Management (ERM) framework across our business and escalating key risks up to ARC as required.

Climate-related risks are standing strategic and operational agenda items that are reported to the ARC and RIC on a bi-monthly / quarterly basis. Members of our Board regularly consider the integration of climate and sustainability into strategic decision-making through ARC meetings.

The ARC and HSSC consider CR&O when developing and overseeing the implementation of business strategy. Each ***thl*** business unit develops business plans that must include elements of our 23 science-based future-fit goals. Our priority goal is 'Products emit no greenhouse gases' (GHG), which presents the significant challenge to rapidly decarbonise our fleet. Our subsidiary, Action Manufacturing, leads our Future Fleet strategy and is developing new EV campervans for the New Zealand market. The ***thl*** Board has approved ongoing capital expenditure to trial EV and other low carbon vehicle technologies.

The ARC selects and reviews metrics and targets at quarterly meetings. The ARC and HSSC have oversight over the Future-Fit Business Benchmark qualitative metrics including an annual health check and score across future-fit goals. ARC meetings focus on priority goals for ***thl*** which include procurement, product harm and product GHG emissions.

The methodology for identification and assessment of quantitative metrics will be progressed in FY24 to prepare for mandatory FY24 reporting and full financial disclosures in FY25. Key performance metrics are not yet incorporated into our remuneration policies – the status of this will be reviewed in FY24.

Our Chief Responsibility Officer and Responsible Management (RM) Team undertake climate and carbon reporting associated with ***thl***'s CR&Os. Our RM team works with stakeholders to undertake the measurement and verification of ***thl***'s GHG emissions and, through the ERM framework, sees that the CR&Os identified, assessed and mitigated.

CR&Os are managed by ***thl***'s RIC and mitigation will be implemented via our new regional-specific risk networks. The ARC reviews CR&Os on a quarterly basis.

A key project for FY24 is a review of strategic decision-making processes at the governance and management level. This review will identify the triggers for influencing sustainability, including climate resilience when making decisions with regard to supply chains, business operations, and capital projects.

Strategy: NZ CS 1 disclosures 10 – 16

Refer to Our Climate & Carbon Strategy and Future Fleet sections of this report.

This year we have seen developments in extreme climate-related weather events globally. ***thl*** has experienced the impact of these on our operations and revenue, including the recent Canadian wildfires and Cyclone Gabrielle which caused damage to the roading infrastructure. This led to the closure of Waitomo Caves for five days and interrupted customer demand. ***thl***'s fleet was utilised as emergency mobile housing to contribute to relief efforts during the Auckland floods and Cyclone Gabrielle.

As with last year, this year's climate scenario analysis has adopted the scenarios developed by the Network for Greening the Financial System (NGFS). The global coverage and integrated assessment of risks at the NGFS make their scenarios relevant and appropriate to ***thl***'s multinational operations. Additionally, the NGFS scenarios have informed the core assumptions of the recently released New Zealand Tourism Sector Climate Scenarios.

Further information on our scenarios will be made available at: thlsustainability.com.

Priority risks and opportunities for ***thl*** and management actions are described in the Climate and Carbon Strategy section of this report. Further management actions are described in the Future Fleet section.

thl is committed to addressing our CR&Os and have identified their anticipated impact on key areas of our business, **see below table**.

	Area	Anticipated climate-related impacts
RISKS	Business model	Extreme physical risks could close certain attractions or eliminate tourism in whole regions, thus seasonally impacting ***thl***'s revenue from its tourism business.
RISKS	Supply chain	The scarcity in low-emissions and cost-effective technology to decarbonise the fleet could expose ***thl*** to higher operating costs from increases in fuel price and loss of revenue from changing customer preferences.
RISKS	Products and services	The pace of regulatory change in phasing out ICE vehicles could lead to stranded assets. ***thl*** may find it difficult to on-sell ICE vehicles.
RISKS	Access to capital	Accessing capital and loans may become more challenging due to stringent sustainability criteria.
OPPORTUNITIES	Business model	Growth into non-tourism markets will support diversification and resilience of ***thl***'s business model, e.g., acquiring 100% ownership of Action Manufacturing in 2022.
OPPORTUNITIES	Supply chain	Development of new supplier options for electric, plug in hybrid, and hydrogen fuel cell RVs in the European, UK and US markets.
OPPORTUNITIES	Products and services	Expansion into emergency management through partnerships that support housing for people displaced by extreme weather events.
OPPORTUNITIES	Access to capital	Enhanced market credentials and international financing options resulting from verified science-based emissions reduction targets.

At ***thl***, we are continuously working to manage, minimise and ultimately eliminate our GHG. We acknowledge that we are a part of a wider system and aim to work in partnership with other leading organisations in the industry to help drive the transition towards a low emissions RV and tourism sector.

Our Future Fleet programme is a core strategic goal of ***thl***, and it aims to address our greatest sustainability challenge of decarbonising our motorhome fleet. The actions we take to decarbonise our fleet will determine our resilience in a low-emissions future economy.

To prepare for mandatory reporting in FY24 and full financial disclosures in FY25, we have started the process of developing our methodology for identifying and assessing the financial impact of our CR&Os.

thl used three NGFS climate scenarios: **Orderly – Net Zero 2050; Disorderly – Delayed Transition and Hothouse – Current Policies** and assigned a materiality rating of high to low to each CR&O to meet the XRB's definition of materiality.

thl considers climate risks and opportunities across three-time horizons shown in the Climate & Carbon section. These align with business planning, capital allocation and risk management timeframes.

thl has categorised climate-related risks and opportunities as physical impacts from climate change and transitional impacts that arise as the economy and people transition to a lower carbon future.

thl has identified three transition risks, two physical risks and two opportunities through the Future Fleet Scan report and scenario analysis with stakeholders. Together these make up ***thl***'s priority CR&Os which could impact ***thl***'s business model. See thlsustainability.com for more information on how these were rated under the three NGFS climate scenarios.

We are continuously working to integrate our response to climate change into our business model and strategy. Refer to 'We are RV' for an in-depth description of our Build/Buy - Rent - Sell model (for RVs). Through our Future Fleet Programme, future-fit goals and Future Fleet, we have the foundations to prepare a transition plan in FY24.

Risk Management: NZ CS 1 disclosures 17 – 19

Refer to Enterprise Risk Management section of this report.

Metrics, Targets & Assurance of Greenhouse Gas Emissions: NZ CS 1 disclosures 20 – 26

Refer to Climate & Carbon and Greenhouse Gas inventory (our FY23 Carbon Footprint) sections of this report.

Our FY23 Future-Fit Health Check

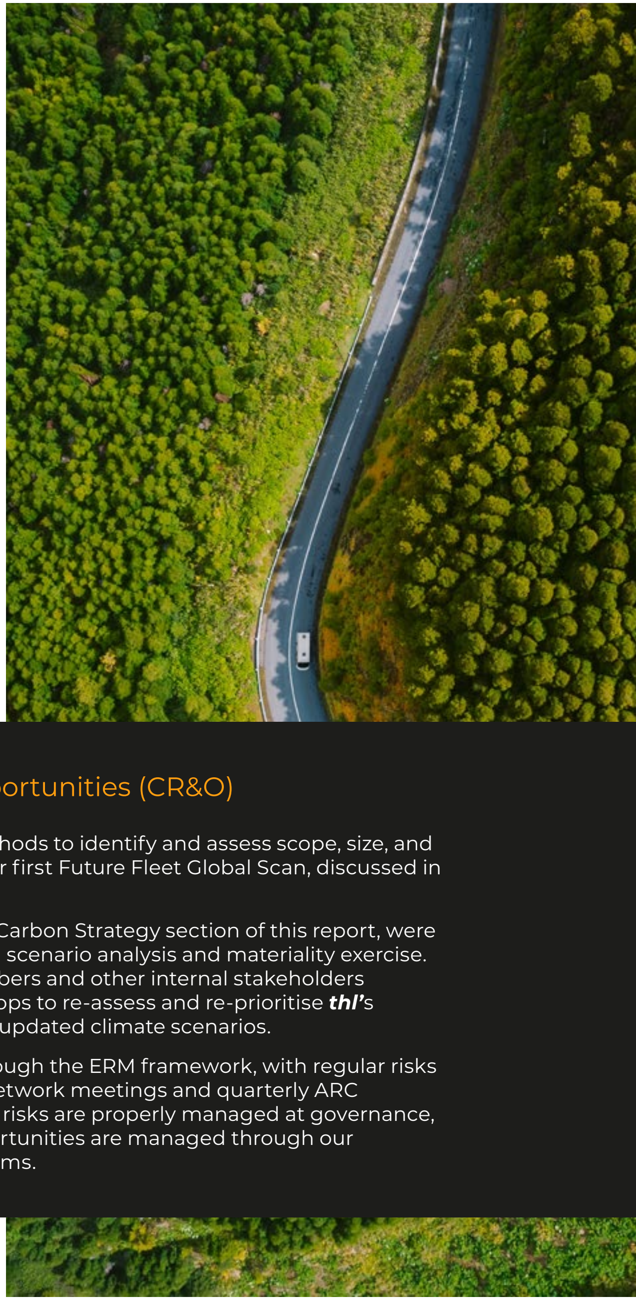
KEY - Health Check assessments show how ***thl*** is performing against the Future-Fit Break-Even Goals

- 🔴 We are off track and need to redesign our course
- 🟠 We have gaps and need to rethink how to address them
- 🟡 We have gaps but know how to close them
- 🟢 We are on track and can continue our journey

Future-Fit Break-Even Goals	FY19 Health Check	FY20 Health Check	FY21 Health Check	FY22 Health Check	FY23 Health Check	FY23 Review Commentary
BE01: Renewable energy	🟡	🟡	🟠	🟠	🟡	Renewable energy use has increased, San Francisco branches moved to 100% renewable energy community plan in FY22. Renewable energy programmes are being investigated in each region. Branch Action Plans have an energy efficiency focus with progress on LED lighting upgrades, installing timers, sensors and energy efficient equipment. Australia branches reduced energy use by 22%. A Future Fleet Global Scan of renewables in the grid mix was completed in FY23.
BE02: Water use	🟠	🟡	🟡	🟡	🟡	Branch actions underway focusing on water conservation awareness, leak detection, process efficiency in high water use activities, installing low flow facilities, water tanks and investigating recycled water where appropriate. US branches achieved a >50% reduction in branches over the last four years. We will reassess our water conservation impacts and practices and review new branch locations for water stress to prioritise water conservation at these locations.
BE03: Natural resources	🟡	🟢	🟢	🟢	🟢	This goal applies to businesses which directly manage natural resources. At ***thl***, we manage natural resources in Waitomo, NZ. Our environmental management practices at Discover Waitomo meet a high standard, guided by an Environmental Management Plan, with intensive monitoring oversight provided by the Environmental Management Advisory Group. Through our *Kaimahi for Nature* community conservation work we are making a positive impact through restoring our natural environment. We have undertaken an initial assessment of nature-based risks and opportunities aligned with draft TNFD guidelines.
BE04: Procurement PRIORITY GOAL	🟠	🔴	🟠	🟡	🟡	We progressed Level 2 - Embed of our five-year sustainable procurement framework in FY23. A Supplier Code of Conduct was rolled out to suppliers in each region we operate. Analysis of supplier hotspot assessments were completed for our main supplier categories and a Modern Slavery assessment of global policies and processes has been completed. A Modern Slavery Roadmap and Statement is in development. Training and continuous improvement is a focus of the Global Sustainable Procurement Working Group and lead managers.
BE05: Operational emissions	🟡	🟠	🟠	🟢	🟢	At a branch level we do not generate measurable liquid, gas or solid emissions released directly into nature. Emissions created by use of some chemical products and by potential spills are difficult to measure and not considered material. With expanded manufacturing activities we will review our operational emissions approach and impact again in FY24.
BE06: Operational GHGs	🟡	🟠	🟡	🟡	🟡	Operational emissions had reduced by over 20% in each country prior to the merger and new country and branch carbon impact reports have been rolled out to track improvements and impacts. Our FY23 footprint will again include emissions for Kiwi Experience coach operations. Post-merger, our increased manufacturing operations impacts on our operational GHG emissions will be reviewed in FY24 (excludes emissions from use of our products).
BE07: Operational waste	🟡	🟡	🟠	🟡	🟠	Operational waste remains a challenge due to the complexity of our vehicles, and branch moves due to the merger have increased waste in FY23. Branch Action Plans are in place to reduce, reuse, repurpose and recycle in each location, and Action Manufacturing has made significant progress in repurposing reprocessing and recycling its waste. As activity levels return and manufacturing expands, reducing waste is an ongoing challenge. Actions include working with suppliers on product stewardship and reducing packaging. Recycling and waste management at a national level will be a particular focus area for our New Zealand branches in FY24.
BE08: Operational Encroachment on Ecosystems or Communities	🟠	🟠	🟡	🟡	🟢	Most branches are now located in areas of low risk of impact on sensitive areas, ecosystems and community health and we have a framework to assess encroachment impacts for new locations. Our most significant location for operational impacts on communities and ecosystems is Waitomo NZ where we are actively working to restore and enhance ecosystems and cultural sites. We have done an initial assessment of our nature-based risks and opportunities (NR&O) using the draft TNFD framework and in FY24 will review our performance of this goal taking these NR&O into account.
BE09: Community health	🟠	🟠	🟠	🟡	🟡	We are working with partners to protect the health of communities where we operate and where our products impact through the Accelerate programme. We actively engage in industry responsible travel programmes, are progressing on our Reconciliation Action Plan in Australia and local community contribution activities from our branches.

Future-Fit Break-Even Goals	FY19 Health Check	FY20 Health Check	FY21 Health Check	FY22 Health Check	FY23 Health Check	FY23 Review Commentary
BE10: Employee health	🟢	🟡	🟢	🟢	🟢	Health, safety and wellbeing remains a top priority, and we have the systems, resources, capability and culture in place to meet this goal. In FY23 we have focused on critical health and safety risks and mental health with the trial of Mental Health First Aid training that will be rolled out to leaders in all sites globally in FY24. We also made improvements to our hazards register.
BE11: Living wage	🟡	🟠	🟠	🟡	🟡	We continue to make progress on this goal as a priority to close current gaps. In NZ & the US we continue movements towards a ***thl*** Future-Fit wage. In Australia, Canada and the UK and Ireland we will continue to investigate living wage models that meet Future-Fit criteria in each region in FY24.
BE12: Fair employment terms	🟡	🟡	🟡	🟢	🟢	As previously assessed, we perform well against the majority of the fitness criteria for this goal in NZ and AU. The US is the focus for this goal to review and make progress, with key issues relating to variation in employment regulations, such as paid parental leave which impact fitness progress.
BE13: Employee discrimination	🟡	🟡	🟢	🟢	🟢	As previously assessed, we have the policies, procedures and training in place to achieve this goal. We will continue to review our progress and implement initiatives focused on diversity and inclusion, including building our cultural capability globally.
BE14: Employee concerns	🟡	🟠	🟡	🟢	🟢	We have developed new mechanisms through the *Report It Now* platform. A *Speak Up* training and internal campaign was paused to bring on the rest of the group post-merger. The Policy has been translated and posters are available in English and French for Canada and English and Spanish for the US, ready to be launched June 2023.
BE15: Product communications	🟡	🟡	🟢	🟢	🟢	Safe and responsible use of our products is a critical priority. All customers receive instructions on safe driving and operating equipment in the motorhome, along with online manuals and instruction videos. Responsible Travel programmes help customers travel responsibly and address potential impacts from inappropriate use of vehicles.
BE16: Product concerns	🟡	🟠	🟢	🟢	🟢	We recognise the significance of this goal due to the complexity of motorhomes and the potential impact for people and the environment if issues arise. We have robust mechanisms in place for customers to raise concerns and roadside assistance to ensure guests have the information they need. Our customers and owners have channels to raise concerns, get support and advice and we proactively manage any issues identified.
BE17: Product harm PRIORITY GOAL	🔴	🔴	🔴	🟠	🟠	We are committed to ensuring our products do not cause harm to people or the environment. The highest potential impacts for communities and destinations are issues connected to freedom camping and accidents caused by poor driving / traffic management. We promote responsible travel and safe driving and traffic management at our branches. Responsible travel programmes help our customers avoid causing harm when using our products.
BE18: Product GHGs PRIORITY GOAL	🔴	🔴	🔴	🔴	🔴	Reducing the GHG emissions from our fleet remains our highest impact and greatest challenge. We are working on this through our Future Fleet programme and developing a new eRV pilot fleet in NZ. Industry partnerships with OEMs will be key to moving forward. We account for the customer journey emissions for our rental fleet as a Scope 1 emission and have set a science-aligned absolute reduction target to reduce emission by 50.4% by FY32 based on FY20 data. Further work on restating our baseline and developing a Scope 3 emissions target for use of sold products will be a focus in FY24.
BE19: Products can be repurposed	🔴	🔴	🔴	🔴	🔴	This goal is complex as our vehicles include many components and materials, and repurposing infrastructure varies by region. We are investigating more circular materials in our design and build work at Action and in Brisbane. The Global Sustainable Procurement Working Group is scoping product stewardship and repurposing opportunities in each market/country including extended producer responsibility changes. Data on the impact of our products at end of life is not currently collected but we are reviewing new AI tools to help understand our whole-of-life impacts.
BE20: Business ethics	🟡	🟡	🟢	🟢	🟢	A hotspot assessment of high-risk roles has been completed. We have a Code of Ethics and a Governance and Ethics Committee which includes the CEO. The Exec team has undertaken Ethics training and a review of the Code of Ethics is under way. All staff complete ethics training on an annual basis, and this is monitored.
BE21: Right tax	🟢	🟢	🟢	🟢	🟢	A hotspot assessment of high-risk roles has been completed. We have a Code of Ethics and a Governance and Ethics Committee which includes the CEO. The Exec team has undertaken Ethics training and a review of the Code of Ethics is under way. All staff complete ethics training on an annual basis, and this is monitored.
BE22: Lobbying & advocacy	🟡	🟡	🟢	🟢	🟢	We do not directly undertake lobbying activities, but we are active in a number of Tourism and RV Industry Groups. We proactively encourage the groups we engage with to make sustainability progress to address the key impacts, risks and issues impacting future-fit progress.
BE23: Financial assets	🟡	🟡	🟢	🟢	🟢	As a company we do not directly manage financial investment assets, beyond standard financing activities. We have reviewed this goal and many of the risk areas identified do not apply directly to our activities or are managed in other goals.

Our Enterprise Risk Management Framework



At *thl* we take an integrated approach to Enterprise Risk Management (ERM), managing risks at all levels of the organisation. We identify and manage our strategic, operational and regulatory risks using our ERM Framework – a suite of policies and tools including our ERM Policy and our online Risk Register which allows us to manage all our risks including risks from, and contributing to, climate change.

Risks and opportunities identified by our operational Risk Champions are reviewed and reported up to Risk Owners in the Risk & Improvement Committee (RIC). RIC provides Executive-level governance and a consistent approach to ERM across ***thl***. In turn, RIC reports key strategic and 'front and centre' operational risks up to the Audit & Risk Committee (ARC) who provide Board-level oversight of our ERM. Our critical risks are detailed below, noting that climate-related risk is a standing critical strategic risk reported to the ARC, with further priority climate risks and opportunities detailed in the Climate & Carbon Strategy section of this report and discussed in the text box below.

FY23 has seen the Responsible Management team focus on integrating risks from Apollo businesses which have a very similar risk profile to risks already captured under the ERM. We have been working with the RIC and ARC to identify risk appetite for critical risk areas and have delivered control measure projects for our higher-rated risks. Examples include reviewing emergency preparedness across our branches globally and assessing the risk of modern slavery in our supply chain.

Our ERM framework was externally assessed and a Risk Culture survey of key stakeholders undertaken. Results indicated that ***thl*** has a 'reasonably mature approach to risk with some variability across the merged business; it is clear that the tone at the top and culture is healthy with regard to engagement around risk in general, with risk well defined and understood, but there is a big opportunity to engage front-line staff more in general business risks and to improve the ERM system'. A wider internal Risk Culture survey of the business is to be undertaken in FY24.

In FY24 we will continue to focus on the effectiveness of our controls and delivery of control measure projects; development of risk metrics and improvement of our ERM system; refining our climate risk and opportunity management and reporting; and engaging our crew through themed risk months focussed on critical risks.

Below are the key short, medium and long-term strategic risks and 'front and centre' operational risks as agreed and owned by the RIC.

thl's Climate-related Risks & Opportunities (CR&O)

To understand our CR&O we used two methods to identify and assess scope, size, and impact: a Climate Scenario Analysis and our first Future Fleet Global Scan, discussed in this report and on thlsustainability.com.

Our priority CR&O, shown in the Climate & Carbon Strategy section of this report, were assessed and reviewed through our annual scenario analysis and materiality exercise. In June 2023, our Executive-level RIC members and other internal stakeholders attended climate scenario analysis workshops to re-assess and re-prioritise ***thl***'s priority CR&O and test these against three updated climate scenarios.

Our climate-related risks are managed through the ERM framework, with regular risks reviews, quarterly RIC and Regional Risk Network meetings and quarterly ARC meetings. This ensures our climate-related risks are properly managed at governance, management and operational levels. Opportunities are managed through our Transformation and Future Fleet workstreams.

Risk	Description	Impact	Risk Controls	Relevant Capitals See *About this report* for more information
Cyber security	Within our global digital landscape we face numerous cyber threats that can severely impact operations, reputation and customer trust. One of the most significant risks is the potential for a data breach and unauthorised access to sensitive information.	Financial losses due to regulatory fines, legal settlements and recovery costs. Loss of customer trust may also result in reduced revenue. Business disruption: for business-critical systems productivity could be affected, along with customer service and overall business continuity.	Implementation of comprehensive cyber and data policies, standards, software, and processes outlining how we will address cyber security risks and protecting our assets in line with our Written Information Security Programme. Prioritising cyber risks, undertaking regular risk assessments to identify assets across our global landscape, and implementing strategies to mitigate risks. Technology controls have increased with implementation of firewalls to monitor and control traffic, endpoint protection, vulnerability scanning and monitoring and Multi Factor Authorisation deployment across business-critical systems. Employee training and awareness programmes tailored to specific business units to share best practices for data handling procedures and phishing prevention.	
Supply chain disruption	Supply chain issues (i.e. shipping delays, product shortages, manufacturing disruptions) contributing to delays and/or a shortage of vehicles, increased manufacture cost, potentially causing rental booking cancellations and delaying retail vehicle deliveries.	Impact on delivery for customers and/or increase in cost of vehicle buy/build/maintenance impacting profitability. Potential reputational and revenue impact.	Maintain ongoing relationships and communication with existing suppliers and potential new suppliers; regular monitoring, review and production meetings; fleet and revenue planning; increased raw material stock. Reforecast revenue quarterly in line with reforecasted manufacturing assumptions; reschedule vehicle sale plans; and explore alternative rental / sales product types.	
Major market shocks or abnormal macroeconomic factors	Global or local macroeconomic factors or market shocks that impact supply or demand in all or some of the markets we operate in including: pandemic, war, terrorism, economic recession and geopolitical tensions. Some markets in which ***thl*** operates have already entered recession with the potential for other markets to enter recession.	Market shocks can lead to a material reduction and increased volatility in rental demand, vehicle sales demand and margins and overall tourism visitor numbers. This in turn could have a significant impact on profitability and potentially capital structure.	Active monitoring of global trends and the economic environment; agility and diversification in business models, product offerings and across geographies. Development of domestic tourism and non-tourism markets and non-RV related manufacturing. Long-term fixed costs and commitments minimised where appropriate to maintain cost flexibility; and internal and external monitoring of the forward-booking trends to detect changes and adapt pricing or fleet as required. Strong fiscal management of balance sheet to quickly adjust debt levels. Competitive tension amongst lenders to minimise borrowing rates.	
Long-term global inflation	Long-term global inflation causes significant detrimental impact to vehicle sales margins and overall business model, as seen with OEM pricing, shipping and other supply chain increases.	A significant reduction in profitability could occur if long term inflation becomes embedded in the manufacturing supply chain and these cost rises are not able to be passed on to vehicle purchasers causing a loss of sales margin and threatening the overall business model.	Fleet planning consideration given to ROFE impact; regular meetings and active monitoring of supply chain and availability; reviewing and adjusting fleet sales scheduling.	
Competitor behaviour - new or existing competitors disrupt market	New or existing competitors entering or expanding in the market (including manufacturers entering the rentals space). Peer-to-peer market continuing to grow.	Additional fleet supply and new entrant behaviours alter market dynamics, putting business model, revenue and profitability at risk.	Regular fleet and pricing review; price checks; mystery shoppers; competitor assessments; multi-channel distribution presence; explore alternative rental / sales product types. Continued product development based on current customer need.	
Megatrends in tourism	Market shifts, technology advancements and changing preference/attitudes can cause shifts in tourism patterns and demands both in the short and long-term.	Reduction in inbound tourism reduces demand, impacting profitability and ROFE. External factors increase the cost of air travel. Potential reputational impact.	Maintain presence in core markets through geographic spread of ***thl*** businesses; develop new markets; continue to source non-tourism revenue opportunities and to engage with tourism bodies; monitor economic/external environment; manage balance sheet ratios, flex fleet; drive and communicate sustainability progress to meet/anticipate customer expectations.	

Risk	Description	Impact	Risk Controls	Relevant Capitals See *About this report* for more information
Regulatory and legal compliance	Changing governments or political contexts can cause changes in regulatory and legal requirements in a short period of time. With ***thl*** operating in numerous countries and several areas of operations (including adventure tourism/tourism, automotive manufacturing and transportation), the legislative context is complex.	Potential reputational, legal and financial impacts e.g., exposure to litigation; revenue loss; and operational disruption.	Ongoing regular monitoring of upcoming legal policy and compliance changes; proactive engagement with legal advisers in each region. ***thl*** Future Fleet Global Scan highlights changing regulation with regard to internal combustion engine vehicle import cut-off dates and eRV charging infrastructure.	
Vehicle technological and obsolescence risks	Our business relies on motorhome manufacturing, rentals and sales. There are several potential risks associated with the possible poor selection of future fleet and investment in new, low-emission vehicle technology alongside the expected rapid pace of technology change. Evolving technology and regulatory changes such as internal combustion engine sales / import cut-off dates may cause parts for repair to no longer be available and/or entire vehicles to become obsolescent.	Early adoption of the wrong product leads to lack of reduction in emissions contributing to climate change; financial consequences. Obsolescence of existing fleet leads to impairment of all or some of fleet; operational impacts of poor decisions, disruption to daily activity.	Continue delivery of the Future Fleet programme including Future Fleet eRV trials and regular external Future Fleet Global Scans providing an overview of regulation, low-emissions technology tipping points, renewable energy infrastructure and climate trends.	
Health, Safety & Wellbeing (HSW)	The safety of our crew and customers remains a critical priority to ***thl***. The key operational health and safety risks to our business to proactively manage are on-site traffic management, working at heights, manufacturing services and adventure tourism.	Potential for serious injury or loss of life; financial and reputational consequences; operational disruption; impact on mental health of those directly and indirectly impacted by a HSW event.	Regular internal and external site audits and assessments, with outcomes being captured as part of ongoing risk assessments; HSW team working within operational business units to capitalise on global learnings and implement best practices at a site level; process, procedure and training remains a core area following the merger; ensuring that our crew have the right training and equipment to do their roles safely; global HSW Steering Committee with quarterly meetings. Ongoing assessment of high risk practices, equipment and products including assessing latest technology which may enable risk elimination. Relaunch of H&S management and recording platform enabling greater risk transparency and management of incidents.	
Labour supply risk: recruitment and retention	Globally, recruitment challenges are easing but we remain in a low unemployment, high wage inflation environment in all jurisdictions. The challenge continues to prepare to have the right number of crew with the right skills to deliver operationally. This is a particular risk in the lead-up to peak periods.	Lack of skilled labour and sustainable labour force/high churn impacting operations and customer offering. Loss of key crew members resulting in loss of knowledge, skills or reputation that could impair the execution of the business strategic plan.	Clear strategies to retain our crew through personal development plans, wellbeing and appropriate remuneration for each role where possible aligned with our Future-Fit Living Wage. Regarding talent acquisition, our brand as an employer of choice has been redefined to reflect the significant opportunities of our merged businesses; and development of assets to support effective recruitment is underway.	
Extreme weather events including from climate change	Globally, extreme weather events continue to cause disruption and ongoing impacts to the communities we operate in and the destinations our customers visit. These weather events have the potential to impact operations and infrastructure (including closing off areas), cause loss of fleet, and disrupt our customers' travel plans to tourism destinations as well as posing a potential safety risk.	Disruption to travel infrastructure impacting customers, staff or suppliers, and/or impacting operations. Disruption to our Discover Waitomo glowworm tours, cave and karst ecosystem and glowworm population.	Continue to proactively monitor potential significant events and climate conditions and their possible impact on our customers, crew and assets; Emergency Response branch scan completed and BCP updates underway; regular training and crew awareness/engagement. Telematics enables us to communicate with our customers, monitor who is in/near impacted areas and provide advance warning. Initial Taskforce on Nature-related Financial Disclosures (TNFD) assessment undertaken with a particular focus on our Discover Waitomo business. ***thl*** Climate Risks & Opportunities have been re-priortised to reflect our merged, global business and disclosed in alignment with the Taskforce for Climate-related Financial Disclosures (TCFD) and XRB Climate Standard NZ CS 1. See Climate & Carbon Strategy, Enterprise Risk Management and Health Check sections of this report for more information.	

Our Financial Statements

CONTENTS

Directors' Statement

The Directors of Tourism Holdings Limited (***thl***) are pleased to present to shareholders, the Annual Financial Statements for ***thl*** and its controlled entities (together the 'Group') for the year ended 30 June 2023.

The Directors are responsible for presenting financial statements in accordance with New Zealand law and generally accepted accounting practice, which present fairly, in all material respects, the financial position of the Group as at 30 June 2023 and the results of the Group's operations and cash flows for the year ended on that date.

The Directors consider the financial statements of the Group have been prepared using accounting policies which have been consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statements with the Financial Markets Conduct Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

This document constitutes the 2023 Annual Report to Shareholders of Tourism Holdings Limited.

This Annual Report is signed on behalf of the Board by:

Cathy Quinn ONZM
Chair of the Board

Rob Hamilton
Chair of the Audit and Risk Committee

28 August 2023

Consolidated income statement

For the year ended 30 June 2023

	Notes	2023 $000's	2022 $000's
Sales of services	2	306,988	118,886
Sales of goods	2	356,853	226,864
Total revenue		663,841	345,750
Cost of sales	2	(257,654)	(150,785)
Gross profit		406,187	194,965
Administration expenses	4, 5	(86,926)	(51,369)
Operating expenses	4, 5	(238,894)	(147,473)
Other income	3	8,487	10,760
Operating profit/(loss) before financing costs*		88,854	6,883
Finance income		629	17
Finance expenses	6	(23,298)	(10,736)
Net finance costs		(22,669)	(10,719)
Share of profit from associates		812	1,105
Profit/(loss) before tax		66,997	(2,731)
Income tax (expense)/benefit	7	(17,139)	612
Profit/(loss) for the year		49,858	(2,119)
Profit/(loss) is attributable to:			
Non-controlling interests		-	(637)
Equity holders of the parent		49,858	(1,482)
Profit/(loss) for the year		49,858	(2,119)
Earnings/(loss) per share from profit/(loss) for the year attributable to the equity holders of the Company	8		
Basic earnings/(loss) per share (in cents)		26.4	(1.0)
Diluted earnings/(loss) per share (in cents)		26.1	(1.0)

* The consolidated income statement includes one non-GAAP measure (that is, operating profit/(loss) before financing costs or "EBIT") which is not a defined term in New Zealand Equivalents to 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 and therefore may not be comparable to similarly titled amounts reported by other companies. This measure has not been subject to a separate audit or review.

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

Consolidated statement of comprehensive income

For the year ended 30 June 2023

	Notes	**2023 $000's**	2022 $000's
Profit/(loss) for the year		49,858	(2,119)
Other comprehensive income/(losses)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation reserve movement (net of tax)	22	2,233	14,952
Equity investment reserve movement (net of tax)	22	1,638	(954)
Cash flow hedge reserve movement (net of tax)	22	1,697	3,938
Other comprehensive income for the year net of tax		5,568	17,936
Total comprehensive income for the year		55,426	15,817
Total comprehensive income for the year is attributable to:			
Equity holders of the Company		55,426	16,454
Non-controlling interests		-	(637)
Total comprehensive income for the year		55,426	15,817

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

Consolidated statement of changes in equity

For the year ended 30 June 2023

	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 year		-	49,858	-	-	49,858
Other comprehensive income						
Cash flow hedge reserve movement (net of tax)		-	-	1,697	-	1,697
Equity investment reserve movement (net of tax)	22	-	-	-	1,638	1,638
Foreign currency translation reserve movement (net of tax)	22	-	-	-	2,233	2,233
Total comprehensive income for the year		-	49,858	1,697	3,871	55,426
Transactions with owners						
Ordinary shares issued as part consideration for 51% acquisition of Just go	17	8,031	-	-	-	8,031
Ordinary shares issued for the acquisition of Apollo	18, 21	212,889	-	-	-	212,889
Issue of ordinary shares (net of issue costs)	21	779	-	-	-	779
Shares issued to employees	21, 22	2,325	291	-	(2,616)	-
Cost during the period for employee share scheme	22	-	-	-	2,162	2,162
Total transactions with owners		224,024	291	-	(454)	223,861
Closing balance as at 30 June 2023		503,007	87,849	2,018	18,081	610,955

For the year ended 30 June 2022

	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 as at 1 July 2021		277,792	42,313	(3,617)	(1,030)	(2,859)	312,599
Loss for the year		-	(1,482)	-	-	(637)	(2,119)
Other comprehensive income							
Cash flow hedge reserve movement (net of tax)		-	-	3,938	-	-	3,938
Equity investment reserve movement (net of tax)	22	-	-	-	(954)	-	(954)
Foreign currency translation reserve movement (net of tax)	22	-	-	-	14,952	-	14,952
Total comprehensive income/ (loss) for the year		-	(1,482)	3,938	13,998	(637)	15,817
Transactions with owners							
Issue of ordinary shares (net of issue costs)	21	197	-	-	-	-	197
Acquisition of non-controlling interests		-	(3,496)	-	-	3,496	-
Shares issued to employees	21, 22	994	365	-	(1,207)	-	152
Cost during the period for employee share scheme	22	-	-	-	2,903	-	2,903
Total transactions with owners		1,191	(3,131)	-	1,696	3,496	3,252
Closing balance as at 30 June 2022		278,983	37,700	321	14,664	-	331,668

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

Consolidated statement of financial position

As at 30 June 2023

	Notes	2023 $000's	2022 $000's
Assets			
Non-current assets			
Property, plant and equipment	11	659,291	311,831
Intangible assets	16	190,315	55,407
Investment	20	23,193	5,630
Derivative financial instruments	29	2,422	453
Investment in associates		-	5,966
Right-of-use assets	12	145,010	70,766
Total non-current assets		1,020,231	450,053
Current assets			
Cash and cash equivalents		76,794	38,816
Trade and other receivables	24	64,183	33,082
Inventories	15	181,928	67,290
Assets classified as held for sale		-	333
Current tax receivables		13	6,254
Derivative financial instruments	29	421	-
Total current assets		323,339	145,775
Total assets		1,343,570	595,828
Equity			
Share capital	21	503,007	278,983
Retained earnings		87,849	37,700
Cash flow hedge reserve	22	2,018	321
Other reserves	22	18,081	14,664
Total equity		610,955	331,668

	Notes	2023 $000's	2022 $000's
Liabilities			
Non-current liabilities			
Interest bearing loans and borrowings	23	250,715	97,298
Derivative financial instruments	29	-	45
Deferred income tax liability	34	36,987	16,077
Lease liabilities	12	139,226	72,721
Total non-current liabilities		426,928	186,141
Current liabilities			
Interest bearing loans and borrowings	23	111,225	-
Trade and other payables	25	62,033	31,913
Revenue in advance	26	75,980	26,046
Employee benefits		19,348	9,041
Provisions		3,495	618
Derivative financial instruments	29	-	15
Current tax liabilities		12,903	-
Lease liabilities	12	20,703	9,898
Liabilities classified as held for sale		-	488
Total current liabilities		305,687	78,019
Total liabilities		732,615	264,160
Total equity and liabilities		1,343,570	595,828

For and on behalf of the Board who authorised the issue of the consolidated financial statements on 28 August 2023.

C Quinn ONZM
Chair of the Board

28 August 2023

R D Hamilton
Chair of the Audit and Risk Committee

28 August 2023

Consolidated statement of cash flows

For the year ended 30 June 2023

	Notes	2023 $000's	2022 $000's
Cash flows from operating activities			
Receipts from customers		316,907	128,337
Proceeds from sale of goods		352,441	227,289
Proceeds from insurance recoveries		-	133
Interest received		531	17
Dividend received		-	807
Payments to suppliers and employees		(400,085)	(199,077)
Purchase of rental assets		(312,082)	(164,465)
Interest paid		(23,542)	(10,471)
Taxation (paid)/received		4,403	(4,189)
Net cash flows used in operating activities	33	(61,427)	(21,619)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		58,619	175
Purchase of property, plant and equipment		(7,014)	(2,930)
Sale proceeds from Togo class B shares		-	23,145
Purchase of intangibles		(5,107)	(4,606)
Advance to joint venture		(172)	-
Net cash received as part of Apollo merger		50,602	-
Net cash received as part of the step acquisition of Just go		4,374	-
Net cash flows from investing activities		101,302	15,784
Cash flows from financing activities			
Payment for lease liability principal	12	(21,938)	(9,611)
Proceeds from borrowings	23	417,741	89,057
Repayments of borrowings	23	(400,873)	(76,158)
Proceeds from share issue	21	975	193
Net cash flows (used in)/from financing activities		(4,095)	3,481
Net increase/(decrease) in cash and cash equivalents		35,780	(2,354)
Opening cash and cash equivalents		38,816	38,087
Exchange gains/(losses) on cash and cash equivalents		2,198	3,083
Closing cash and cash equivalents		76,794	38,816

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 (continued)

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 recreational vehicles (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 consolidated financial statements (financial statements) of the Group have been prepared:

- in accordance with Generally Accepted Accounting Practice (GAAP), and comply with New Zealand. Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS), as applicable for a "for profit" entity;
- in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013 and the NZX Main Board Listing Rules;
- under the historical cost convention, as modified by the revaluation of certain assets and liabilities as identified in specific accounting policies; and
- in New Zealand dollars with values rounded to thousands ($000's) unless otherwise stated.

These financial statements have been prepared on a going concern basis.

Throughout this document, accounting policies and critical accounting estimates are identified using the following key:

Key:

= Accounting policy

= Critical accounting estimate

Significant changes in the Group during the year

On 30 November 2022, the merger between ***thl*** and Apollo Tourism & Leisure Ltd (ATL/Apollo) completed with the implementation of the scheme of arrangement. As a result of the acquisition there are considerable balance sheet movements between 30 June 2023 and 30 June 2022 in particular, property, plant and equipment, intangible assets, right-of-use assets, financial asset, inventories, lease liabilities, cash and borrowings. Refer to note 18 for further details. The income statement for the current financial year includes seven months of Apollo operating activity from December 2022 onwards, which does not allow for comparability to the prior financial year.

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

Summary of significant accounting policies

a) Consolidation

The Group consolidates its subsidiaries, as these are the entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Information on the Group's subsidiaries can be found in note 19.

b) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in New Zealand dollars, rounded to the nearest thousand, which is the Company's functional and presentation currency.

Translation into presentation currency

The results and financial position of all the Group entities with foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position ('balance sheet') presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at the average monthly exchange rates; and

(iii) all resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Notes to the consolidated financial statements (continued)

Transactions and balances in the functional currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges.

At the end of each reporting period:

(a) Foreign currency monetary items are translated using the closing rate;

(b) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and

(c) Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

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

thl is organised into geographic and service type operating segments. They are made up of the following business operations:

- New Zealand Rentals - rental of motorhomes and the sale of new and ex-rental fleet direct to the public and through a dealer network;
- Action Manufacturing - manufacturing and the sale of motorhomes and other speciality vehicles;
- Tourism Group - Kiwi Experience and the Discover Waitomo Caves Group experiences;
- Australia - rental of motorhomes and 4WD vehicles, manufacture of RVs, the sale of new and used RVs and ex-rental fleet direct to the public and through a dealer network and Australian Group Support Services;
- United States Rentals - rental of motorhomes and the sale of new and ex-rental fleet directly to the public and through a dealer network;
- Canadian Rentals - rental of motorhomes and the sale of new and ex-rental fleet directly to the public and through a dealer network;
- UK/Europe Rentals - rental of motorhomes and the sale of new and ex-rental fleet directly to the public and through a dealer network;
- Other - includes Group Support Services in New Zealand, Group elimination entries and ***thl*** digital (the prior period included Just go, with the remaining 51% acquired in October 2022 and is now included under the UK/Europe segment above).

Notes to the consolidated financial statements (continued)

1. Segment note (continued)

2023	New Zealand Rentals $000's	Action Manu-facturing $000's	Tourism Group $000's	Australia $000's	United States Rentals $000's	Canadian Rentals $000's	UK/Europe Rentals $000's	Other $000's	Total $000's
Sales of services	77,029	-	25,069	106,414	78,656	12,066	6,614	1,140	306,988
Sales of goods - external	47,204	47,007	-	132,332	97,741	22,372	10,052	145	356,853
Sales of goods - inter-segment	-	71,497	-	-	-	-	-	(71,497)	-
Total revenue	124,233	118,504	25,069	238,746	176,397	34,438	16,666	(70,212)	663,841
Depreciation	(13,144)	(3,394)	(1,470)	(22,251)	(21,176)	(2,959)	(2,366)	(371)	(67,131)
Amortisation	(155)	(32)	(621)	(459)	(117)	(73)	-	(1,018)	(2,475)
Other costs - external	(78,806)	(39,572)	(16,686)	(179,996)	(141,635)	(30,822)	(16,157)	(1,707)	(505,381)
Other costs - inter-segment	-	(67,208)	-	-	-	-	-	67,208	-
Operating profit/(loss) before interest and tax	32,128	8,298	6,292	36,040	13,469	584	(1,857)	(6,100)	88,854
Interest income	-	60	-	408	123	106	(45)	(23)	629
Interest expense	(682)	(752)	(61)	(6,285)	(5,758)	(4,346)	(1,222)	(4,192)	(23,298)
Share of profit from joint ventures and associates	-	-	-	-	-	-	812	-	812
Profit/(loss) before tax	31,446	7,606	6,231	30,163	7,834	(3,656)	(2,312)	(10,315)	66,997
Taxation	(9,260)	(2,130)	(1,856)	(4,682)	(2,042)	1,810	345	676	(17,139)
Profit/(loss) after tax	22,186	5,476	4,375	25,481	5,792	(1,846)	(1,967)	(9,639)	49,858
Capital expenditure	67,043	4,038	454	62,725	125,315	49,438	17,587	742	327,342
Non-current assets	131,715	26,903	15,659	231,770	267,109	195,430	61,292	90,353	1,020,231
Total assets	163,421	80,750	17,538	379,056	305,853	209,668	76,430	110,854	1,343,570
Net funds employed	116,077	43,427	10,300	230,282	217,012	126,647	51,932	100,424	896,101

'Other' total assets includes provisional goodwill of $102.1 million from the Apollo acquisition not yet allocated to cash generating units.

Notes to the consolidated financial statements (continued)

1. Segment note (continued)

2022	New Zealand Rentals $000's	Action Manu-facturing $000's	Tourism Group $000's	Australia $000's	United States Rentals $000's	Other $000's	Total $000's
Sales of services	18,356	-	3,178	41,997	53,647	1,708	118,886
Sales of goods - external	73,925	26,045	-	35,916	90,896	82	226,864
Sales of goods - inter-segment	-	41,633	-	-	-	(41,633)	-
Total revenue	92,281	67,678	3,178	77,913	144,543	(39,843)	345,750
Depreciation	(12,305)	(2,445)	(1,489)	(13,307)	(14,627)	(533)	(44,706)
Asset impairment	-	-	-	-	-	(678)	(678)
Amortisation	(14)	(4)	(705)	(27)	(111)	(989)	(1,850)
Other costs - external	(88,941)	(21,589)	(5,225)	(58,016)	(117,074)	(788)	(291,633)
Other costs - inter-segment	-	(38,730)	-	-	-	38,730	-
Operating profit/(loss) before interest and tax	(8,979)	4,910	(4,241)	6,563	12,731	(4,101)	6,883
Interest income	-	2	-	2	2	11	17
Interest expense	(564)	(283)	(62)	(1,683)	(3,933)	(4,211)	(10,736)
Share of profit from joint venture and associate	-	-	-	-	-	1,105	1,105
Profit/(loss) before tax	(9,543)	4,629	(4,303)	4,882	8,800	(7,196)	(2,731)
Taxation	2,622	(2)	352	(1,378)	(2,649)	1,667	612
Profit/(loss) after tax	(6,921)	4,627	(3,951)	3,504	6,151	(5,529)	(2,119)
Capital expenditure	12,499	2,322	293	43,164	112,818	131	171,227
Non-current assets	69,517	13,629	17,198	102,150	224,231	23,328	450,053
Total assets	96,885	45,248	18,095	133,370	279,034	23,196	595,828
Net funds employed	70,991	29,677	14,808	66,067	174,027	34,580	390,150

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 together with the Board of Directors (the Board), who 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 for 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 is a non-GAAP measure that is not defined in NZ IFRS (this measure has not been subject to a separate audit or review).

The Board and management believe that 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.

	2023 $000's	2022 $000's
Reconciliation of the Group's net funds employed (non-GAAP measure)		
Total assets	1,343,570	595,828
Less: Cash and cash equivalents	(76,794)	(38,816)
Less: Total liabilities	(732,615)	(264,160)
Add: Interest bearing loans and borrowings	361,940	97,298
Net funds employed	896,101	390,150

Notes to the consolidated financial statements (continued)

2. Revenue

The revenue earned by the Group is derived from the satisfaction of one or more performance obligations, which are satisfied at a point in time or over a period of time.

(i) Sales of services

Sales of services comprises rental income and service revenue.

Rental income

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases as a lessor. Rental income is recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction. Where the rental covers a period of more than one day, revenue is recognised on a straight-line basis based on the number of days of the booking that have occurred by year-end as a proportion of the total number of days in the booking. The portion of the revenue that occurs after year-end is shown as revenue in advance on the statement of financial position.

Service revenue

Service revenue comprises various performance obligations (rental add-ons such as accessories and customer liability reduction) in which satisfaction in most cases occurs evenly over the rental period and is recognised accordingly. The Group recognises this revenue over time, as the customer simultaneously receives and consumes the benefits provided by the Group's performance.

Sales from tourism services are recognised when the service is rendered to the customer and are recognised in the accounting period in which the performance obligation is satisfied, being when the customer obtains the benefit from the service. It relates to the satisfaction of a number of performance obligations at a point in time; the contract price that is determined for any single performance obligation is based with reference to the stand-alone price and no significant financing components exist, as the transaction is settled within 12 months from the transaction date. There are no costs to obtain or fulfil the contract.

The Group prices its services on a fixed basis and the pricing is fixed and determinable when the duly executed arrangement is finalised. It has also been determined that there are no significant financing components as part of the Group's sale of services arrangements.

Revenue from these sales is recognised net of the estimated discounts or other promotions. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

(ii) Sales of goods

The Group sells a range of RVs including motorhomes, campervans, caravans, accessories and other merchandise. Sales are recognised when control of the goods has transferred, being when the goods are delivered to the customer and the customer has the ability to direct the use of the goods. It relates to the satisfaction of a single performance obligation at a point in time; the contract price is determined and no significant financing components exist as the transaction is settled within 12 months from the transaction date and there are no costs to obtain or fulfil the contract.

Notes to the consolidated financial statements (continued)

2. Revenue (continued)

Sales of services

Sales of services includes revenue from rental of motorhomes, Wi-Fi, accessories, additional services relating to the rental of motorhomes, revenue from RV repairs and servicing and the sale of tourism experiences (for Kiwi Experience and Waitomo) and app subscriptions income (***thl*** digital).

	2023 $000's	2022 $000's
Rental revenue	232,853	96,701
Service revenue	74,135	22,185
Total sales of services	306,988	118,886

The expected minimum lease payments to be received on lease of motorhomes, based on the booked rentals as of balance date, are as follows:

	2023 $000's	2022 $000's
Within one year	27,104	7,116
Within one to two years	26	3
Total	27,130	7,119

Sales of goods

- Sales of goods includes revenue from the sale of RVs, other specialty vehicles and other merchandise.
- Cost of goods includes the net book value of ex-rental fleet sold and the purchase price of new vehicles, trade-ins and retail goods sold.

	2023 $000's	2022 $000's
Sales of goods	356,853	226,864
Cost of sales	(257,654)	(150,785)
Gross profit	99,199	76,079

Notes to the consolidated financial statements (continued)

3. Other income, net

	2023 $000's	2022 $000's
Gain on previously held equity instrument *	3,510	-
Fair value movements on financial assets recognised at fair value through profit or loss	1,638	282
Gain on sale of mighway and SHAREaCAMPER	-	5,381
Gain on loan forgiveness	-	2,267
Gain on sale of Togo Class B preference share	-	1,326
Other income	3,339	1,504
Other income	**8,487**	10,760

* $3.5 million relates to the Group's revaluation of its previously held 49% shareholding in Just go (refer to note 17).

4. Profit/(loss) before tax includes the following specific expenses

	Notes	2023 $000's	2022 $000's
Transaction costs (1)		5,760	5,108
Depreciation	11, 12	67,131	44,706
Goodwill impairment	16	-	678
Amortisation of intangible assets	16	2,475	1,850
Rental and operating lease costs		3,614	1,558
Raw materials and consumables		3,099	1,178
Repairs and maintenance including damage repairs		32,259	21,333
Net foreign exchange (gain)/loss		(812)	(174)

(1) Transaction costs in relation to the Apollo merger of $5.8 million have been incurred to 30 June 2023 and expensed through the income statement (2022: $5.1 million).

Fees paid to auditors		
PricewaterhouseCoopers New Zealand		
Audit and review of financial statements[i]	1,093	685
Other - audit related	-	16
Agreed upon procedures[ii]	32	9
Fees paid	1,125	710
BDO Audit Pty Ltd and network firms[iii]		
Audit and review of financial statements	454	-
Other – tax compliance	5	-
Agreed upon procedures	44	-
Fees paid	503	-
Hillier Hopkins LLP[iv]		
Audit and review of financial statements	38	-
Total fees paid	1,666	710

Notes on fees paid to auditor:

i. The fee includes fees for the annual audit of the consolidated financial statements and review of the interim financial statements of ***thl***.

ii. Agreed upon procedures in 2023 are in relation to financial information of Tourism Holdings USA, Inc. for the purpose of reporting to one of the Group's financiers and the compliance with banking covenants. Agreed upon procedures in 2022 are in relation to the interim financial statements.

iii. The fees incurred for BDO Audit Pty Ltd and its network firms are for the audit and review of the Group's Apollo controlled entities in Australia, New Zealand and Canada. Agreed upon procedures in 2023 are in relation to the acquisition opening balance review of the Apollo values at 30 November 2022.

iv. The fees incurred for Hillier Hopkins LLP are for the audit and review of the Group's controlled entities in UK/Europe.

Notes to the consolidated financial statements (continued)

5. Employee benefits expense

Employee entitlements to salaries and wages and annual leave to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided up to the reporting date. These are calculated at undiscounted amounts based on remuneration rates that the Group expects to pay.

	2023 $000's	2022 $000's
Wages and salaries*	120,109	66,361
Share-based payment costs	1,226	3,038
Other employee benefits	4,123	2,289
Total employee remuneration	125,458	71,688

* In the current year, training subsidies of $0.8 million was received from the Australian Government for engaging staff who enrol and complete an apprenticeship. The prior year includes net benefits of $3.8 million received and passed onto employees in relation to NZ COVID-19 Wage Subsidy, Resurgence Support and Leave Support Scheme. Subsidies received are netted off against wages and salaries.

6. Finance expenses

	2023 $000's	2022 $000's
Interest on bank borrowings	16,949	7,055
Interest on lease liabilities (finance leases)	6,349	3,681
Total finance expenses	23,298	10,736

7. Income tax

The Group is subject to income taxes in multiple jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Current and deferred income tax

Income tax expenses comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantially enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available, against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future.

Notes to the consolidated financial statements (continued)

7. Income tax (continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantially enacted by balance date.

Current tax and deferred tax are charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the tax is classified within equity.

	Notes	2023 $000's	2022 $000's
Current tax		15,182	(4,885)
Deferred tax	34	1,957	4,273
Income tax expense/(benefit)		17,139	(612)

The Group shall offset current tax assets and current tax liabilities if, and only if, the Group has a legal enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The tax on the profit/(loss) before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated companies as follows:

	2023 $000's	2022 $000's
Profit/(loss) before tax	66,997	(2,731)
Tax calculated at domestic rates applicable to (losses)/profits in the respective countries	18,947	(680)
Prior year adjustment	(775)	(876)
Non-assessable income[1]	(2,454)	(3,810)
Expenses not deductible for tax purposes	1,655	5,264
Recognised deferred tax - Employee share scheme	(234)	(396)
Adjustment for US tax losses carried back[2]	-	(114)
Income tax expense/(benefit)	17,139	(612)

[1] The non-assessable income includes income from the Group's equity investment in Just go to 30 September 2022 and fair value gain from acquiring the remaining 51% shareholding in Just go (note 17).

[2] The adjustments for US tax losses carried back has been fully utilised in the current and prior years.

The weighted average effective tax rate was 26% (2022: 22%).

8. Earnings per share

	2023	2022
Profit/(loss) attributable to the equity holders of the Parent ($000's)	49,858	(1,482)
Weighted average number of ordinary shares on issue (000's)	189,009	151,989
Basic earnings/(loss) per share (in cents)	26.4	(1.0)

Diluted

Diluted earnings(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares arising from the employee share scheme (refer to note 32).

	2023	2022
Weighted average number of ordinary shares on issue (000's)	189,009	151,989
Dilutive redeemable shares and options if exercised (000's)	1,808	753
Total shares (000's)	190,817	152,742
Diluted earnings/(loss) per share (in cents)	26.1	(1.0)

Notes to the consolidated financial statements (continued)

9. Dividends

There were no dividends paid for the years ended 30 June 2023 and 2022.

Dividend distributions to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Board (refer note 37 for further details).

10. Imputation and franking credits

	2023 $000's	2022 $000's
Imputation credits available for use in subsequent reporting periods		
Imputation credit account (New Zealand)	14,682	4,463
Franking credit account (Australia) (A$)	7,903	-

The above amounts represent the balance of the imputation and franking credit account as at the year-end adjusted for:

- Imputation credits that will arise from the payment of the amount of the provision for income tax;
- Imputation debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- Imputation credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

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 buildings are the Waitomo Caves Visitor Centre and the Waitomo Caves Homestead.

- Leased assets

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

- Inventory

  The most significant inventory items are vehicles held for sale including ex-rental motorhome fleet assets and new or trade-in motorhomes, campervans, and caravans. Other inventory items include spare parts, living equipment used inside rental motorhomes, and retail shop stock.

- Intangible assets

  Intangible assets include:

  - goodwill arising from the purchase of the Road Bear RV, El Monte RV, Just go Motorhomes and Apollo businesses;
  - the cost of the Waitomo Caves leases;
  - software;
  - supplier relationships;
  - brands; and
  - trademarks, leases and licenses.

Notes to the consolidated financial statements (continued)

11. Property, plant and equipment

Property, plant and equipment is made up of the following assets:

- Motorhomes - this comprises the rental fleet of the New Zealand, Australian, Canadian, United States and UK/Europe rentals businesses. Motorhomes that are held for sale are reclassified from property, plant and equipment to inventory (as shown in the table below);
- Motor vehicles - this comprises vehicles owned by the business, including shuttles and company cars;
- Land and buildings - this comprises owned land and buildings in Waitomo;
- Other plant and equipment - this comprises office equipment, furniture, and other plant used to operate the business; and
- Capital work in progress - this represents capital purchases and projects that are not yet in service. The most significant work in progress relates to the motorhome fleet built for the next season.

Land and buildings are shown at historical cost, less subsequent accumulated depreciation for buildings. Land is not depreciated. All other property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the period in which they are incurred.

The Group estimates the residual values of the fleet in order to depreciate motorhome assets using the straight-line method. This estimate of the useful life and the residual value of the vehicle is based on when it is expected to be taken out of the rental fleet. The residual value is influenced by its condition, the mileage on the motorhome and the consumer demand within the relevant resale market. The Group also considers the market conditions and the impact any changes could have on the estimates as part of the overall fleet management programme. The Group completes an annual review of the appropriateness of the residual values and useful lives that have been used by reviewing the gains/losses made on recent sales and forecasts of similar motorhomes. The estimated useful lives of motorhomes on the rental fleet are 1 - 7 years. The annual depreciation rates as a percentage of the original costs of between 2% and 15% for the life of motorhomes. If the depreciation rate increases/(decreases) by 1% for motorhomes, the depreciation expense will increase/(decrease) by approximately $5.0 million for the year (2022: $3.0 million).

Depreciation on other assets is calculated using the straight-line method to allocate their cost amounts to their residual values over their estimated useful lives as follows:

Buildings	8 - 50 years
Leasehold improvements	term of the lease
Motor vehicles (non-fleet)	3 - 14 years
Other plant & equipment	2 - 40 years

The assets' useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement.

Notes to the consolidated financial statements (continued)

11. Property, plant and equipment (continued)

	Motorhomes $000's	Motor vehicles $000's	Land and buildings $000's	Other plant and equipment $000's	Capital work in progress $000's	Total $000's
Year ended 30 June 2023						
At 1 July 2022	301,520	764	11,106	6,971	20,848	341,209
Additions and transfers from work in progress (net)	299,919	620	1,461	4,933	20,409	327,342
Disposals	(3,391)	(86)	(58)	(99)	(3,986)	(7,620)
Reclassification of motorhomes to inventories	(119,751)	-	-	-	-	(119,751)
Additions from business combinations	165,460	65	2,243	8,294	-	176,062
Transfer from right-of-use assets*	12,245	-	-	-	-	12,245
Exchange differences	12,535	7	408	185	-	13,135
Depreciation charges	(44,821)	(248)	(1,851)	(2,947)	-	(49,867)
Closing net book amount	623,716	1,122	13,309	17,337	37,271	692,755
As at 30 June 2023						
Cost	727,974	3,056	33,896	58,852	37,271	861,049
Accumulated depreciation	(104,258)	(1,934)	(20,587)	(41,515)	-	(168,294)
Net book amount	623,716	1,122	13,309	17,337	37,271	692,755
Less reclassification of motorhomes to inventories at balance date						
Cost	51,165	-	-	-	-	51,165
Accumulated depreciation	(17,701)	-	-	-	-	(17,701)
Net book amount reclassified	33,464	-	-	-	-	33,464
Closing net book amount post reclassification	590,252	1,122	13,309	17,337	37,271	659,291

* This transfer relates to Apollo vehicles purchased under a hire purchase agreement, previously accounted for under NZ IFRS 16 and recognised as a right-of-use asset.

	Motorhomes $000's	Motor vehicles $000's	Land and buildings $000's	Other plant and equipment $000's	Capital work in progress $000's	Total $000's
Year ended 30 June 2022						
At 1 July 2021	274,052	865	12,393	7,103	14,619	309,032
Additions and transfers from work in progress (net)	161,380	157	353	1,943	6,734	170,567
Disposals	(2,489)	(49)	(72)	(274)	(283)	(3,167)
Reclassification of motorhomes to inventories	(118,374)	-	-	-	-	(118,374)
Additions from business combinations	(223)	-	-	-	(222)	(445)
Exchange differences	18,102	9	149	75	-	18,335
Depreciation charges	(30,928)	(218)	(1,717)	(1,876)	-	(34,739)
Closing net book amount	301,520	764	11,106	6,971	20,848	341,209
As at 30 June 2022						
Cost	369,556	2,397	28,983	31,571	20,848	453,355
Accumulated depreciation	(68,036)	(1,633)	(17,877)	(24,600)	-	(112,146)
Net book amount	301,520	764	11,106	6,971	20,848	341,209
Less reclassification of motorhomes to inventories at balance date						
Cost	43,390	-	-	-	-	43,390
Accumulated depreciation	(14,012)	-	-	-	-	(14,012)
Net book amount reclassified	29,378	-	-	-	-	29,378
Closing net book amount post reclassification	272,142	764	11,106	6,971	20,848	311,831

Notes to the consolidated financial statements (continued)

12. Leases

The Group's leasing activities

The Group predominantly leases its premises in New Zealand, Australia, Canada, United Kingdom and the United States under operating lease agreements. Lease agreements may contain both lease and non-lease components. The Group allocates the consideration in the agreement to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, the Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms, escalation clauses and renewal rights. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Lease liabilities have been measured at the present value of the lease payments, discounted using a discount rate derived from the incremental borrowing rate for each relevant jurisdiction when the interest rate implicit in the lease was not readily available. Incremental borrowing rates applied to lease liabilities range between 2.5% - 9.1% (2022: 3.9% - 6.5%). The Group is exposed to potential future increases in variable lease payments based on the change of an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the expected lease term on a straight-line basis. The Board considered whether there were any indicators of impairment of the Group's right-of-use assets by assessing any potential impact of onerous leases to the recognised asset. The Board is of the view that there is no impairment to the right-of-use assets.

Short-term and low-value leases

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less and predominantly relate to property leases and computer equipment.

Extension and termination options are included in a number of property leases across the Group. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment of the lease term is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Group. The extension options are only exercisable by the Group and not by the lessor. Where an extension is reasonably certain of being exercised, that extension period and related costs are recognised on the statement of financial position.

To determine the incremental borrowing rate, the Group uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group and makes adjustments specific to the lease, e.g. term, country, currency and security.

Notes to the consolidated financial statements (continued)

12. Leases (continued)

Right-of-use assets have the following additions and modifications:

	30 June 2023 $000's Vehicles and equipment	30 June 2023 $000's Buildings	30 June 2023 $000's Total
Opening net book value at 1 July	-	70,766	70,766
Additions from business combination	12,325	34,377	46,702
Additions	12	48,721	48,733
Transfer to motorhome property, plant and equipment	(12,245)	-	(12,245)
Modifications	-	7,201	7,201
Exchange differences	7	1,110	1,117
Depreciation charges	(16)	(17,248)	(17,264)
Closing net book value at 30 June	83	144,927	145,010
Cost	136	190,429	190,565
Accumulated depreciation	(53)	(45,502)	(45,555)
Closing net book value at 30 June	83	144,927	145,010

	30 June 2022 $000's Vehicles and equipment	30 June 2022 $000's Buildings	30 June 2022 $000's Total
Opening net book value at 1 July	-	62,339	62,339
Additions	-	10,823	10,823
Modifications	-	3,362	3,362
Terminations	-	(384)	(384)
Exchange differences	-	4,593	4,593
Depreciation charges	-	(9,967)	(9,967)
Closing net book value at 30 June	-	70,766	70,766
Cost	-	98,920	98,920
Accumulated depreciation	-	(28,154)	(28,154)
Closing net book value at 30 June	-	70,766	70,766

Consolidated income statement and cash flow

	2023 $000's	2022 $000's
Interest paid on leases (operating activities)*	6,670	3,681
Payments for lease liability principal (financing activities)	21,938	9,611
Total cash outflows from lease liabilities	28,608	13,292

*Interest paid on leases in the statement of cash flows comprises interest charged to the profit or loss of $6.4 million (2022: $3.7 million) and $0.3 million (2022: nil) capitalised to the cost of motor vehicle manufacture.

13. Capital commitments

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

Purchase orders placed for capital expenditure at balance date but not yet incurred are as follows:

	2023 $000's	2022 $000's
Property, plant and equipment	153,436	109,059

14. Operating leases

Where a significant portion of the risk and rewards of ownership are retained by the lessor, leases have been classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. The Group has recognised these leases as operating leases on the basis of short-term and low-value leases.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2023 $000's	2022 $000's
Within one year	2,307	631

Notes to the consolidated financial statements (continued)

15. Inventories

Inventories are made up of the following categories:

- Raw materials and work in progress - this comprises parts, factory, labour and workshop stock;
- Vehicles held for sale - this mainly comprises new and ex-rental motorhome fleet, which are now on the sale yard and goods in transit;
- Finished goods - this comprises living equipment to be used in motorhomes and retail shop stock; and
- Inventory provision - a provision is created to allow for the value of inventory which is obsolete or to recognise the net realisable value when it is lower than cost.

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Ex-rental motorhomes held for sale at balance date have been reclassified as inventory.

	2023 $000's	2022 $000's
Raw materials and work in progress	**51,270**	22,921
Vehicles held for sale	**120,408**	38,851
Finished goods	**12,177**	6,181
Provision for obsolescence	**(1,927)**	(663)
	181,928	67,290

16. Intangible assets

Intangible assets of the Group comprise:

- Brands - the brand value acquired relates to the Road Bear RV brand of the United States rentals business, the Just go Motorhome brand in the UK and a provisional value for a number of rental and retail brands as part of the Apollo business combination.
- Supplier relationships - the provisional value acquired relates to the Apollo business combination with exclusive arrangements to manufacture and distribute Winnebago RVs and import and distribute Adria RVs in Australia; and
- Goodwill - this relates to the Road Bear and El Monte RV and Just go business combinations and a provisional value for the Apollo business combination;
- Trademarks, leases and licences - ***thl*** has a licence to operate the Waitomo Glowworm Caves until 2027, and licences to operate other caves in the Waitomo region, with licence terms expiring in 2032, 2033 and 2039; and
- Other intangibles - this relates to acquired software licences and software development costs.

Brands

The Road Bear RV brand acquired in the United States rentals business combination was valued using the relief from royalty method and recognised at fair value at the acquisition date.

The Just go Motorhomes brand acquired in the UK rentals business combination was valued using the relief from royalty method and recognised at fair value at the acquisition date (refer to note 17 for further detail).

A number of rental and retail brands were acquired as part of the Apollo business combination and were valued using the relief from royalty method and recognised at provisional fair value at the acquisition date (refer to note 18 for further detail). The rental brand is Apollo. Retail brands include Windsor and Coromal, which are produced by the Australian manufacturing facility and sold through the dealership network across Australia. The dealership network includes Apollo RV, Sydney RV Group, Kratzmann Caravans and Motorhomes and George Day Caravans and Motorhomes.

Brand values are included in the net assets of the cash-generating unit (CGU). Brands are deemed to have an indefinite life as the Group has determined that there is no foreseeable limit to the period over which the brand is expected to generate net cash inflows for the entity. Brands are tested annually for impairment and are carried at cost less any accumulated impairment losses. Brands are reviewed periodically to assess whether events and circumstances still justify the assessment of an indefinite useful life.

Notes to the consolidated financial statements (continued)

16. Intangible assets (continued)

Supplier relationships

These relate to Winnebago and Adria with exclusive arrangements to manufacture and distribute Winnebago RVs and import and distribute Adria RVs in Australia.

Provisional supplier agreement values are included in the net assets of the CGU and determined using the "with and without" valuation approach which estimates the fair value of an asset by comparing cash flows of the business 'with' the asset to the hypothetical cash flows of the business 'without' the asset.

Supplier relationships are included in the net assets of the cash-generating unit (CGU). Supplier relationships are deemed to have an indefinite life as the Group has determined that there is no foreseeable limit to the period over which the supplier relationship is expected to generate net cash inflows for the entity. Supplier relationships are tested annually for impairment and are carried at cost less any accumulated impairment losses.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Trademarks, leases and licences

Trademarks, leases and licences are shown at historical cost of acquisition by the Group less amortisation.

Amortisation of trademarks, leases and licences are calculated using the straight-line method over the life of the underlying assets. These costs are amortised over their estimated useful lives (21-49 years).

Other intangibles

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (3-15 years).

Costs associated with maintaining computer software programmes are recognised as an expense, as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development and application costs are recognised as assets and are amortised over their estimated useful lives (three to five years), only if such costs create an intangible asset that the Group controls and the intangible asset meets the recognition criteria. Costs that are not capitalised as computer software are expensed as incurred unless the costs meet the requirement to be recognised as an asset controlled by the Group in accordance with IFRIC agenda decision on Software-as-a-Service. In this case, the costs paid upfront are recorded as a prepayment for services and amortised over the expected terms of the cloud computing agreement.

	Brand $000's	Goodwill $000's	Trademarks, leases and licences $000's	Supplier relationships $000's	Other intangibles $000's	Total $000's
Year ended 30 June 2023						
At 1 July 2022	908	34,230	11,863	-	8,406	55,407
Exchange differences	(340)	1,705	-	(104)	64	1,325
Additions	-	2,475	-	-	5,107	7,582
Additions from business combinations	6,965	113,244	-	7,228	1,039	128,476
Amortisation charges	-	-	(616)	-	(1,859)	(2,475)
Closing net book amount	7,533	151,654	11,247	7,124	12,757	190,315
As at 30 June 2023						
Cost	7,533	197,952	29,293	7,124	29,955	271,857
Accumulated amortisation and impairment	-	(46,298)	(18,046)	-	(17,198)	(81,542)
Net book amount	7,533	151,654	11,247	7,124	12,757	190,315

Notes to the consolidated financial statements (continued)

16. Intangible assets (continued)

	Brand $000's	Goodwill $000's	Trademarks, leases and licences $000's	Other intangibles $000's	Total $000's
Year ended 30 June 2022					
At 1 July 2021	805	31,196	13,859	5,261	51,121
Exchange differences	103	3,869	-	4	3,976
Additions	-	-	-	4,606	4,606
Goodwill impairment	-	(678)	-	-	(678)
Disposals	-	(157)	(1,341)	(270)	(1,768)
Amortisation charges	-	-	(655)	(1,195)	(1,850)
Closing net book amount	908	34,230	11,863	8,406	55,407
As at 30 June 2022					
Cost	908	80,528	29,293	23,741	134,470
Accumulated amortisation and impairment	-	(46,298)	(17,430)	(15,335)	(79,063)
Net book amount	908	34,230	11,863	8,406	55,407

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. The Group tests whether goodwill and brands have suffered any impairment on an annual basis in accordance with the accounting policy.

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The Group has estimated the recoverable amount of its CGUs on a value in use basis and determined that there is no impairment.

The table below details the cash-generating units that goodwill, brands and supplier relationships are attributable to, except where amounts are provisional and yet to be allocated:

Group's CGUs	2023 $000's	2022 $000's
Goodwill		
United States Rentals	35,000	34,230
UK/Europe Rentals acquired through the Just go business combination	12,055	-
Provisional goodwill acquired through the Apollo business combination	102,124	-
Goodwill acquired through Transcold acquisition*	2,475	-
Brands		
United States Rentals	929	908
UK/Europe Rentals acquired through the Just go business combination	419	-
Provisional brand value acquired through the Apollo business combination	6,185	-
Supplier relationships		
Provisional value of supplier relationships acquired through the Apollo business combination	7,124	-
Total intangible assets	166,311	35,138

*On the 1st June 2023, Action Manufacturing purchased Transcold Group Limited for $5.4 million and recognised associated goodwill of $2.5 million. Transcold is a market leader in New Zealand's transport refrigeration industry, providing quality solutions for Trucks and Trailers and container parts. The business operates in Auckland and Christchurch and has an extensive service network throughout New Zealand.

The results of impairment testing confirmed that no impairment of intangible assets with indefinite useful lives (i.e. goodwill and brands) in the United States Rentals and UK/Europe Rentals cash generating units (CGU) was required at 30 June 2023 for the Group.

As the goodwill and intangible asset allocation following the merger with Apollo is provisional at 30 June 2023 and there were no indicators of impairment identified, no further impairment testing was required.

The recoverable amount of the United States and UK/Europe Rentals CGUs have been determined using value in use calculations. These calculations use cash flow projections based on management prepared forecasts covering a five-year period plus a terminal value calculation. These annual free cash flows are then discounted by a country specific post-tax discount rate to arrive at a recoverable amount (or enterprise value) of the CGU which is compared to the carrying book value. The Group has engaged an external party to undertake the discount rate calculation during the year based on the current market inputs. The Group has adopted these rates in the value in use calculations.

Notes to the consolidated financial statements (continued)

16. Intangible assets (continued)

The CGU value in use models used by ***thl*** to generate the cash flow projections incorporate the expected growth rates from markets the businesses operate in. Capital expenditure and disposal proceeds are projected forward based on current build or purchase costs, realisable sale values and expected fleet rotation by vehicle type (for the rentals operations).

The following table shows the sensitivity analysis for the value in use calculations of the Group's United States and UK/Europe Rentals CGUs:

CGU	Key assumptions	Change in key assumption	Reduction in recoverable amount ($M)	Increase in recoverable amount ($M)	Would the indicated sensitivity result in impairment
United States Rentals	Discount rate: 11.30% (2022: 8.53%)	Discount rate (+/- 1.00%)	18	23	Yes
	Terminal growth rate: 2.50% (2022: 1.25%)	Terminal growth rate (+/- 0.5%)	8	9	No
		Yield (+/- 5.00%)	34	34	Yes
		Vehicle sales margin (+/- 2.00%)	6	6	No
UK/Europe Rentals	Discount rate: 11.80% (2022: N/A*)	Discount rate (+/- 1.00%)	6	7	No
	Terminal growth rate: 2.50% (2022: N/A*)	Terminal growth rate (+/- 0.5%)	2	3	No
		Yield (+/- 5.00%)	9	9	No
		Vehicle sales margin (+/- 2.00%)	4	4	No

* Comparative information is not relevant for UK/Europe Rentals CGU (which includes Just go) as this CGU only materialised in FY23 as a result of the Group's step acquisition of Just go (note 17).

A sensitivity test of a 1.00% increase in the discount rate, or a 5.00% decrease in yields for the United States Rentals CGU on a standalone basis would result in impairment. The United States business has over the long term provided some of the best returns within the Group and operates in the largest RV market in the world. It continues to perform profitably and is expected to do so in the future.

No impairment of the United States Rentals CGU was recognised during the financial year, however, a change in any of the key assumptions noted below would result in a break-even position with no remaining headroom.

Key Assumption	Sensitivity to Breakeven
Discount rate	An increase of 0.66%
Terminal growth rate	A decrease of 0.82%
Yield	A decrease of 1.68%
Vehicle sales margin	A decrease of 3.95%

Notes to the consolidated financial statements (continued)

Section C – Investments

In this section

thl's investments comprise subsidiaries, associates and other investments. This section explains the investments held by ***thl***, providing additional information, including:

a) Accounting policies, judgements and estimates that are relevant for measuring the investments; and

b) Details of business combinations in the period.

During the year:

- ***thl*** acquired the remaining 51% interest in Just go, a motorhome rental operation in the United Kingdom, previously an associate entity became a 100% owned subsidiary in October 2022;
- ***thl*** acquired a 100% interest in Apollo Tourism & Leisure Ltd and its subsidiaries, through an through an Australian Scheme of Arrangement from 30 November 2022;
- There was an increase to a 14.1% shareholding in Camplify Holdings Limited.

Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the acquiree.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the income statement as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the income statement.

Notes to the consolidated financial statements (continued)

17. Acquisition of 51% of Just go Motorhomes

As at 30 June 2022, the Group had a 49% interest in THL UK and Ireland 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 unaudited $000's	30 Jun 2022 audited $000's
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.

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

	$000's
Ordinary shares issued	8,031
Paid in cash	2,680
Total consideration	**10,711**

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

The contribution of Just go for 9 months to the Group results for the period ended 30 June 2023 was revenue of $11.4 million and operating loss before interest and tax of $1.8 million. If the acquisition had occurred at the beginning of the financial year, the contribution to revenue and operating profit before interest and tax for the period is estimated at $18.8 million and $0.3 million respectively.

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%	10,290
Fair value of the 51%	10,711
Total fair value of the consideration	**21,001**

Notes to the consolidated financial statements (continued)

17. Acquisition of 51% of Just go Motorhomes (continued)

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

	Fair value $000's
Acquisition date fair value of assets acquired and liabilities recognised	
Cash and cash equivalents	7,054
Trade and other receivables	828
Inventories	1,305
Property, plant and equipment	17,961
Right-of-use assets	2,085
Intangible assets - brand	393
Total assets	**29,626**
Trade and other payables	1,457
Deferred income tax liability	2,277
Revenue in advance	516
Lease liabilities	2,085
Interest bearing loans and borrowings	13,697
Total liabilities	**20,032**
Total identifiable net assets acquired	**9,594**
Goodwill on acquisition	11,407
Net assets acquired	**21,001**

The goodwill of $11.4 million arising from the acquisition is attributable to expected synergies within the wider global Group and its strategic position in the United Kingdom and Europe.

18. 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 ATL 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 ATL 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 seven months to the Group results for the period ended 30 June 2023 was revenue of $187.6 million and operating profit before interest and tax of $24.4 million. If the acquisition had occurred at the beginning of the financial year, the contribution to revenue and operating profit before interest and tax for the period is estimated at $392.6 million and $66.5 million respectively.

The fair value of assets and liabilities from the acquisition is shown in the table below. The intangible assets, deferred tax and goodwill remains provisional. While considerable progress has been made, further detailed analysis is required to finalise the fair value of these assets, which will be completed within 12 months from acquisition as permitted under NZ IFRS 3.

Notes to the consolidated financial statements (continued)

18. Acquisition of Apollo Tourism & Leisure Ltd (continued)

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

	Fair value $000's
Acquisition date fair value of assets acquired and liabilities assumed	
Cash and cash equivalents	50,602
Trade and other receivables**	18,724
Assets classified as held for sale*	59,052
Inventories	92,330
Current tax receivables	36
Property, plant and equipment	158,101
Intangible assets	14,839
Right-of-use assets	44,617
Investment	14,934
Deferred income tax assets	5,229
Total assets	**458,464**
Interest bearing loans and borrowings	224,433
Deferred income tax liability	21,434
Lease liabilities	38,271
Trade and other payables	31,003
Revenue in advance	22,666
Employee benefits	6,615
Provisions	508
Current tax liabilities	1,450
Total liabilities	**346,380**
Total identifiable net assets acquired	**112,084**
Goodwill on acquisition	101,837
Net assets acquired	**213,921**

	Fair value $000's
Purchase consideration – ***thl*** shares issued to Apollo shareholders	212,889
Purchase consideration – value of Apollo shares previously held by ***thl***	1,032
Total fair value of the consideration	**213,921**

* The Canadian properties were held at fair value less cost to sell at 30 November 2022 with the fair value determined by a signed sales and purchase agreement. On 5 January 2023, ***thl*** completed the sale and leaseback of its properties in Canada for a total purchase price of CAD$51.0 million (NZ$59.4 million). The sale generated pre-tax net cash proceeds (after the repayment of associated debt and closing costs) of approximately CAD$25.8 million (NZ$30.0 million) which was used to repay borrowings. 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$3.0 million (NZ$3.5 million).

** The fair value of acquired trade receivables is NZ$9.1 million, which is equal to the gross contractual amount.

The goodwill balance of $101.8 million is provisionally allocated and attributable to expected synergies across Australia and New Zealand.

The valuation of both the tangible and intangible assets are areas where estimates and judgements have a significant risk of causing a material adjustment to the fair value of the recognised amounts of identifiable assets acquired and liabilities assumed.

The valuation of vehicles within the inventory category was completed using a market valuation approach in reference to the selling price in either retail or wholesale market.

The valuation of vehicles within the property, plant and equipment category was completed using a cost approach. The cost approach considers the cost to replace existing assets less the amount of depreciation in the asset.

Notes to the consolidated financial statements (continued)

19. Subsidiaries

The principal activities of the Parent Company and trading subsidiaries are motorhome rental (Tourism Holdings Australia Pty Limited, JJ Motorcars Inc, El Monte Rents Inc., CanaDream Inc. Apollo Motorhome Holidays Pty Ltd), retail sale of RVs (Sydney RV Group Pty Ltd, Apollo RV West Pty Ltd, Apollo Investments Pty Ltd and Apollo Motorhome Holidays Pty Ltd), manufacture of RVs (Action Manufacturing Group GP Limited and Apollo Motorhome Industries Pty Ltd), and attractions (Waitomo Caves Limited). All other subsidiaries are 100% owned. The Group has control over these subsidiaries and therefore it has fully consolidated these subsidiaries from the date control was attained. All subsidiaries have 30 June balance dates, except for THL UK and Ireland Limited which has a 31 December balance date. Material subsidiary companies at 30 June 2023 and 2022 are:

		% equity interest	
Name	**Place of business / country of incorporation**	**2023**	2022
Waitomo Caves Limited	New Zealand	100	100
Action Manufacturing Group GP Limited	New Zealand	100	100
TH2Connect GP Limited	New Zealand	100	100
Apollo Motorhome Holidays Limited	New Zealand	100	-
thl Group (Australia) Pty Ltd	Australia	100	100
Tourism Holdings Australia Pty Ltd	Australia	100	100
Outdoria Pty Ltd	Australia	100	100
Apollo Motorhome Holidays Pty Ltd	Australia	100	-
Apollo Motorhome Industries Pty Ltd	Australia	100	-
Sydney RV Group Pty Ltd	Australia	100	-
Apollo RV West Pty Ltd	Australia	100	-
AMH Products Pty Ltd	Australia	100	-
GRL Enterprises Pty Ltd	Australia	100	-
Apollo Investments Pty Ltd	Australia	100	-
Apollo RV Service & Repair Centre Pty Ltd	Australia	100	-
Tourism Holdings USA Inc	United States	100	100
JJ Motorcars Inc	United States	100	100
El Monte Rents Inc	United States	100	100
CanaDream Inc	Canada	100	-
THL UK and Ireland Limited (formerly Skewbald Limited)	United Kingdom	100	49
Bunk Campers Limited	United Kingdom	100	-

For further information on the acquisition of Just go and Apollo, refer to note 17 and 18, respectively.

20. Investment

Camplify Holdings Limited

On 26 October 2021, the Group entered into an agreement to sell its peer to peer business mighway and SHAREaCAMPER to Camplify Holdings Limited (CHL, an ASX listed entity) for a purchase price of $8.1 million. The transaction completed on 29 April 2022 with the purchase price settled by CHL issuing 1,059,162 new fully paid ordinary shares to ***thl*** under tranche 1 and in May 2023, a further 2,023,611 ordinary shares under tranche 2.

In addition, the Group acquired 6,895,620 shares through the acquisition of ATL.

The shares are classified as a financial asset and measured at fair value through other comprehensive income which is determined by reference to the closing share price of CHL at the balance date. The share price of CHL at 30 June 2023, was AUD$2.10 per share. Changes in fair value are recorded in the equity investment reserve.

At 30 June 2023, the Group held 10,111,401 shares or 14.1% of CHL at a fair value of $23.2 million.

Notes to the consolidated financial statements (continued)

Section D – Managing funding

In this section

This section explains how ***thl*** manages its capital structure and working capital, the various funding sources and distributions to shareholders. In this section of the notes there is information about:

a) Equity;

b) Debt;

c) Receivables and payables; and

d) Financial instruments.

21. Share capital

	2023 Shares 000's	2022 Shares 000's	2023 $000's	2022 $000's
Ordinary shares				
Opening balance	152,061	151,489	278,983	277,792
Issue of ordinary shares – 51% acquisition of Just go	2,942	-	8,031	-
Issue of ordinary shares - in lieu of Directors' fees	16	55	47	99
Ordinary shares to be issued - in lieu of Directors' fees accrued at 30 June	-	-	-	28
Ordinary shares issued - cash paid by employees	533	94	732	193
Ordinary shares issued - options and rights offer	832	423	2,325	871
Ordinary shares issued as the consideration for Apollo merger	57,693	-	212,889	-
Closing balance	214,077	152,061	503,007	278,983

The total number of ordinary shares is 214,077,123 shares (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 share.

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 17).

On 30 November 2022, as per the Scheme Implementation Deed, Apollo shareholders received one ***thl*** consideration share in exchange for every 3.210987 ATL shares held, resulting in 57,693,364 shares being issued (refer note 18).

Ordinary shares were issued to Directors in lieu of Directors' fees per the terms outlined in note 31. Shares were issued in October 2022 (12,714) and April 2023 (3,435). In the prior year shares were issued to Directors in lieu of Directors' fees in October 2021 (35,169) and April 2022 (20,273).

22.Other reserves

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 the income statement as part of the gain or loss on disposal.

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

	2023	2022
NZD/AUD	0.9182	0.9031
NZD/USD	0.6075	0.6214
NZD/CAD	0.8052	0.8011
NZD/GBP	0.4816	0.5127

	2023 $000's	2022 $000's
Foreign currency translation reserve		
Balance at beginning of the year	10,948	(4,004)
Currency translation differences (net of tax)	2,233	14,952
Balance at year end	13,181	10,948

Notes to the consolidated financial statements (continued)

22. Other reserves (continued)

Employee share scheme

The employee share scheme reserve is used to recognise the accumulated value of share options and rights granted which have been recognised in the income statement. In accordance with the Group's accounting policy, amounts accumulated in the executive share scheme reserve have been transferred to share capital on the exercise of the options or to retained earnings when they have been forfeited (refer to note 32).

	2023 $000's	2022 $000's
Employee share scheme reserve		
Balance at beginning of the year	4,670	2,974
Value of employee services charged to the income statement	2,162	2,903
Transfer to retained earnings	(291)	(213)
Transfer to share capital	(2,325)	(994)
Balance at year end	4,216	4,670

Equity investment reserve

The equity investment reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

	2023 $000's	2022 $000's
Balance at the beginning of the year	(954)	-
Change in fair value of equity instrument	1,638	(954)
Balance at year end	684	(954)

Cash flow hedge reserve

The cash flow hedge reserve is used to record gains or losses on hedging instruments that are recognised directly in equity. The hedging instruments are used to manage interest rate risk. Amounts are recognised in the income statement when the associated hedged transaction affects profit or loss.

	2023 $000's	2022 $000's
Balance at beginning of year	321	(3,617)
Fair value gain	2,451	5,664
Deferred tax on fair value gain	(687)	(1,585)
Ineffective interest rate swap transferred to income statement (net of tax)	(67)	(141)
Balance at year end	2,018	321

23. Interest bearing loans and borrowings

Interest bearing loans and borrowing (borrowings) are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Borrowing costs are recognised as an expense in the period in which they are incurred, except for borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, which are capitalised.

Qualifying assets are those assets that necessarily take an extended period of time (six months or more) to get ready for their intended use.

During the year, the Group renegotiated and consolidated its banking facilities with new and/or existing financiers. The structure includes a syndicated corporate debt facility, asset financiers and floor plan finance, including a number of previous lenders to Apollo.

Notes to the consolidated financial statements (continued)

23. Interest bearing loans and borrowings (continued)

The Guaranteeing Group consisting of Tourism Holdings Limited and all New Zealand, Australian, United States, United Kingdom and Ireland 100% owned subsidiaries, had at 30 June 2023, 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 and Australia and New Zealand Banking Group Limited (London branch). The Group has provided a composite first ranking debenture over the assets and undertakings of the Guaranteeing Group in New Zealand, Australia, United Kingdom and Ireland and the US. Certain members of the Group also have asset finance 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.

	2023 $000's	2022 $000's
Non-current		
Syndicated bank borrowings	107,357	97,298
Asset finance	143,358	-
	250,715	97,298
Current		
Asset finance	72,771	-
Floor plan finance	36,828	-
Other loans	1,626	-
	111,225	-
Total borrowings	361,940	97,298

The Group has the following undrawn borrowing facilities:

	Total facility $000's	Used at reporting date* $000's	Unused at reporting date $000's
Borrowings			
Syndicated bank borrowings	250,898	107,357	143,541
Asset finance	411,014	216,129	194,885
Floor plan finance	54,457	36,828	17,629
Other loans	3,489	1,626	1,863
	719,858	361,940	357,918

The carrying amount of the Group's borrowings are denominated in the following currencies:

	2023 NZ$000's	2022 NZ$000's
New Zealand dollar	38,422	553
Australian dollar	86,026	-
United States dollar	107,872	93,343
Pounds sterling	41,307	3,402
Canadian dollar	88,313	-
	361,940	97,298

* In July 2023, GBP borrowings of £15.0 million was subsequently repaid and the facilities closed. These borrowings were reflected as current borrowings at 30 June 2023.

Notes to the consolidated financial statements (continued)

23. Interest bearing loans and borrowings (continued)

Syndicated bank borrowings

Following the merger with Apollo and 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 consisted of a number of tranches maturing in June 2024. On 27 June 2023, the Group again amended its multi-currency syndicated banking facilities with Westpac Banking Corporation, Westpac New Zealand Limited and ANZ Bank New Zealand Limited to include Australia and New Zealand Banking Group Limited and Australia and New Zealand Banking Group Limited (London Branch). The amendment includes committed facilities for debt funding of approximately $250 million, an increase from approximately $149 million at 31 December 2022. The new facility consists of a number of multi-currency tranches, including a new GBP facility, all maturing in July 2025. 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 30 June 2023 range from 7.3% to 8.7% p.a.

The Group capitalised $367k of borrowing costs (2022: $347k) in relation to refinancing.

In accordance with NZ IFRS 9 Financial Instruments, the amendment was treated as an extinguishment of the existing liability followed by the recognition of a new liability.

Asset finance

The Group's loans from asset financiers include new as well as some existing Apollo facilities totalling approximately $390 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 subject to a number of covenant ratios, including a current ratio, debt service coverage and debt to tangible net worth ratio. Interest rates applicable at 30 June 2023 range from 3.2% to 9.5% p.a.

Floor plan finance

Floor plan facilities are maintained to fund the inventory of new motorhomes and caravans held for sale 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 of between 7.5% to 8.6% p.a plus principal. Balances are secured through retention of title until point of sale.

Other loans

Other loans of $1.6 million include mortgages over land and buildings and COVID-19 support loans previously provided to Apollo entities in the UK. Interest rates applicable at 30 June 2023 range from 7.0% to 8.0% p.a.

Lease liability - rental fleet

Balances previously disclosed in the Group's interim financial statements at 31 December 2022 under lease liability – rental fleet, have now been more appropriately classified within the asset finance category above.

Covenants

The consolidated Group is subject to lending covenants across a number of its borrowing facilities. As at the date of these financial statements the Group is within the banking covenant requirements.

Sufficiency of funding

All markets that the Group operates in have experienced changes in external trading conditions during the year as a result of demand re-building from COVID impacts, industry-wide supply chain challenges creating some vehicle delivery delays as well as general global inflationary pressures. Given the current environment, there is a risk that actual trading performance may fall below forecasts, however tourism has experienced a strong rebound across all regions following the opening of international borders in 2022 with strong demand for RV travel in all countries it operates in. This is evidenced in the profits that the Company is making and the growth in international bookings in the United States, Canada and the United Kingdom over the 2023 summer period and in New Zealand and Australia over the 2023/2024 summer period.

On this basis, the Board expects that the Group will be able to meet its undertakings and covenants in relation to the banking facilities and has sufficient cash to discharge its liabilities as they fall due.

Notes to the consolidated financial statements (continued)

24. Trade and other receivables

Trade and other receivables are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The Group assesses on a forward looking basis the expected credit losses associated with its trade and other receivables which are carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group applies the simplified approach permitted by NZ IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical credit losses experienced. Where appropriate, the historical loss rates are adjusted to reflect current and forward-looking information.

	2023 $000's	2022 $000's
Trade receivables	38,867	15,405
Less provision for impairment of receivables	(375)	(257)
Trade receivables - net	38,492	15,148
Prepayments	11,174	4,851
Other receivables	7,493	4,588
Receivable under buy-back arrangement	7,024	8,495
Total trade and other receivables	64,183	33,082

At 30 June 2023 trade and other receivables includes $7.0 million (2022: $8.5 million) relating to vehicles purchased under a short-term buy-back arrangement. This agreement involves purchasing vehicles to be used in the fleet for a period less than 12 months and then sold back to the supplier. On initial recognition, ***thl*** recognised the cash paid for the vehicles, the price expected to be received upon resale, and the balancing amount of the two is considered the lease expense. The transaction is accounted for as a short-term lease on the basis that:

- ***thl*** have an economic incentive to exercise their put option (sell the vehicles back to the supplier);
- ***thl*** have the right to use the vehicles for a fixed period at a predetermined price; and
- the vehicles do not meet the definition of property, plant and equipment

Due to low risk of the counterparties for these arrangements, the assessed expected credit losses are immaterial.

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, internationally dispersed.

The Group has recognised an increase of $118k (2022: $946k decrease) in the provision for the impairment of its trade receivables which has been included in other operating expenses. The Group has written off, to other operating expenses, $29k (2022: $719k) of balances of receivables during the year ended 30 June 2023.

25.Trade and other payables

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value net of transaction costs and subsequently measured at amortised cost using the effective interest method.

	2023 $000's	2022 $000's
Trade payables	35,390	13,903
Accrued expenses and other payables	26,643	18,010
Total trade and other payables	62,033	31,913

Notes to the consolidated financial statements (continued)

26. Revenue in advance

Revenue in advance

Revenue in advance relates to:

- Payments received for rental and tourism services for future reservations in advance of service delivery.
- The portion of rental income for rental bookings on hire at year-end, that relates to the period after year-end.

The Group recognises the contract liability which represents the Group's obligation to transfer services to a customer for which the Group has received consideration from the customer. The average timing of satisfaction of performance obligations in relation to the payment of the revenue in advance is between 1-6 months.

Vehicle deposits

Vehicle deposits are received in advance for pending vehicle sales for which the customer has not yet taken delivery.

The Group recognises the contract liability which represents the Group's obligation to transfer goods to a customer for which the Group has received consideration from the customer. The vehicle deposit is recognised as revenue when the Group performs under the contract by delivering the vehicle. The full balance of contract liabilities in relation to vehicle deposits is expected to be recognised in revenue between 1-12 months.

	2023 $000's	2022 $000's
Revenue in advance	61,317	23,846
Vehicle deposits	14,663	2,200
Total revenue in advance	75,980	26,046

27. Financial instruments

Classification of financial assets

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income (OCI) or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement of financial assets

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the income statement.

Notes to the consolidated financial statements (continued)

27. Financial instruments (continued)

Fair Value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a separate line item in the income statement.

FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

The interest rate swaps in place as at 30 June 2023 and 30 June 2022 qualified as cash flow hedges. The Group's risk management strategies and hedge documentation are aligned with the requirements of NZ IFRS 9 and these relationships are therefore treated as hedges.

The table below represents the measurement categories of the financial instruments.

2023	**Financial asset at amortised cost $000's**	**Financial assets value through profit or loss $000's**	**Financial assets value through OCI $000's**	**Derivatives used for hedging $000's**	**Total $000's**
Asset					
Investment	-	-	23,193	-	23,193
Cash and cash equivalents	76,794	-	-	-	76,794
Trade and other receivables	53,010	-	-	-	53,010
Derivative financial instruments	-	-	-	2,843	2,843

2022	Financial asset at amortised cost $000's	Financial assets value through profit or loss $000's	Financial assets value through OCI $000's	Derivatives used for hedging $000's	Total $000's
Asset					
Investment*	-	3,625	2,005	-	5,630
Cash and cash equivalents	38,816	-	-	-	38,816
Trade and other receivables	28,231	-	-	-	28,231
Derivative financial instruments	-	-	-	453	453

* The investment includes the tranche 2 receivable in relation to deferred consideration for the sale of mighway and SHAREaCAMPER..

2023	**Measured at amortised cost $000's**	**Measured at fair value through profit or loss $000's**	**Measured at fair value through OCI $000's**	**Derivatives used for hedging $000's**	**Total $000's**
Liabilities					
Interest bearing loans and borrowings	361,940	-	-	-	361,940
Trade and other payables	64,170	-	-	-	64.170

2022	Measured at amortised cost $000's	Measured at fair value through profit or loss $000's	Financial assets value through OCI $000's	Derivatives used for hedging $000's	Total $000's
Liabilities					
Interest bearing loans and borrowings	97,298	-	-	-	97,298
Derivative financial instruments	-	-	-	60	60
Trade and other payables	29,114	-	-	-	29,114

Notes to the consolidated financial statements (continued)

Section E – Managing risk

In this section

This section explains the financial risks ***thl*** faces, how these risks affect ***thl***'s financial position and performance, and how ***thl*** manages these risks. In this section of the notes there is information:

a) Outlining ***thl***'s approach to financial risk management; and

b) Analysing financial (hedging) instruments used to manage risk.

In the normal course of business the Group is exposed to a variety of financial risks including foreign currency, interest rate, credit and liquidity risks. To manage this risk the Group's treasury activities are performed by a central treasury function and are governed by Group policies approved by the Board of Directors.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group does not enter into derivative financial instruments for trading or speculative purposes.

28. Financial risk management

Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Australian dollar, the United States dollar, the British Pound sterling and the Euro dollar. Foreign exchange risk arises when future commercial transactions are in currencies other than functional currency.

Foreign exchange exposures on future commercial transactions incurred by operations in currencies other than their functional currency are managed by using forward currency contracts in accordance with the Group's treasury policy.

The Parent makes purchases in foreign currency and is exposed to foreign currency risk. This is managed by utilisation of forward currency contracts from time to time in accordance with the Group's treasury policy.

Exchange rate sensitivity

The following table shows the impact of a 5 cent movement up or down in the New Zealand dollar vs the Australian dollar, the United States dollar and the impact that this exchange rate change has on reported net profit after tax and equity. The Group also includes the impact of a 5 cent movement up or down in the Australian dollar vs the British Pound sterling and the Euro dollar as a result of the Apollo merger. The table shows the post-tax impact on reported profit and equity (increase/(decrease)) relation to currency risk, as described above, and does not include the impact of translation risk, as described in note 22. A 5 cent change is considered a reasonable possible change based on prior year movements.

	2023 $000's	2022 $000's
Post-tax impact on reported profit and equity of:		
A 5 cent increase in the NZ dollar vs the AU dollar	100	(1)
A 5 cent increase in the NZ dollar vs the US dollar	163	24
A 5 cent decrease in the NZ dollar vs the AU dollar	(200)	1
A 5 cent decrease in the NZ dollar vs the US dollar	(192)	(24)
A 5 cent increase in the AU dollar vs the Pounds sterling	(628)	-
A 5 cent increase in the AU dollar vs the EU dollar	(236)	-
A 5 cent decrease in the AU dollar vs the Pounds sterling	788	-
A 5 cent decrease in the AU dollar vs the EU dollar	287	-

Notes to the consolidated financial statements (continued)

28. Financial risk management (continued)

Interest rate risk

The Group's interest rate risk primarily arises from long-term borrowings, cash and cash equivalents. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group manages its cash flow interest rate risk by using floating to fixed interest rate derivative contracts. Such interest rate derivative contracts have the economic effect of converting borrowings from floating rates to fixed rates. Generally the Group raises long-term borrowings at floating rates that are lower than those available if the Group borrowed at fixed rates directly.

Under the interest rate derivative contracts, the Group agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

The Group's borrowings are carried at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

The Group maintains cash on overnight deposit in interest bearing bank accounts.

The following tables set out the interest rate repricing profile and current interest rate of the interest bearing financial assets and liabilities.

As at 30 June 2023	Effective interest rate	Floating $000's	Fixed up to 1 year $000's	Fixed 1-2 years $000's	Fixed 2-5 years $000's	Fixed >5 years $000's	Total $000's
Assets							
Cash and cash equivalents	0.9%	76,794	-	-	-	-	76,794
	0.9%	76,794	-	-	-	-	76,794
Liabilities							
Bank borrowings	7.4%	279,753	41,606	20,998	19,583	-	361,940
	7.4%	279,753	41,606	20,998	19,583	-	361,940
Interest rate derivative contracts*	3.3%	-	15,638	35,099	27,984	6,584	85,305

The effective interest rate of Group borrowings is 7.38% (2022: 8.47%) including the impact of the interest rate swaps and line fees on facilities.

As at 30 June 2022	Effective interest rate	Floating $000's	Fixed up to 1 year $000's	Fixed 1-2 years $000's	Fixed 2-5 years $000's	Fixed >5 years $000's	Total $000's
Assets							
Cash and cash equivalents	-%	38,816	-	-	-	-	38,816
	-%	38,816	-	-	-	-	38,816
Liabilities							
Bank borrowings	8.5%	-	-	97,298	-	-	97,298
	8.5%	-	-	97,298	-	-	97,298
Interest rate derivative contracts*	3.3%	-	20,201	15,289	55,847	-	91,337

* Notional contract amounts and include forward starting interest rate swaps.

Interest rate sensitivity

At year end the floating bank borrowings and cash deposits were subject to interest rate sensitivity risk. The remaining borrowings are fixed using interest rate derivative contracts. If the Group's floating borrowings and deposits year end balances remained the same throughout the year and interest rates moved by 1.0% then the impact on profitability and equity is as follows:

	2023 $000's	2022 $000's
Pre-tax impact of:		
An increase in interest rates of 1%	(2,212)	(112)
A decrease in interest rates of 1%	2,212	112

Notes to the consolidated financial statements (continued)

28. Financial risk management (continued)

At year-end the value of interest rate derivative contracts used as cash flow hedges were subject to interest rate risk in relation to the value recognised in equity. If interest rates moved by 1.0% across the yield curve then the impact on the fair value of the swaps on equity is shown in the following table. A movement of 1%, or 100bps, is considered by management as a reasonable estimate of a possible shift in interest rates for the year based on historical movements. There is ($38k) of ineffective interest rate swaps recognised in the income statement in relation to the valuation of the interest rate swaps (2022: $55K). The remaining interest rate swaps were effective as at 30 June 2023.

Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchase. It may occur due to:

- The credit value/debit value adjustment on the interest rate swaps which is not matched by the loan, and
- Differences in critical terms between the interest rate swaps and loans.

	2023 $000's	2022 $000's
Post tax impact on equity of a 1% move in interest rates		
An increase in interest rates of 1% across the yield curve	932	1,104
A decrease in interest rates of 1% across the yield curve	(965)	(1,122)

Credit risk

The Group has a concentration of credit risk in respect of the amount outstanding from the buy-back fleet arrangement. The Group has no other significant concentrations of credit risk. Policies are in place to ensure that wholesale sales of products and other receivables arising are made to customers with an appropriate credit history. Sales to retail customers are made in cash or via major credit cards. Derivative contract counterparties and cash on deposit are limited to quality financial institutions in accordance with the Board's approved treasury policy.

The Group considers its maximum exposure to credit risk as follows:

	2023 $000's	2022 $000's
Cash and cash equivalents	76,794	38,816
Trade receivables (net of impairment provision)	38,492	15,148
Other receivables	7,493	4,588
Receivable under buy-back arrangement	7,024	8,495
	129,803	67,047

The Group has numerous credit terms for various customers. The terms vary from cash, monthly and greater depending on the service and goods provided and the customer relationship. Collateral is not normally required. All trade receivables are individually reviewed regularly for impairment as part of normal operating procedures and, where appropriate, a provision is made. Trade receivables less than three months overdue are not considered impaired. Overdue amounts that have not been provided for, relate to customers that have a reliable trading credit history and no recent history of default.

	Notes	2023 $000's	2022 $000's
Trade receivable analysis			
Debtors past due		15,594	1,741
Impairment provision		(375)	(257)
Debtors past due but not impaired		15,219	1,484
Debtors current		23,274	13,664
Total trade debtors	24	38,492	15,148

	2023 $000's	2022 $000's
Ageing of debtors past due		
1-30 days	12,014	640
31-60 days	2,856	452
61-90 days	85	202
91+ days	639	447
Total debtors past due	15,594	1,741

There is no overdue balance in other receivables and receivables under buy-back arrangements as at 30 June 2023 (2022: nil).

Notes to the consolidated financial statements (continued)

28. Financial risk management (continued)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury aims to maintain flexibility in funding by rolling the draw downs on a short-term basis and keeping credit lines available.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

The amounts disclosed are the contractual undiscounted cash flows.

Year ended 30 June 2023	Up to 1 year $000's	Between 1-2 years $000's	Between 2-5 years $000's	Greater than 5 years $000's	Total $000's	Carrying value $000's
Trade and other payables	64,170	-	-	-	64,170	64,170
Interest bearing loans and borrowings	171,837	187,285	123,428	-	482,550	361,940
Lease liabilities	27,983	25,065	57,044	96,089	206,181	159,929
Interest rate and foreign currency derivative contracts*	(1,219)	(918)	(1,621)	(806)	(4,564)	(2,843)
	262,771	211,432	178,851	95,283	748,337	583,196

Year ended 30 June 2022	Up to 1 year $000's	Between 1-2 years $000's	Between 2-5 years $000's	Greater than 5 years $000's	Total $000's	Carrying value $000's
Trade and other payables	29,114	-	-	-	29,114	29,114
Interest bearing loans and borrowings (other than convertible preference shares)	5,401	102,035	2,369	-	109,805	97,298
Lease liabilities	9,897	7,335	19,648	45,739	82,619	82,619
Interest rate and foreign currency derivative contracts*	2,729	2,151	2,854	617	8,351	60
	47,141	111,521	24,871	46,356	229,889	209,091

* The amounts expected to be payable on a net basis in relation to the interest rate swaps have been estimated using forward interest rates applicable at the reporting date.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. The Group considers capital to be share capital and interest bearing debt. To maintain or alter the capital structure the Group has the ability to review the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, reduce or increase debt or sell assets.

There are a number of externally imposed bank covenants required as part of seasonal and term debt facilities. These covenants are calculated monthly and reported to banks quarterly. The most significant covenants relating to capital management are Net Interest Bearing Debt to EBITDA ratio, and an Equity to Total Assets ratio (net of intangible assets) (note 23). There have been no breaches or events of review for the current or prior period.

Seasonality

The tourism industry is subject to seasonal fluctuations with peak demand for tourism attractions and transportation over the summer months. 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 the United States, Canada and the United Kingdom and Europe's profits are typically generated over the northern hemisphere summer months. Due to the seasonal nature of the businesses, the risk profile at year end is not representative of all risks faced during the year.

Notes to the consolidated financial statements (continued)

29. Derivative financial instruments

Derivative financial instruments and hedging activities

The Group enters into interest rate swaps and other derivatives to hedge interest rate risk.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at the end of each reporting period. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair value or cash flows of hedged items.

Movements on the hedging reserve in shareholders' equity are shown in note 22. The full fair value of hedging derivatives is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. The gain or loss relating to the interest rate swaps are recognised in interest expense.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within 'finance expenses'. The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in the income statement within 'sales'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

	2023		2022	
	Assets $000's	**Liabilities $000's**	Assets $000's	Liabilities $000's
Interest rate swaps - current portion	6	-	-	15
Foreign currency swaps - current portion	415	-	-	-
Cash flow hedges - total current portion	421	-	-	15
Interest rate swaps - non current portion	2,422	-	453	45
Total cash flow hedges	2,843	-	453	60

The ineffective portion recognised in the profit or loss that arises from cash flow hedges in 2023 amounts to ($93k) (2022: $55K).

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2023 were $63,309k (2022: $83,290k).

At 30 June 2023, the fixed interest rates vary from 2.39% to 4.57% (2022: 2.29% to 4.86%).

The liquidity table in note 28 identifies the periods in which the cash flows are expected to occur.

30. Fair value measurement

Fair values

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

- Derivative financial instruments 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.

Notes to the consolidated financial statements (continued)

30. Fair value measurement (continued)

Financial instruments of the Group that are measured in the 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).

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest input to the fair value measurement. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, the measurement is a Level 3 measurement.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

As at 30 June 2023 the Group's assets and liabilities measured at fair values are issued shares in Camplify Holdings Limited (CHL) which are classified within Level 1 of the fair value hierarchy (note 20) and derivative financial instruments which are classified within Level 2 of the fair value hierarchy (2022: Level 2). During the year and following the issue of 2,023,611 ordinary CHL shares in May 2023 in relation to tranche 2 deferred consideration, $3.6 million was transferred from Level 3 to Level 1. There were no other transfers of financial instruments between levels of the fair value hierarchy during the year.

The fair value of derivative financial instruments is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve or available forward price data for the duration of the instruments.

The following inputs are used for fair value calculations of derivatives:

Interest rate forward price curve	– Published market swap rates
Foreign exchange forward prices	– Published spot foreign exchange rates and interest rate differentials
Discount rate for valuing interest rate derivatives	– The discount rates used to value interest rate derivatives are published market interest rates as applicable to the remaining life of the instrument
Discount rate for valuing forward foreign exchange contracts	– The discount rates used to value interest rate derivatives are published market interest rates as applicable to the remaining life of the instrument

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

Section F – Other

In this section

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

31. Related party transactions

Key management compensation

	2023 $000's	2022 $000's
Salaries and other short-term employee benefits	6,665	4,457
Share based payments benefits	805	1,614

Total positions included in key management compensation are 16 (2022: 13).

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

Directors' fees

	2023 $000's	2022 $000's
Directors' fees	642	697

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 March 2023, Rob Hamilton elected to receive 25% of his Director fees in shares. Rob Campbell, former Director who resigned in June 2022, received 50% of his Director fees in shares for the period 1 April to 30 June 2022. The shares were issued in October 2022. Shares issued in lieu of Directors' fees are as follows:

	Shares 000's		Value $000's	
	2023	2022	2023	2022
Shares issued in lieu of cash	16	55	49	99
Shares to be issued to Directors at 30 June	-	-	-	28

Notes to the consolidated financial statements (continued)

31. Related party transactions (continued)

Schork Family

As part of the consideration for the acquisition of El Monte Rents Inc, 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 2023 was $55k (2022: $256k). 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:

	2023 $000's	2022 $000's
Total lease payments	3,684	3,204

Trouchet Family

As a result of the merger with Apollo on 30 November 2022, Luke Trouchet held an interest of 27,910,023 ordinary shares via a number of holding companies and intermediary trusts. Luke is an Executive Director of Tourism Holdings Limited.

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

	June 23 7 months Revenue	**June 23 Receivables**
Sale of goods and services:		
thl manufactured vehicles sold to Caravans Away Pty Ltd (Director-related entity of L Trouchet)	1,805,780	924,577
Servicing and repairs sold to Caravans Away Pty Ltd (Director-related entity of L Trouchet)	43,709	4,381
Administration fees received from Caravans Away Pty Ltd (Director-related entity of L Trouchet)	2,161	-
Administration fees paid RV Boss Pty Ltd (Director-related entity of L Trouchet)	2,161	-

	Expense	**Payables**
Payment for other expenses:		
Rental expenses paid to Eastglo Pty Ltd (Director-related entity of L Trouchet)	156,304	-
Rental expenses paid to KL One Trust (Director-related entity of L Trouchet)	72,780	-
Advertising expenses paid to RV Boss Pty Ltd (Director-related entity of L Trouchet)	57,366	-
Annual salary paid to A Trouchet inclusive of superannuation (a related party of L Trouchet)	29,378	-

Notes to the consolidated financial statements (continued)

32. Share-based payments

Share scheme

Share scheme 2017

In the 2017 financial year the Group introduced an equity-settled, share-based long-term incentive plan for the Chief Executive and other senior executives under which the Group receives services from the executives as consideration for Options to purchase ordinary shares of the Group. The fair value of the employee services received in exchange for the grant of the Options is recognised as an expense in the income statement. The total amount expensed is determined by reference to the fair value of the Options granted.

Amounts accumulated in the employee share scheme reserve are transferred to share capital on the exercise of the Options or to retained earnings where they are forfeited. At the end of each reporting period, the Group revises its estimates of the number of Options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to the employee share scheme reserve.

The terms of the 2017 scheme are contained in a document entitled 'The Rules of the Tourism Holdings Long-term Incentive Scheme 2017':

(1) Options to purchase ordinary shares are issued to executives by the Board.

(2) The option price is set based on the volume weighted average price of Tourism Holdings Limited ordinary shares over the 20 days leading up to the grant date.

(3) The options can be exercised at the election of the employee after a minimum of two years from the grant date. A maximum of one third of the options can be exercised after two years, two thirds after three years and all options can be exercised after four years. After six years, the options lapse and there is no further right to exercise. The exercise price payable by the executive is the option price plus a cost of equity adjustment for two years, less dividends paid for two years.

(4) The participants holding options have no interest in the ordinary shares that are the subject of the options, until the options are exercised and ordinary shares issued.

(5) Valuation of the options for accounting purposes is done by KPMG using the Binomial Option Pricing Model. The assessed value is charged to the income statement over the life of the scheme/option with a corresponding credit to the employee share scheme reserve.

Notes to the consolidated financial statements (continued)

32. Share-based payments (continued)

Movements in options granted under the 2017 scheme are as follows:

	Grant date	Average exercise price	Issue Price	2023 Grant	2022 Grant	2021 Grant	2020 Grant	2019 Grant	2018 Grant	2017 Grant	Total Options
At 30 June 2021				-	-	2,155,000	1,080,000	815,000	679,999	853,333	5,583,332
Options granted	7 April 2022	$2.84	$2.84	-	1,522,000	-	-	-	-	-	1,522,000
Options cancelled		$3.71		-	-	(80,000)	(85,000)	(80,000)	(93,333)	(80,000)	(418,333)
At 30 June 2022		$3.05		-	1,522,000	2,075,000	995,000	735,000	586,666	773,333	6,686,999
Options granted	10 May 2023	$4.09	$4.09	1,706,000	-	-	-	-	-	-	1,706,000
Options converted		$1.29		-	-	-	(288,332)	-	-	-	(288,332)
Options cancelled		$3.84		-	-	-	-	-	-	(773,333)	(773,333)
At 30 June 2023		$3.28		1,706,000	1,522,000	2,075,000	706,668	735,000	586,666	-	7,331,334

	2023 $000's	2022 $000's	2021 $000's	2020 $000's	2019 $000's	2018 $000's	2017 $000's
Fair value at grant date	1,428	700	778	508	403	407	-
Exercise price	$4.09	$2.83	$2.79	$1.57	$5.68	$7.00	-
Expiry date	10 May 2029	7 April 2028	6 April 2027	1 April 2026	3 April 2025	3 April 2024	3 April 2023

The weighted average remaining contractual life of options at 30 June 2023 was 3.9 years (30 June 2022: 3.9 years).

The weighted average share price at the date of exercise of the options exercised during the year ended was $3.37 (2022: not applicable).

The exercise price payable for the 2022 and 2023 options will be calculated as the issue price less dividends paid for two years, plus a cost of equity adjustment for two years.

The fair value of the share transfer rights is calculated using the Binomial Option Pricing Model and is being amortised over the life of the share transfer rights. The 2023 expense of $650k (2022: $423k) will accumulate in the employee share scheme reserve.

In arriving at the fair value of the share transfer rights under the Binomial Option Pricing Model the following inputs have been used:

	2023	2022
Issue price	$4.09	$2.84
Forecast dividend yield over the life of the transfer rights	3.60%	4.50%
Risk free rate of interest over the exercise period of the share transfer rights	4.73%	2.48%
Volatility of Tourism Holdings Limited share price returns mid point	32.50%	32.50%
Cost of equity adjustment	11.50%	11.98%

Notes to the consolidated financial statements (continued)

32. Share-based payments (continued)

Share scheme 2020

In the 2021 financial year the Group introduced an equity-settled, share-based short-term retention plan in lieu of the cash based short-term incentive scheme for employees that are eligible per the terms of their employment.

Under the 2020 Scheme, the Group receives services from employees as consideration for (a) Share Options to purchase ordinary shares of Tourism Holdings Limited at a pre-determined exercise price, and/or (b) Share Rights that can be exercised for the issue of ordinary shares of Tourism Holdings Limited, with no exercise price. The fair value of the employee services received in exchange for the grant of the Share Options and Share Rights is recognised as an expense in the income statement, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the Share Options and Share Rights granted. Amounts accumulated in the employee share scheme reserve are transferred to share capital on the exercise of the Share Options and Share Rights, or to retained earnings where they are forfeited or not exercised after the vesting date. At the end of each reporting period, the Group revises its estimate of the number of Share Options and Share Rights that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to the employee share scheme reserve.

The terms of the 2020 Scheme are contained in a document entitled the 'Tourism Holdings Short-term Incentive Scheme 2020' (Scheme 2020):

1. Share Options to purchase ordinary shares, and Share Rights that can be exercised for the issue of ordinary shares, are issued to eligible employees by the Board.
2. The Share Option price is equal to the volume weighted average price of Tourism Holdings Limited ordinary shares over the 20 trading days leading up to the date on which the offer is provided.
3. 50% of the Share Options and Share Rights vest 12 months after the grant date, and the remaining 50% vest 24 months after the grant date. After the Share Options and Share Rights have vested, they can be exercised by the employee by giving notice to the Group.
4. The Share Rights lapse if not exercised by the employee by the latter of:

   (a) sixty (60) days after the applicable vesting date; and

   (b) the end of the calendar year in which the vesting date occurred.

The Share Options lapse if not exercised by the employee within six years of the grant date.

5. The exercise price payable by the employee for the Share Rights is nil. The exercise price payable by the employee for the Share Options is the option price.
6. The participants holding Share Rights and Share Options have no interest in the ordinary shares that are the subject of the Share Options or Share Rights, until the Share Options or Share Rights are exercised and ordinary shares issued.
7. A valuation of the Share Options for accounting purposes is done by KPMG using the Binomial Option Pricing Model. The assessed value is charged to the income statement over the life of the option with a corresponding credit to the employee share scheme reserve.

Notes to the consolidated financial statements (continued)

32. Share-based payments (continued)

Movements in share rights granted under the 2020 scheme are as follows:

	Grant date	Issue Price*	2022 Grant	2021 Grant	Total Rights
Opening Balance			-	939,630	939,630
Rights granted	5 July 2021	$2.55	884,835	-	884,835
Rights converted			-	(469,834)	(469,834)
Rights cancelled			(43,802)	(19,559)	(63,361)
As at 30 June 2022			841,033	450,237	1,291,270
Rights converted			(466,544)	(450,237)	(916,781)
Rights cancelled			(23,726)	-	(23,726)
At 30 June 2023			350,763	-	350,763

* This is also the fair value per right at grant date.

The 2023 expense of $505k (2022: $1,115k) will accumulate in the employee share scheme reserve. The remaining rights of 350,763 were all converted and or cancelled in July 2023.

Movements in share options granted under the 2020 scheme are as follows:

	Grant date	Average exercise price	Issue Price	2022 Grant	2021 Grant	Total Options
Opening Balance				-	672,835	672,835
Options granted	5 July 2021	$2.55	$2.55	796,232	-	796,232
Options converted		$2.05		-	(93,982)	(93,982)
Options cancelled		$2.00		-	(17,314)	(17,314)
At 30 June 2022		$2.33		796,232	561,539	1,357,771
Options granted				-	-	-
Options converted		$2.13		(57,624)	(187,405)	(245,029)
Options cancelled		$2.55		(11,108)	-	(11,108)
At 30 June 2023		$2.37		727,500	374,134	1,101,634

	2022 000's	2021 000's
Fair value at grant date*	533	414
Exercise price per option	$2.55	$2.01

* - 2022 Grant: 727,500 options expire on 5 July 2027
- 2021 Grant: 76,668 options expire on 13 September 2026
- 2021 Grant: 297,466 options expire on 5 July 2026

The share options will lapse within 4 years if not exercised by the employee by 5 July 2027.

The weighted average share price at the date of exercise of the options exercised during the year ended was $3.21 (2022: $2.97).

The 2023 expense of $117k (2022: $380k) will accumulate in the executive share scheme reserve.

In arriving at the fair value of the share transfer rights under the Binomial Option Pricing Model the following inputs have been used:

	2023	2022
Risk free rate of interest over the exercise period of the share transfer rights	4.73%	2.48%
Volatility of Tourism Holdings Limited share price returns mid point	32.50%	32.50%

Notes to the consolidated financial statements (continued)

33. Reconciliation of net profit/(loss) after tax with cash flows from operating activities

In accordance with NZ IAS 7 the Group classifies cash flows from the sale and purchase of rental assets as operating cash flows. Where the timing of receipts and payments is of a short-term nature, the cash flows are presented on a net basis.

	Notes	2023 $000's	2022 $000's
Net profit/(loss) after tax		49,858	(2,119)
Plus/(less) non-cash items:			
Depreciation of property, plant and equipment	11	49,867	34,739
Depreciation of right-of-use assets	12	17,264	9,967
Amortisation of fixed term intangibles		2,475	1,850
Amortisation of executive share scheme	32	1,226	3,038
Movement in deferred taxation		5,085	5,008
Decrease in provision for doubtful debts		91	(883)
Interest		(712)	264
Impairment of goodwill and assets		-	1,135
Share of (profit) from joint venture and associates		(812)	(1,105)
Non-cash Directors' remuneration		49	128
Fair value (gain)/loss on financial assets at FVPL		(5,106)	(282)
Accounting gain on mighway & SHAREaCAMPER sale		-	(5,381)
Loan forgiveness - Other borrowings		-	2,267
Total non-cash items		69,427	50,745

	Notes	2023 $000's	2022 $000's
Plus/(less) items classified as investing activities:			
Net loss on sale of property, plant and equipment		(10,429)	192
Net gain recognised in relation to the Togo sale		-	(1,326)
Total items classified as investing activities		(10,429)	(1,134)
Reclassification of cash flows associated with rental assets			
Net book value of rental assets sold		124,130	120,596
Purchase of rental assets		(312,082)	(164,465)
Total cash flows associated with rental assets		(187,952)	(43,869)
Trading cash flow		(79,096)	3,623
Plus/(less) movements in working capital:			
(Decrease)/increase in trade payables excluding rental assets		7,697	(9,452)
(Decrease)/increase in revenue received in advance		25,270	12,081
(Decrease)/increase in provision for taxation		16,705	(9,255)
(Decrease)/increase in employee benefits		3,061	705
(Increase)/decrease in trade and other receivables		(14,119)	618
(Increase)/decrease in inventories		(20,945)	(19,939)
Total movements in working capital		17,669	(25,242)
Net cash flows used in operating activities		(61,427)	(21,619)

Notes to the consolidated financial statements (continued)

33. Reconciliation of net profit/(loss) after tax with cash flows from operating activities (continued)

Net debt reconciliation

This section sets out an analysis of net debt and the movements in the net debt.

	2023 $000's	2022 $000's
Cash and cash equivalents	76,794	38,816
Total cash and cash equivalents	76,794	38,816
Borrowings, short-term	(111,225)	-
Borrowings, long-term	(250,715)	(97,298)
Lease liabilities, short-term	(20,703)	(9,898)
Lease liabilities, long-term	(139,226)	(72,721)
Net debt	(445,075)	(141,101)
Cash and cash equivalents	76,794	38,816
Gross debt	(521,869)	(179,917)
Net debt	(445,075)	(141,101)

Cash and cash equivalents includes cash on hand, cheques, deposits held at call with financial institutions and bank overdrafts.

There is no restricted cash as at 30 June 2023 (2022: nil).

	Assets	Liabilities from financing activities		
	Cash/bank overdraft $000's	Borrowings due within one year $000's	Borrowings due after one year $000's	Total $000's
Balance at 1 July 2021	38,087	(8,912)	(151,138)	(121,963)
Cash flow	(2,354)	125	(12,899)	(15,128)
Foreign exchange adjustment	3,083	158	2,102	5,343
Non-cash movement - lease liabilities	-	769	(10,122)	(9,353)
Net debt at 30 June 2022	38,816	(7,860)	(172,057)	(141,101)
Balance at 1 July 2022	38,816	(7,860)	(172,057)	(141,101)
Cash flow	35,780	-	(16,868)	18,912
Foreign exchange adjustment	2,198	(2,038)	(1,746)	(1,586)
Non-cash movement - Apollo and Just go step acquisition	-	(111,225)	(132,765)	(243,990)
Non-cash movement - lease liabilities	-	(10,805)	(66,505)	(77,310)
Net debt at 30 June 2023	76,794	(131,928)	(389,941)	(445,075)

Notes to the consolidated financial statements (continued)

34. Deferred income tax

Deferred income tax assets are recognised for tax loss carry-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current liabilities and when the deferred income tax relates to the same fiscal authority.

The gross movement on the deferred income tax account is as follows:

	2023 $000's	2022 $000's
Beginning of the year	16,077	9,032
Balance recognised and assumed from business combinations*	18,482	-
Income statement charge - intangible	(207)	-
Income statement charge - provision	(4,901)	620
Income statement charge - property, plant and equipment	13,280	15,907
Tax losses	(6,215)	(12,254)
Tax charged to equity	(333)	2,115
Other	804	657
End of the year	36,987	16,077

	2023 $000's	2022 $000's
Amounts recognised in income statement		
Provisions	(13,048)	(3,849)
Prepayment	1,111	133
Property, plant and equipment	92,536	54,836
Intangibles	5,967	-
Tax losses*	(45,843)	(33,845)
Leases	(4,006)	(2,405)
Other - Kiwi Experience reclassified to asset held for sale	-	207
Amounts recognised directly in equity		
Derivative financial instruments and share-based payments	270	1,000
Net deferred tax liability	36,987	16,077

	2023 $000's	2022 $000's
Deferred tax liabilities	36,987	16,077
Net deferred tax liability	36,987	16,077

* Balances recognised and assumed from business combinations from Just go and Apollo were $2.3 millon and $16.2 millon respectively (note 17 and 18).

35. Changes in accounting policies and disclosures

Issued standards, not yet effective

In May 2023 New Zealand Accounting Standards Board released an amendment to NZ IAS 1 Presentation of Financial Statements that is effective for the accounting period that begins on or after 1 January 2024. The amendment applies to the reporting and classification of liabilities containing covenants. This amendment has not been early adopted and the potential impact has not yet been assessed.

36. Contingencies

As at 30 June 2023 the Group has bank guarantees of $4.1 million in place (2022: $1.8 million). Predominantly these are in lieu of bonds paid relating to leased assets.

37. Events after the reporting period

On 28 August 2023, the Directors approved a fully imputed, partially franked dividend of 15 cents per share payable on 29 September 2023.

There are no other events after the reporting period which materially affect the information within the consolidated financial statements.

Independent auditor's report

To the shareholders of Tourism Holdings Limited

Our opinion

In our opinion, the accompanying consolidated financial statements of Tourism Holdings Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 30 June 2023, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 30 June 2023;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other agreed upon procedure services for the Group in respect of: the financial information of a subsidiary for the purpose of reporting to one of the Group's financiers and the Group's compliance with banking covenants. In addition, certain partners and employees of our firm and of the component auditors may deal with the Group on normal terms within the ordinary course of trading activities of the Group.

A component auditor also completed an agreed upon procedure engagement in respect of the results of a component for the period prior to acquisition by the Group and other tax compliance services.

The provision of these other services and relationships have not impaired our independence as auditor of the Group.

Key audit matters

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

Independent auditor's report

Description of the key audit matter

Accounting for the acquisition of Apollo Tourism & Leisure Ltd (Apollo)

The Group acquired Apollo on 30 November 2022 through an Australian Scheme of Arrangement (the Scheme) as disclosed in Note 18 *Acquisition of Apollo Tourism & Leisure Ltd.*

We consider this acquisition to be a key audit matter due to the significance of this transaction to the Group, the importance of this matter to the understanding of the financial statements as a whole and the extent of our audit effort in this area.

The purchase consideration was valued at $213.9m, 99.5% of which is the value of ***thl*** shares issued to Apollo shareholders and the remainder being the value of Apollo shares previously held by ***thl***.

As a result of the acquisition, the Group acquired total assets of $458.5 million, total liabilities of $346.4 million and provisional goodwill of $101.8 million. The fair value of intangible assets arising from the acquisition and deferred tax have been determined on a provisional basis. Therefore the goodwill also remains provisional and has yet to be allocated to the cash generating units. These will be completed within 12 months from the acquisition date.

How our audit addressed the key audit matter

We read the relevant documents such as the Scheme Implementation Deed, Scheme of Arrangement and Deed Poll to understand the key terms and conditions of the acquisition. We also held discussions with management to understand the acquisition, including processes and controls implemented by management in relation to the acquisition accounting.

We reviewed management's accounting paper outlining their assessment of:

- how this transaction meets a business acquisition in accordance with the requirements of the standard;
- who and how the acquirer has been identified;
- how the acquisition date has been determined;
- the consideration;
- the basis of recognising and measuring the identifiable assets acquired and the liabilities assumed; and
- the qualitative factors that make up the provisional goodwill recognised.

We challenged the assessments made by management, as noted above, and obtained appropriate supporting documentation, where we determined it necessary.

In validating the fair value assigned to the shares issued to Apollo shareholders as consideration, we compared the price per share to the market share price on acquisition date and recalculated the total value of the shares issued as consideration.

In validating the fair value of the assets acquired and the liabilities assumed at acquisition date, we performed the following procedures, among others:

- on a sample basis, tested the opening book values of the assets and liabilities, including verification of the existence and condition of vehicles through attendance at physical counts conducted by management as close as practicable to the acquisition date;
- gained an understanding of the valuation approach and methodology undertaken, challenged key assumptions used by management to measure the fair value of assets and liabilities acquired, and for such assets and liabilities wherein measurement has been finalised, we tested material values on a sample basis; and
- recalculated the provisional goodwill.

We reviewed and assessed the adequacy of the disclosures made in the consolidated financial statements.

Description of the key audit matter

Classification and presentation of borrowings from new and amended funding arrangements

As a result of the Apollo acquisition, the Group renegotiated and consolidated its banking facilities with new and existing financiers.

As at 30 June 2023, total borrowings were $361.9 million, which comprises syndicated bank borrowings, asset or floor plan finance and other loans as disclosed in Note 23 *Interest bearing loans and borrowings*. The Group has total committed debt funding facilities of $719.9 million from various financiers with different financial covenant requirements.

There were a number of finance arrangements across the Group that were new or renegotiated during the year.

We consider this a key audit matter because of the significance of this change to the financing arrangements of the Group, impacting the presentation of borrowings and the number of arrangements that need to be monitored for covenant compliance.

How our audit addressed the key audit matter

We obtained an understanding of the controls implemented by management over the process of refinancing the Group's debt and assessed whether they were appropriately designed and implemented.

We read a sample of new and amended facility arrangements, understood the terms and conditions, including the covenant requirements and undertakings.

In validating the borrowings reported at balance date, on a sample basis, we agreed the amounts to confirmations provided by various financiers and assessed the appropriateness of the classification of the borrowings between current and non-current in accordance with the terms of the arrangements.

We obtained management's assessment of covenant compliance as of balance date, and on a sample basis, tested the reliability of the data used to calculate the covenants, and reperformed the covenant calculations as at 30 June 2023.

We reviewed and assessed the adequacy of disclosures made in the consolidated financial statements.

Independent auditor's report

Description of the key audit matter

Goodwill impairment assessment of United States Rentals and UK/Europe Rentals

As disclosed in Note 16 *Intangible assets*, as at 30 June 2023, the Group had $35 million of goodwill relating to the United States Rentals cash generating unit (CGU) and $12 million of goodwill relating to the UK/Europe Rentals (Just go) CGU, a recently completed business step acquisition.

The Group performs an impairment assessment annually, or more frequently if events or circumstances indicate that the carrying value may be impaired. An impairment loss is recognised if the carrying amount of the CGU, to which the goodwill relates, exceeds its recoverable amount. The recoverable amount was based on a value in use method using a discounted cash flow model. Significant assumptions used by management in the discounted cash flow model included the following:

- discount rate;
- terminal growth rate;
- yield;
- vehicle sales margin.

No impairment was recognised as a result of the 30 June 2023 impairment test.

The impairment assessment was a key focus area of our audit due to the inherent judgement in assessing impairments and the subjectivity in the assumptions applied by management and the Board in their discounted cash flow models.

How our audit addressed the key audit matter

We obtained an understanding of the controls implemented by management over the impairment assessments and considered whether they were appropriately designed and implemented.

In considering the impairment assessments for each CGU, we performed the following:

- obtained the Group's impairment assessment and model and held discussions with management to understand:
  - the Group's strategy;
  - the current performance of each CGU and the forecasts; and
  - the basis for determining the key assumptions used in the impairment models.
- considered whether the methodology applied was appropriate and tested the mathematical accuracy of the impairment models;
- for United States Rentals, compared the actual results to forecast performance for the past three financial years, understood reasons for deviations, analysed key trends and considered the impact on our assessment of forecast earnings including sensitivities, as relevant;
- for UK/Europe Rentals, compared the actual nine month results to forecast performance used in the enterprise value analysis at the time of acquisition, analysed key trends and considered the impact on our assessment of forecast earnings including sensitivities, as relevant;
- considered the actual results for the month of July 2023 against forecast; and
- engaged our auditor's valuation expert to:
  - assess the valuation methodology underlying the impairment analysis including the mechanical calculation of the impairment models; and
  - assess the reasonableness of the discount rate, terminal value methodology and assumptions for each assessment.

We assessed the adequacy of disclosures, including the sensitivity analysis, in the consolidated financial statements.

Independent auditor's report

Description of the key audit matter

Residual values and depreciation rates for motorhomes

The Group generates revenue from motorhomes through rental revenue and the sale of motorhomes from its ex-rental fleet that have been reclassified to inventory.

As disclosed in Note 11 *Property, plant and equipment*, the net book value of motorhomes at 30 June 2023 was $623.7 million, after $44.8 million of depreciation charged for the year. The total net book value of motorhomes reclassified to inventory at balance date was $33.5 million. As disclosed in Note 2 *Revenue*, the Group sold motorhomes during the year for $356.9 million with cost of sales of $257.7 million.

The method of estimating the depreciation rate, which includes an estimation of residual values, is detailed in Note 11.

The estimation of an appropriate depreciation rate for motorhomes directly affects both depreciation expense and the net book value of ex-rental fleet reclassified to inventory, and can therefore have a significant impact on both the current and future profit of the Group. This is why we have given this area specific audit focus and attention.

How our audit addressed the key audit matter

We obtained an understanding of the controls implemented by management over their review of residual values and depreciation rates and assessed whether they were appropriately designed and implemented.

We performed the following audit procedures to assess the judgements made by management in determining the residual values and depreciation rates for motorhomes:

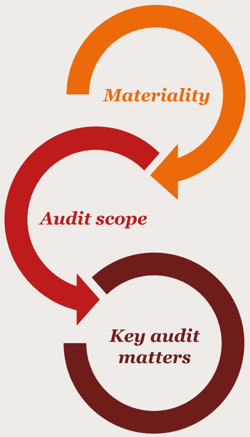
- updated our understanding of the relevant business processes and management's annual assessment of motorhomes' residual values and depreciation rates;
- considered whether the methodology applied and data used were consistent with the prior period;
- tested the mathematical accuracy of the calculations supporting management's analysis;
- for a sample of motorhomes sold during the year, tested the sales proceeds and the carrying amount (i.e. the depreciated net book value at time of sale);
- compared the actual sales margin and depreciation rates achieved during the year to historical and forecasted results. Where actual results deviate from historical and/or forecasted results, we understood the underlying reasons and considered the potential impact on current and future depreciation rates;
- assessed whether depreciation rates applied were consistent with the accounting policy and tested the depreciation charge for reasonableness; and
- considered whether any bias was evident.

We assessed the adequacy of disclosures, including the sensitivity analysis, in the consolidated financial statements.

Independent auditor's report

pwc

Our audit approach



Overview

Overall group materiality: $6,700,000, which represents approximately 1% of total revenue.

We chose total revenue because, in our view, it is a more stable benchmark given that it is less impacted by any one-off items as a result of the acquisition of Apollo during the year. Revenue is also a commonly used performance measure and is a generally accepted benchmark.

We identified subsidiaries and divisions that, due to their significant financial contribution to the Group's overall results, required a full-scope audit. In addition, we performed specific audit procedures on certain balances and transactions of certain subsidiaries and divisions. Audits of each subsidiary or division are performed at a materiality level calculated with reference to a proportion of the Group materiality relative to the financial significance of that subsidiary or division.

As reported above, we have four key audit matters, being:

- Accounting for the acquisition of Apollo Tourism & Leisure Ltd (Apollo)
- Classification and presentation of borrowings from new and amended funding arrangements
- Goodwill impairment assessment of United States Rentals and UK/Europe Rentals
- Residual values and depreciation rates for motorhomes

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group engagement team, or component auditors from other networks operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Independent auditor's report

Responsibilities of the Directors for the consolidated financial statements

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

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability 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 consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are 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 ISAs (NZ) and ISAs 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 these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board's website at:
https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's 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 Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

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

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
Auckland

28 August 2023

Corporate Governance

Tourism Holdings Limited ('***thl***') operates under a set of corporate governance principles designed to ensure that ***thl*** is effectively managed. The Board is committed to the continued development of ***thl***'s corporate governance practices by reviewing and developing its corporate governance policies and monitoring developments to keep abreast of corporate governance best practice.

thl's corporate governance framework includes:

- The constitution of ***thl***, which describes the 'rules' under which the Company operates, including issue and other share transactions, distributions, shareholder meetings, Director appointment, remuneration and powers, and the conduct of Board and shareholder meetings.
- The Board Charter and sub-committee charters, which set out the roles and responsibilities of the Directors.
- The Code of Ethics, which outlines the standards of ethical behaviour expected of Directors, staff and contractors.
- The Market Disclosure Policy, which outlines the policy around disclosure of company information, including the commitment to compliance with continuous disclosure requirements.
- The Securities Trading Policy, which outlines policy and guidelines around trading in ***thl*** securities by Directors, officers and staff.
- The Diversity Policy, which outlines the commitment to diversity in Board, Executive and staff appointments.
- The Delegated Authority Policy, which outlines the delegation of authority by the Board to management, and the authorisation levels at which Board approval is required.

thl's governance practices have been reviewed against the recommendations of the NZX Corporate Governance Code, dated 1 April 2023 ('Code'). The Board considers that the ***thl*** governance framework and practices for the year ended 30 June 2023 are in compliance with the recommendations of the Code. The information in this Governance Report is current as at 29 August 2023 and has been approved by the ***thl*** Board.

thl's corporate governance policies and charters are available on its website at www.thlonline.com and have been updated on 29 August 2023 to reflect the new NZX Corporate Governance Code.

Corporate governance (continued)

For the year ended 30 June 2023

Principle 1 – Ethical standards

"Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation."

thl is committed to being a good corporate citizen. The Company expects Directors, employees and contractors to practise high ethical standards in the performance of their duties, to comply with all applicable laws and regulations, cooperate with all regulatory bodies and Government agencies, and use Company assets and resources only for the legitimate and ethical achievement of its objectives.

thl has adopted a Code of Ethics which applies to all Directors, employees and contractors of ***thl*** to ensure it maintains such high ethical standards and reinforces ***thl***'s commitment to the community. The Code of Ethics addresses the areas of ethical business practices, insider trading, conflicts of interest and use of Company property, amongst other matters. The ***thl*** Code of Ethics is available at www.thlonline.com. ***thl*** undertakes annual ethics training for leaders in the business with the most recent round completed in August 2023.

Securities Trading Policy

thl has in place a formal Securities Trading Policy and guidelines which applies to all Directors, officers and employees of ***thl*** and its subsidiaries who intend to trade in ***thl*** listed securities.

All individuals defined as "restricted persons" under that policy must notify ***thl*** of their intention to trade and obtain approval from the Board before trading in ***thl***'s shares. No trading in shares is permitted in 'blackout periods' from 1 June each year until 48 hours after the release of the full year results and from 1 December each year until 48 hours after the release of the half year results, except in exceptional circumstances. In the year ending 30 June 2023, consent was provided to Luke Trouchet and Grant Webster in early December 2022, immediately following the completion of the acquisition of Apollo Tourism & Leisure Ltd by ***thl***. Trading was restricted for all restricted persons during the entire merger process, and permission to trade was granted in this instance due to the timing being early in the blackout period and a Scheme Booklet and cleansing notice having recently been undertaken.

Trading is permitted outside the blackout periods, provided the restricted person confirms that they do not hold any material information and that they are not aware of any reason that would prohibit them from trading. Any trading must be completed within 10 trading days of approval being given. Restricted persons are defined in the policy as:

- all Directors;
- the Chief Executive Officer (CEO);
- all members of the senior management team (being the C-suite executives, General Managers and equivalent roles) and their direct reports;
- the administrative staff of the senior management team;
- all employees in the finance department;
- trusts and companies controlled by such persons;
- anyone notified by the CFO from time to time; and
- anyone participating in the Long-Term Incentive Scheme.

The ***thl*** Securities Trading Policy is available at www.thlonline.com.

Corporate governance (continued)

For the year ended 30 June 2023

Principle 2 – Board composition and performance

"To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives."

Board skills and expertise

thl's Board is comprised of Directors who have a mix of skills, knowledge, experience and diversity to adequately meet and discharge its responsibilities and to add value to the Company through efficient and effective governance and leadership. The current Directors have a varied and balanced mix of skills, including extensive operational experience, knowledge of the tourism industry, as well as extensive experience in capital markets, growth and global transactions.

The Board skills matrix table outlines the key skills that are considered most relevant to effectively fulfilling the Board's current objectives.

KEY:

VERY STRONG **STRONG** **SOLID** **SOME GAPS**

This key represents the assessment of the strength of the skills and experience of the Board as a whole. Individual Director profiles are set out in the Board of Directors section.

CAPABILITY	RATING
Public company corporate governance experience	
Financial governance and audit oversight including expertise in treasury and funding	
Legal and regulatory expertise	
RV & Tourism Industry Experience	
Risk	
HR/People leadership including executive remuneration	
Experience in development, innovation and execution of growth and change strategy	
Investment banking, capital markets and M&A transaction experience	
Manufacturing	
Business leadership experience in international markets	
CEO experience	
Health and safety governance/management experience	
Community & Iwi/First Nations engagement	

Roles and Responsibilities of the Board

The Board is committed to managing ***thl*** in an ethical and professional manner, and in the best interests of the Company and its shareholders. ***thl*** has a Board Charter, available on its website, which amongst other matters sets out the specific responsibilities of the Board, including the following:

- Oversight of ***thl***, including its control and accountability procedures and systems;
- Appointment, performance and removal of the Chief Executive Officer;
- Confirmation of the appointment and removal of the senior executives (being the C-Suite executives, General Managers and equivalent roles);
- Setting the remuneration of the Chief Executive Officer and Chief Financial Officer, approval of the remuneration of the senior executives, and the adoption of ***thl***'s remuneration policy;

Corporate governance (continued)

For the year ended 30 June 2023

- Overseeing the development, adoption and communication of the corporate strategy and objectives and oversight of the adequacy of ***thl***'s resources required to achieve the strategic objectives;
- Approval of and monitoring of actual results against the annual business plan and budget (including the capital expenditure plan);
- Approval and monitoring of the progress of capital expenditures, capital management initiatives, and acquisitions and divestments;
- Overseeing accounting and reporting systems and ***thl***'s compliance with its continuous disclosure obligations;
- Approval of the annual and half-year financial statements;
- Setting measurable objectives for achieving diversity with the organisation; and
- Ensuring that ***thl*** has in place the appropriate protocols to be followed in the case of a takeover offer.

Management is responsible for implementing the strategic objectives set by the Board. The Board maintains a formal set of delegated authorities (including a Delegated Authorities Policy) clearly defining responsibilities delegated to management and those retained by the Board. The Delegated Authorities Policy is approved by the Board and is subject to annual review by the Board.

Board performance evaluation and training

On an annual basis the Chair conducts a review of Board performance. A review using an independent external facilitator is conducted bi-annually. Board Committees review performance against their Charters on an annual basis. The Remuneration and Nomination Committee is responsible for ensuring Directors remain up to date with relevant training.

Director appointment and nomination

The policy for appointment and retirement of Directors is contained within ***thl***'s constitution and Board Charter. In accordance with the NZX Listing Rules, Directors must not hold office (without re-election) past the third Annual Meeting following their appointment or three years, whichever is longer.

Cathy Quinn and Gráinne Troute shall retire by rotation at the 2023 Annual Meeting and, being eligible, will offer themselves for re-election. Additionally, having been appointed by the Board since the 2022 Annual Meeting, each of Robert Baker, Sophie Mitchell, Grant Webster and Luke Trouchet shall retire at the 2023 Annual Meeting, and, being eligible, will offer themselves for re-election.

The process for the nomination of Directors is set out in the Remuneration and Nomination Committee Charter. The Remuneration and Nomination Committee is responsible for identifying and assessing the necessary and desirable competencies and characteristics for Board membership and maintaining a skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

thl has entered into a written agreement with each of its Directors setting out the terms of their appointment. ***thl***'s terms of appointment for Directors is set out at Schedule 1 of the ***thl*** Board Charter.

The ***thl*** Board Charter is available at www.thlonline.com.

Director independence

The criteria to determine whether Directors are independent is set out in the Board Charter. All the Directors holding office on 30 June 2023, with the exception of Executive Directors Grant Webster and Luke Trouchet, are considered to be independent. Directors are required to inform the Board of any relevant information that may impact independence. The Remuneration and Nomination Committee reviews the independence of Directors on behalf of the Board.

Board Diversity Policy

The ***thl*** Diversity Policy endorses and supports diversity in Board, Executive and staff appointments, encompassing differences including but not limited to gender, ethnicity, race, marital status, sexual orientation, age, employment status, religious belief, ethical belief or political opinion. When making appointments, the Board and management are committed to considering diversity as well as the mix of skills and experience needed to expand the perspective and capability of the Board and the management team as a whole.

The ***thl*** Diversity Policy is available at www.thlonline.com. It requires the Board to consider the diversity position of ***thl*** annually and whether to set any measurable objectives, which may be numerical and non-numerical. Information regarding ***thl***'s current female representation and Board approved gender objectives can be found on page 32. A broader understanding of diversity is required within the company and the approach will be considered in FY24 as part of a review of our approach to diversity, equality and inclusion. Diversity is considered in several ***thl*** future-fit goals within our Thrive sustainability programme which aims to support our crew, building a healthy culture and cultural capability across ***thl*** globally.

The Board considers that it currently has the appropriate mix of skills, experience and diversity to fulfil its responsibilities under the NZX Listing Rules and the ***thl*** Diversity Policy.

Principle 3 – Board Committees

"The Board should use Committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility."

There are four standing Committees described below, each of which operates under a written charter. The performance of the standing Committees is reviewed annually against the Charters.

Each Committee is authorised to deal with matters as set out in its Charter or falling within its mandate. Where the Board has delegated decision-making authority to a

Corporate governance (continued)

For the year ended 30 June 2023

Committee, that Committee is entitled to make decisions on such matters, otherwise the Committee is to submit recommendations to the Board for consideration. From time to time, the Board delegates specific matters to the appropriate Committee in order to ensure that a detailed review and analysis is undertaken. The Committee then reports back to the Board regarding their findings and recommendations.

The Audit and Risk Committee

The Audit and Risk Committee is comprised solely of Non-Executive Directors of the Board, a majority of whom must be independent Directors. The Chair of the Audit and Risk Committee must not be the Chair of the Board and must be an independent Director.

The Committee meets a minimum of three times each year. The Audit and Risk Committee has oversight of, and assists the Board to fulfil its responsibilities in the areas of financial reporting, audit functions, and financial and strategic risk management and control. ***thl*** employees are able to attend Audit and Risk Committee meetings from time to time by invitation from the Committee.

The Audit and Risk Committee oversees ***thl***'s internal audit work programme based on ***thl***'s risk management framework. An internal audit work plan is developed each year, with internal audit assignments completed by the internal finance function, with external support as required.

The current composition of the Audit and Risk Committee is Rob Hamilton (Chair), Cathy Quinn, Robert Baker and Sophie Mitchell.

The ***thl*** Audit and Risk Committee Charter is available at www.thlonline.com.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is comprised of at least three Non-Executive Directors of the Board, a majority of whom must be independent Directors.

The Committee meets a minimum of two times each year. The Remuneration and Nomination Committee supports the Board on matters relating to human resources and remuneration. It assesses the role and responsibilities, composition, training and membership requirements and remuneration for the Board, including recommendations for the appointment and removal of Directors.

The current composition of the Remuneration and Nomination Committee is Gráinne Troute (Chair), Cathy Quinn, Rob Hamilton and Sophie Mitchell. Management may attend meetings of the Remuneration and Nomination Committee by invitation only.

The ***thl*** Remuneration and Nomination Committee Charter is available at www.thlonline.com.

Market Disclosure Committee

The Market Disclosure Committee is comprised of Cathy Quinn, Rob Hamilton and Sophie Mitchell. Also in attendance are Grant Webster (Chief Executive Officer), Luke Trouchet (Executive Director) and Nick Judd (Chief Financial Officer). The Committee monitors compliance with the Group's Market Disclosure Policy which covers compliance with NZX Listing Rules, ASX Listing Rules (to the extent applicable), the Companies Act 1993, the Financial Markets Conduct Act 2013 and other guidelines issued by the Financial Markets Authority and the NZX.

The Committee meets if required outside of normal Board meetings to approve market disclosures.

The ***thl*** Market Disclosure Policy, which also sets out the roles and responsibilities of the Market Disclosure Committee, is available at www.thlonline.com.

Health, Safety and Sustainability Committee

The Health, Safety and Sustainability Committee is comprised of at least two Non-Executive Directors of the Board. The current composition of the Health, Safety and Sustainability Committee is Debbie Birch(Chair), Gráinne Troute, Cathy Quinn and Robert Baker.

The Committee supports the Board and management on sustainability policies and practices and employee health, safety and wellbeing matters. The Committee meets a minimum of three times each year, as required.

The ***thl*** Health, Safety and Sustainability Committee Charter is available at www.thlonline.com.

Other Committees

The ***thl*** Board establishes other temporary Committees from time to time when required for a specific purpose.

This includes Committees for the governance of capital raising processes or for the progression of acquisition opportunities. Membership of these Committees is assessed on a case by case basis.

Takeover protocols

thl has a written protocol that describes the process to be followed in the event of a takeover offer. The protocol includes the appointment of a sub-Committee of independent Directors.

Principle 4 – Reporting and disclosure

"The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures."

The Board is committed to ensuring that shareholders and the market are provided with complete and timely information about the activities of the business to allow proper accountability between ***thl*** and shareholders, employees and other stakeholders. The Board has overall responsibility for ensuring the integrity of ***thl***'s reporting and disclosure.

Corporate governance (continued)

For the year ended 30 June 2023

Continuous disclosure

thl's obligations under the NZX Listing Rules require it to advise the market about any material events promptly and without delay once the Company becomes aware of such information. As an entity with a foreign exempt listing on ASX, such information is also required to be released to ASX when released to NZX. The Board has in place a Market Disclosure Policy in order to ensure that the Company is able to comply with its continuous disclosure obligations.

The Market Disclosure Policy contains a procedure for the escalation of potential material information to the Market Disclosure Committee, in order to allow the Committee to determine whether the information is material and whether an announcement is required. The Market Disclosure Policy is provided to all ***thl*** staff and is also available on www.thlonline.com. Additionally, ***thl*** provides training regarding its continuous disclosure obligations to all staff, sends annual reminders of ***thl***'s Market Disclosure Policy and information escalation procedures, and monitors compliance on an ongoing basis.

Financial reporting

The Audit and Risk Committee is responsible to the ***thl*** Board in relation to financial reporting. It reviews the interim and annual financial statements and reports to the Board regarding compliance with relevant laws and recognised accounting policies. It is also responsible for ensuring that ***thl*** retains accurate financial and accounting records, and that all financial reporting is done in an accurate and timely manner.

Non-financial reporting

thl has adopted the internationally recognised International Integrated Reporting <IR> Framework in order to ensure its disclosure of non-financial reporting is balanced, transparent, connected to the financial, social and environmental performance, and easily comparable to other companies.

thl's FY23 reporting of its carbon footprint is set out on page 38-39 and has been independently verified by McHugh & Shaw Ltd.

Principle 5 – Remuneration

"The remuneration of Directors and Executives should be transparent, fair and reasonable."

thl is committed to a fair approach to remuneration which ensures alignment between remuneration levels and business needs. A clear set of boundaries and process to guide ***thl***'s philosophy for remuneration has been set by the Remuneration and Nomination Committee in the ***thl*** Remuneration Policy.

The ***thl*** Remuneration Policy is available on ***thl***'s website at www.thlonline.com.

Director remuneration

The fees payable to Directors is set by the Board, usually with the advice of independent consultants, in line with the ***thl*** Remuneration Policy. Director remuneration is to be appropriate to the market and reflect the time commitment and responsibilities of the role.

The remuneration packages for Executive Directors will include an appropriate balance of fixed and performance-based remuneration. Executive Directors will not receive Director remuneration benefits in addition to the Executive remuneration they receive as employees of the Company.

The total fee pool approved by the shareholders for Director remuneration at the 2018 Annual Meeting is $750,000. The annual fees currently paid to Directors is $200,000 for the Chairperson, $100,000 for each Director, plus $15,000 for the Chairperson of the Audit and Risk Committee and $10,000 for the Chairperson of each other Committee. Total Directors' remuneration received, or due and receivable during the year ended 30 June 2023 is set out on page 114 in the Director remuneration note below.

thl also has in place a fixed share plan under which Directors may elect to receive ordinary shares in ***thl*** in lieu of their Director fees (either in whole or in part). This share plan was previously approved by ***thl*** shareholders.

CEO and Executive remuneration

Decisions concerning the remuneration of the CEO require approval from the Board, usually on the recommendation of the Remuneration and Nomination Committee, unless specifically delegated to that Committee. Decisions concerning the remuneration of any other C-level positions, General Managers or similar require approval from the Chair of the Remuneration and Nomination Committee and are subject to the oversight of the Committee at least annually.

thl is committed to ensuring that its Executives are fairly and equitably remunerated, and appropriately rewarded for excellent performance and achievement. In addition, ***thl*** uses a remuneration structure to ensure that the interests of the CEO and Executive team are aligned with the interests of shareholders.

The CEO and Executive remuneration generally consist of:

- a fixed base salary and allowances;
- annual performance-based cash incentives; and
- long-term equity-based incentives.

Fixed base salary

The fixed base salary of the CEO and Executive team is reviewed annually.

Corporate governance (continued)

For the year ended 30 June 2023

Annual performance-based cash incentives

Annual performance-based cash incentives are normally linked to financial and individual targets.

Historically, the CEO and CFO's annual short-term incentives were based 90% on Company financial performance (net profit after tax and return on funds employed) and 10% on individual performance against specific targets (such as acquisitions and investor relations).

For other Executives, the annual short-term incentives were based 40% on Company financial performance, 25-30% on other financial targets and 30-35% on individual performance against specific targets.

During the pandemic period (FY21 and FY22), the normal target-related annual cash scheme was suspended and replaced with a share-based retention scheme, as the ongoing uncertainty of trading conditions meant that no meaningful performance targets could be set. The share scheme minimised cash expenditure, encouraged the retention of key employees and aligned the interests of eligible senior staff with shareholders through greater share ownership.

The FY23 STI targets for Executives were based solely on financial metrics due to the merger. The H1 targets related to the budgeted NPAT goals of the respective ***thl*** and Apollo entities. H2 targets related to a merged entity NPAT target linked to forecasts established at the half year.

Assessments on the final payments to be made will be conducted by the non-Executive Directors once the audited accounts are finalised. The STI based targets have been accrued in the accounts assuming a 100% payout ratio.

From FY24, as ***thl*** returns to a more normal cycle, there has been a change in the annual performance-based incentives. The participating Executives, which includes the CEO and CFO, will be measured based on group financial performance targets (40 – 50%), business performance targets (30 – 40%), health, safety and wellbeing targets (5 – 15%) and other individualised targets (5 – 20%).

Long-term equity-based incentives

The ***thl*** LTI scheme is designed to align the interests of the Executives with those of the shareholders. Executives are rewarded for long-term increases in shareholder value. Executives are invited to participate in the long-term incentive plan by the Board on an annual basis, and participating Executives are awarded share options at the discretion of the Board. The awarding of options is based on a percentage of fixed remuneration, based on a valuation of the options carried out each year by KPMG. Details of the schemes and the status of options issued under the schemes is included in note 32 to the Financial Statements.

Changes to Executive entitlements to annual performance-based incentives and LTI scheme participation

Following a review by the Remuneration and Nomination Committee and an external benchmarking process, for FY23, eligible Executives (including the CEO and CFO) were offered to convert a 50% proportion of their annual performance-based cash incentive entitlement into a fixed base salary entitlement, at a 75% buy-out rate. Eligible Executives (not including the CEO and CFO) were also offered an increase in their percentage entitlements to participate in the LTI scheme.

The purpose of these changes were:

- to increase the overall proportion of Executive remuneration tied to the LTI scheme, which ***thl*** considers to be the form of remuneration that most effectively encourages long-term value growth, employee retention and alignment of Executive and shareholder interests; and
- to improve fixed base salary entitlements to better align the remuneration offered by ***thl*** to market salary expectations.

Further detail regarding CEO remuneration for the year ended 30 June 2023 is set out in the CEO remuneration note below.

Staff remuneration

Decisions concerning remuneration of other ***thl*** staff require approval on a "one-up" basis. This means that no person may make decisions on the remuneration of any person reporting to them without the approval of the person to whom they report.

The number of ***thl*** staff which received remuneration exceeding $100,000 in the year ending 30 June 2023 is set out in the employee remuneration section.

Principle 6 – Risk management

"Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks."

thl maintains an Enterprise Risk Management (ERM) framework for the identification, assessment, monitoring and management of material risks to ***thl***'s business. The ***thl*** Board has ultimate responsibility for reviewing ***thl***'s risk management framework, however the ongoing oversight is delegated to the Audit and Risk Committee (ARC), who reports to the Board in respect of potential issues or risks that require further consideration and response.

Strategic risk management

A responsibility of the Audit and Risk Committee is to consider, assess and respond to long-term strategic risks to ***thl***'s business. This includes oversight and management of

Corporate governance (continued)

For the year ended 30 June 2023

thl's Risk Register and risk contingency plans. ***thl*** management maintains the material Risk Register and reports to the ARC every second month on such risks, which conducts a detailed review of all ***thl*** risks on a twice-yearly basis. Management monitors risks on an ongoing basis to identify any new risks as well as any potential changes to the threat posed to ***thl***'s business from previously identified risks. Further information regarding the key material risks to ***thl*** can be found from page 44 of this report.

Financial risk management

The Audit and Risk Committee is also responsible for ensuring that ***thl*** has appropriate control and systems in place to manage any financial risks and to protect ***thl***'s assets. This involves reviewing ***thl***'s risk management system, business policies and practices and internal control framework. The Committee is also responsible for ensuring that ***thl*** maintains insurance coverage which ensures that earnings are well protected from potential adverse circumstances.

Health and safety

The Health, Safety and Sustainability Committee (HSSC) is responsible for monitoring matters relating to occupational health and safety, and physical and mental wellbeing of ***thl*** staff, and reports to the Board on such matters.

The Committee works with Management to identify and maintain a register of workplace hazards, and to ensure that ***thl*** has in place and appropriately documents its health and safety policies and procedures.

thl Management report to the Board on any health and safety incidents, including implementation of responses to prevent further incidents, on a monthly basis.

thl Management report to the HSSC on progress on its global 'future-fit' sustainability programme including Climate and Carbon and on the 23 goals of the Future-Fit Business Benchmark.

Principle 7 – Auditors

"The Board should ensure the quality and independence of the external audit process."

The Audit and Risk Committee is responsible for recommending the appointment and removal of external auditors, ensuring their independence and regularly monitoring and reviewing both internal and external audit practices. The Committee closely monitors ***thl***'s relationship with the external auditor, including:

- The rotation of the external auditor or lead partner and peer review partner at least every five years;
- Obtaining confirmation of the auditor's independence in writing; and
- Monitoring and approving any other services provided by the external auditor to ***thl*** other than in its audit role, and
- monitoring total non-audit fees.

The Audit and Risk Committee Charter sets out the types of services which the external auditor is prohibited from providing to ***thl*** in order to ensure that their ability to provide audit services is not impaired and that they remain independent.

thl's current external auditor is PwC New Zealand. PwC was re-appointed by shareholders at the 2022 Annual Meeting. In accordance with ***thl***'s Board Charter, PwC New Zealand will attend the 2023 Annual Meeting and be available to answer questions about the conduct of its audit and the preparation and content of its audit report.

Throughout the year, there is ongoing dialogue between the Audit and Risk Committee, management and PwC in their role as external auditors. Additionally, PwC regularly attend meetings of the Audit and Risk Committee at the invitation of that Committee and have direct engagement with that Committee without management presence, as appropriate.

thl has an internal audit function which is based on an annual plan prepared by management, reflecting ***thl***'s risk management framework. The Audit and Risk Committee receives and reviews reports from the internal audit team, and is responsible for ensuring that recommendations, actions and timelines for internal audits are agreed and undertaken with management.

Principle 8 – Shareholder rights and relations

"The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer."

Access to information

The Board aims to ensure that shareholders are able to access up-to-date information regarding ***thl***'s business and ongoing developments in an easy-to-access format. ***thl*** makes available on its website a description of each of its businesses, historical interim and annual reports and other shareholder communications, and key corporate governance documents as required by the Code.

Shareholders have the option to receive communications from ***thl*** electronically by electing to do so with ***thl***'s share registrar, Link Market Services. ***thl*** encourages all shareholders to opt in to receiving electronic communications where practical to reduce waste.

A brief biography of each of ***thl***'s Directors and key members of the Executive team is available on ***thl***'s website.

Annual Meetings

The Board encourages all shareholders and stakeholders to attend its Annual Meetings. It aims for all Annual Meetings to be attended by all Directors as well as the CEO, the CFO and the Deputy CFO, and to ensure that they are available for questions from shareholders. Notice of the Annual Meeting is communicated to shareholders (including by being posted on ***thl***'s website) as soon as possible, with at least 20 working days prior notice being given in accordance with the NZX Corporate Governance Code.

Corporate governance (continued)

For the year ended 30 June 2023

The 2022 Annual Meeting was held as a hybrid meeting, with all shareholders being able to either attend physically or via live-stream and submit questions online. Where an Annual Meeting is held physically, ***thl*** also provides the option to live-stream the Annual Meeting for those shareholders that are unable to attend in person. Shareholders attending via the live-stream have the ability to submit questions online. A recording of each Annual Meeting is subsequently made available on the ***thl*** website.

Board composition

thl's constitution allows no less than three and up to 10 Directors. As at 30 June 2023, the Board of Directors comprised eight Directors, being six Non-Executive Directors, and two Executive Directors.

Director	Roles	Director Since	Independence
Cathy Quinn	Board Chair, Member Health, Safety and Sustainability Committee, Member Audit and Risk Committee, Chair Market Disclosure Committee, Member Remuneration and Nomination Committee	September 2017	Independent Director
Debbie Birch	Chair Health, Safety and Sustainability Committee	September 2016	Independent Director
Rob Hamilton	Chair Audit and Risk Committee, Member Remuneration and Nomination Committee, Member Market Disclosure Committee	February 2019	Independent Director
Gráinne Troute	Chair Remuneration and Nomination Committee, Member Health, Safety and Sustainability Committee	February 2015	Independent Director
Robert Baker	Member Audit and Risk Committee, Member Health, Safety and Sustainability Committee	November 2022	Independent Director
Sophie Mitchell	Member Audit and Risk Committee, Member Remuneration and Nomination Committee, Member Market Disclosure Committee	November 2022	Independent Director
Luke Trouchet	Executive Director	November 2022	Executive Director
Grant Webster	Chief Executive Officer and Managing Director	November 2022	Executive Director

During the year ending 30 June 2023, Guorong Qian ceased to be a Director on 27 September 2022.

Table of Board attendance

Director	Board Meeting	Audit and Risk Committee Meeting	Remuneration and Nomination Committee Meeting	Disclosure Committee Meeting	Health, Safety and Sustainability Committee Meeting
Cathy Quinn	10	7	5	2	3
Debbie Birch[1]	10	1			3
Rob Hamilton	9	7	5	2	3
Gráinne Troute[2]	9	1	5		3
Guorong Qian[3]	3	1	1		1
Sophie Mitchell[4]	5	5	1	2	
Robert Baker[5]	5	5			1
Luke Trouchet[6]	5	6		2	1
Grant Webster[7]	10	7	5	2	3
Total meetings held	10	7	5	2	3

[1] Debbie Birch ceased to be a member of the Audit and Risk Committee from 30 November 2022.

[2] Gráinne Troute ceased to be a member of the Audit and Risk Committee from 30 November 2022.

[3] Guorong Qian retired as a Director of ***thl*** effective from 27 September 2022.

[4] Sophie Mitchell joined the Board, Audit and Risk Committee, Remuneration and Nomination Committee and Disclosure Committee on 30 November 2022.

[5] Robert Baker joined the Board, Audit and Risk Committee and Health, Safety and Sustainability Committee on 30 November 2022.

[6] Luke Trouchet joined the Board on 30 November 2022.

[7] Grant Webster joined the Board on 30 November 2022. Grant attended all Board and Committee meetings prior to joining the Board in his role as CEO.

Director and Officer gender composition

As at 30 June 2023, being the balance date, ***thl***'s Director and Officer gender composition was as follows:

	2023			2022		
	Male	**Female**	**Gender Diverse**	Male	Female	Gender Diverse
Directors	4 (50%)	4 (50%)	0% (0%)	2 (40%)	3 (60%)	0% (0%)
Officers[1]	10 (77%)	3 (23%)	0% (0%)	6 (86%)	1 (14%)	0% (0%)
Executive team[2]	11 (69%)	5 (31%)	0% (0%)	7 (70%)	3 (30%)	0% (0%)

[1] As per the definition for 'Officers' in the Listing Rules

[2] The ***thl*** Executive team are ***thl***'s C-suite leaders, as detailed on thlonline.com/about/executiveteam.

Corporate governance (continued)

For the year ended 30 June 2023

Directors' remuneration

Directors' remuneration received, or due and receivable during the year ended 30 June 2023 is as follows:

Director	Base Director Fee (2023)	Subcommittee Chair Fee (2023)	Other Remuneration[1] (2023)	Total (2023)
Cathy Quinn	189,583	-	-	189,583
Debbie Birch	94,792	10,000	-	104,792
Rob Hamilton	94,792	15,000	-	109,792
Gráinne Troute	94,792	10,000	-	104,792
Robert Baker	58,333	-	-	58,333
Sophie Mitchell	58,333	-	-	58,333
Guorong Qian[2]	21,875	-	-	21,875
Rob Campbell[3]	-	-	-	-
	612,500	35,000	-	647,500

Director	Base Director Fee (2022)	Subcommittee Chair Fee (2022)	Other Remuneration (2022)	Total (2022)
Cathy Quinn	94,792	10,000	10,000	114,792
Debbie Birch	87,500	10,000	-	97,500
Rob Hamilton	87,500	15,000	12,500	115,000
Gráinne Troute	87,500	10,000	-	97,500
Robert Baker	-	-	-	-
Sophie Mitchell	-	-	-	-
Guorong Qian[2]	87,500	-	-	87,500
Rob Campbell[3]	175,000	-	10,000	185,000
	619,792	45,000	32,500	697,292

[1] Paid in reflection of additional commitments and responsibilities as a member of the Apollo transaction Board Subcommittee.

[2] Guorong Qian retired as a Director on 27 September 2022.

[3] Rob Campbell retired as a Director on 13 June 2022.

Rob Hamilton was issued ordinary shares in ***thl*** as part of his Director remuneration. Refer to the section titled "Directors' share dealings".

CEO remuneration

Fixed remuneration

In FY23 the CEO, Grant Webster, received fixed remuneration including allowances of $901,333 (FY22: $679,556).

The CEO's remuneration was reviewed by the Board in an out-of-cycle review in March 2023. The merger with Apollo Tourism & Leisure was a key catalyst for the review. In addition, external benchmarking and key shareholder feedback was considered.

The increase in base salary takes into consideration the historical position of the CEO's base salary, which has sat in the lower quartile of the relevant external benchmark set.

Short-term incentive

Historically, the annual short-term incentive of the CEO is set at 40% of fixed remuneration and allowances if all performance targets are achieved. In addition, a further incentive of up to 28% of fixed remuneration and allowances is payable for the over-achievement of financial and broader business performance targets. For FY21 and FY22, the normal cash-based short-term incentive scheme was replaced with a share-based retention scheme. Consequently, no payment was made to the CEO under the short-term incentive scheme in FY21 or in FY22.

Incremental discretionary one-off bonuses of $242,500 were approved by the Board for contributions to the business for financial year 2022.

In March 2023, the out of cycle board review also considered the CEO Short Term Incentive Scheme and Stretch targets relating to the merger with Apollo. On review of the year-end results, the Board has determined that a STI payment at 100%, being $229,050 will be paid within the FY24 year. In addition, a stretch bonus at 75% of the target will be paid, being $205,625.

Share-based retention scheme

A share-based retention scheme was implemented in FY21 and FY22 replacing the normal Short-Term Incentive scheme. The business has returned to a more normal operating environment and the Board has approved disbanding the share-based retention scheme in favour of returning to Short-and Long-term incentive schemes. As such, no shares have been issued to the CEO under this scheme.

In FY23, 139,655 shares rights issued in FY21 and FY22 and originally valued at $325,600 vested and were converted into ordinary shares.

Long-term incentive

In FY23 the LTI allocation remained at 35% of base salary. For the allocation in April 2023 this was based on the base salary of $940,000.

The CEO was granted 393,000 share options under the 2017 Long-Term Incentive Scheme valued at $0.837 per option, giving a total value of $328,941. In FY22 the CEO was granted 430,000 share options under the 2017 Long-Term Incentive Scheme valued at $0.529 per option, giving a total value of $227,470.

Corporate governance (continued)

For the year ended 30 June 2023

Under the 2017 Long-Term Incentive Schemes, the options vest from the second anniversary of the issue, with one third vesting after the second year, one third after the third year, and the final third after the fourth year. In FY23, 551,667 share options vested under the 2017 Long-Term Incentive Scheme.

A history of all share options issued to the CEO pursuant to the 2017 Long-Term Incentive Scheme and the associated exercise price for those options is detailed below:

Grant date	Number of options	Total value of options	Exercise price[1]	Expiry date
April 2017	240,000	$87,600	$4.11	April 2023
April 2018	240,000	$149,760	$7.00	April 2024
April 2019	425,000	$169,150	$5.68	April 2025
April 2020	630,000	$242,550	$1.57	April 2026
April 2021	600,000	$243,600	$2.79	April 2027
April 2022	430,000	$227,470	$2.83	April 2028
April 2023	393,000	$328,941	$4.09	April 2029

[1] The exercise price includes an uplift to reflect ***thl***'s average cost of capital for the first two years from the grant date, less dividends paid during that two-year period, therefore the exercise prices for share options issued in April 2022 and April 2023 are subject to change.

Superannuation

The CEO is a participant in KiwiSaver and is eligible to receive an employer contribution of 3% of gross taxable earnings. In FY23 this contribution was $33,475 (FY22: $19,547).

Total CEO remuneration

The total remuneration of the CEO was as follows:

	FY23	FY22
Base salary	$901, 333	$679,556
Short-term incentive	-	-
Share retention scheme[1]	$325,600	$461,200
One off / Stretch Bonuses	$242,500	-
Long-term incentive scheme[2]	$328,941	$227,420
Total	**$1,798,374**	**$1,368,176**

[1] Consisted of retention share rights and share options, vesting of which is subject to certain requirements.

[2] Refer to section 'Long-term incentive' above for vesting conditions and applicable exercise prices.

The contracted CEO base remuneration was $678,000 (including allowances) from FY18 to FY22. The CEO made voluntary reductions in salary in FY19, FY20 and FY21. The base salary reflected in the table above is the actual paid amount.

Executive Director remuneration

Fixed remuneration

In FY23, Executive Director Luke Trouchet, received fixed remuneration including allowances of $704,267 (FY22: $687,626)[1].

Bonus

In FY23, Luke Trouchet received a discretionary bonus of $76,237 (FY22: $0), for his contributions to the business in financial year 2022.

The Board has reviewed the performance of the business in FY23 and the Executive and has determined that in addition to the bonus paid within FY23, a STI payment at 100%, being AUD$131,413 will be paid within the FY24 year.

Long-term incentive

In FY23, Luke Trouchet was granted a long-term incentive opportunity for a potential future bonus payment of $250,460 (reflecting an entitlement at 35% of base salary).

Under the scheme, which is used for ***thl*** Executives based outside of New Zealand in lieu of receiving options under the 2017 Long-Term Incentive Scheme, a cash bonus will be payable if the ***thl*** share price meets a prescribed target after a two-year period. The target is based on the issue price at the time the opportunity is granted, plus a cost of capital adjustment for each of the following two years (accounting for the cost of equity of ***thl*** less any dividends paid).

If the target is achieved, 50% of the bonus will be payable in May 2025 and the remaining 50% will be payable in May 2026.

Superannuation

Luke Trouchet is an Australian employee and entitled to receive an employer superannuation contribution as per the Australian Government Superannuation Guarantee legislation. In FY23 this contribution was $27,546 (FY22: $26,132).

Total Executive Director Remuneration

The total remuneration of Luke Trouchet was as follows:

	2023 $000's	2022 $000's
Base Salary	704,267	687,626
Bonus	76,237	-
Total	**780,504**	687,626

[1] Luke Trouchet joined ***thl*** on 30 November 2022. Luke was Managing Director of Apollo Tourism & Leisure Ltd prior to the merger with ***thl***. His reported remuneration is for the period 1 July 2022 to 30 June 2023.

Corporate governance (continued)

For the year ended 30 June 2023

Employee remuneration

The number of employees in the Group or former employees (not including Directors) whose remuneration that was received in the 2023 financial year (including severance pay) was within the specified bands is as follows:

Remuneration in $000's	Number of Employees
100 - 109	62
110 - 119	45
120 - 129	29
130 - 139	25
140 - 149	16
150 - 159	17
160 - 169	12
170 - 179	15
180 - 189	9
190 - 199	5
200 - 209	7
210 - 219	4
220 - 229	7
230 - 239	3
240 - 249	2
260 - 269	2
270 - 279	5
280 - 289	4

Remuneration in $000's	Number of Employees
290 - 299	3
300 - 309	1
310 - 319	3
320 - 329	5
330 - 339	2
340 - 349	1
380 - 389	1
400 - 409	1
410 - 419	2
450 - 459	1
460 - 469	1
510 - 519	1
530 - 539	1
600 - 609	1
730 - 739	1
770 - 779	1
830 - 839	1
1370 - 1379	1
Total	**297**

Substantial product holders

The following information is provided in compliance with section 293 of the Financial Markets Conduct Act 2013 and records Substantial Product Holder notices received as at 30 June 2023. As at 30 June 2023, the total number of voting securities on issue was 214,077,123.

Shareholder	Number of Ordinary Shares in which a relevant interest was held	Percentage %
Tourism Holdings Limited	28,679,239[1]	13.40%
Trouchet Shareholders	27,910,023	13.04%
HB Holdings Limited	27,812,817	12.99%
Accident Compensation Corporation	10,973,676[2]	5.13%

[1] Tourism Holdings Limited's relevant interest relates to certain Ordinary Shares held by the Trouchet Shareholders and Alpine Bird Manufacturing Limited, to which ***thl*** has the power to prevent the sale of shares pursuant to Escrow Deeds entered into with those parties.

[2] See twenty largest shareholders table for shareholding as at 30 June 2023.

Spread of shareholders

The ordinary shares of Tourism Holdings Limited are listed on the NZX Main Board and the Official List of the ASX under a foreign exempt listing.

As at 30 June 2023 the total number of voting securities on issue was 214,077,123.

Size Of Shareholdings	Number Of Holders	Number Of Shares Held	% Of Total Issued Shares
1 - 1,000	2,401	1,208,150	0.56%
1,001 - 5,000	3,559	9,322,589	4.35%
5,001 - 10,000	1051	7,591,814	3.55%
10,001 - 50,000	880	17,018,047	7.95%
50,001 - 100,000	86	6,044,377	2.82%
100,001 and over	84	172,892,146	80.77%
	8,061	214,077,123	100.00%

The above shows the spread of shareholders as at 30 June 2023. The shareholding of New Zealand Central Securities Depository Limited (NZCSD) has been reallocated to the applicable members of NZCSD.

Corporate governance (continued)

For the year ended 30 June 2023

Twenty largest shareholders

As at 30 June 2023		Number of Ordinary Shares	
1	Barmil Enterprises Pty Ltd*	27,499,894	12.85%
2	HSBC Nominees (New Zealand) Limited	24,538,222	11.46%
3	Citicorp Nominees Pty Limited	13,334,927	6.23%
4	Accident Compensation Corporation	10,042,091	4.69%
5	HSBC Custody Nominees (Australia) Limited	9,294,425	4.34%
6	National Nominees Limited	6,619,303	3.09%
7	Bnp Paribas Nominees NZ Limited	6,304,673	2.95%
8	Forsyth Barr Custodians Limited	5,866,561	2.74%
9	National Nominees New Zealand Limited	5,082,562	2.37%
10	FNZ Custodians Limited	4,738,929	2.21%
11	J P Morgan Nominees Australia Pty Limited	4,598,735	2.15%
12	New Zealand Depository Nominee	4,556,651	2.13%
13	Citibank Nominees (Nz) Ltd	3,899,916	1.82%
14	Alpine Bird Manufacturing Limited**	3,260,870	1.52%
15	Custodial Services Limited	3,118,749	1.46%
16	New Zealand Superannuation Fund Nominees Limited	2,982,694	1.39%
17	Forsyth Barr Custodians Limited	2,321,904	1.08%
18	Bnp Paribas Noms Pty Ltd	2,308,328	1.08%
19	Grant Gareth Webster & Stephen David Webster***	2,246,518	1.05%
20	Mirrabooka Investments Limited	1,812,997	0.85%
		144,428,949	**67.46%**

* Entities related to Luke Trouchet. Refer to Directors' shareholdings section.

** Entities related to Grant Brady.

*** Represents shares beneficially owned by Grant Webster. Refer to Directors' shareholdings section.

The shareholding of New Zealand Central Securities Depository Limited (NZCSD) has been reallocated to the applicable members of NZCSD.

Directors' shareholdings

As at 30 June 2023, Directors had relevant interests in ordinary shares in ***thl*** as below:

Director	Interest	Shares
Cathy Quinn	Beneficial	51,873
Debbie Birch	Beneficial	44,062
Rob Hamilton	Legal and beneficial	55,536
Gráinne Troute	Beneficial	95,833
Robert Baker	Legal and beneficial	40,486
Sophie Mitchell	Beneficial	73,032
Luke Trouchet	Beneficial	27,910,023
Grant Webster[1]	Beneficial	2,446,518

[1] Refer to the CEO remuneration section on page 114 for details of various convertible financial products owned by Grant Webster.

Corporate governance (continued)

For the year ended 30 June 2023

Directors' share dealings

Details of the Directors' acquisitions and disposals of relevant interests during the financial year ending 30 June 2023 in the ordinary equity securities issued by the Company are as follows:

Cathy Quinn made an on-market purchase of 18,200 ordinary shares at $3.86 per share on 10 May 2023.

Robert Baker was issued 40,486 ordinary shares on 30 November 2022 as consideration for ATL shares held on the scheme record date under the scheme of arrangement in relation to the acquisition of Apollo Tourism & Leisure Ltd.

Rob Hamilton was issued 4,696 ordinary shares on 3 October 2022 at $2.73 per share as part of his Director remuneration for the six months ended 30 September 2022, and 3,435 ordinary shares on 3 April 2023 at $4.03 per share as part of his Director remuneration for the six months ended 31 March 2023.

Sophie Mitchell was issued 73,032 ordinary shares on 30 November 2022 as consideration for ATL shares held on the scheme record date under the scheme of arrangement in relation to the acquisition of Apollo Tourism & Leisure Ltd.

Luke Trouchet was issued 30,960,023 ordinary shares on 30 November 2022 as consideration for ATL shares held on the scheme record date under the scheme of arrangement in relation to the acquisition of Apollo Tourism & Leisure Ltd. Luke Trouchet made an on-market sale of 3,050,000 ordinary shares at AUD$3.44 per share on 2 December 2022.

Grant Webster was issued 60,488 ordinary shares on 5 July 2022 due to the conversion of vested share rights. Grant Webster was issued 79,167 ordinary shares on 15 September 2022 due to the conversion of vested share rights. Grant Webster exercised 200,000 vested LTI options at a price of $1.57 on 4 November 2022 and was issued 200,000 ordinary shares as consideration. Grant Webster made an on-market sale of 150,000 ordinary shares at $3.68 per share on 2 December 2022.

The relevant interests in the above shares are as disclosed in the Directors' shareholdings section.

General notice of Directors' interest

Directors have made general disclosures of interests in accordance with s140(2) of the Companies Act. Current interests as at 30 June 2023, and those which ceased during the year, are tabulated below. New disclosures advised during the 2023 financial year are italicised.

Cathy Quinn	Fertility Associates Holdings Limited	Chair
	Fletcher Building Industries Limited	Director
	Fletcher Building Limited	Director
	Fonterra Co-operative Group Limited	Director
	MinterEllisonRuddWatts	Consultant
	Rangatira Limited	Director
	University of Auckland	Pro-Chancellor
Robert Baker	*Flight Centre Travel Group Limited*	*Director – interest advised November 2022*
	RightCrowd Limited	*Chair - interest advised November 2022*
	Goodman Private Wealth Ltd	*Director - interest advised November 2022*
	Robert is a retired partner of PwC Australia and receives an annual post-retirement payment in accordance with the Partnership Agreement he was party to. PwC Australia is a separate entity to PwC New Zealand, who are engaged as ***thl***'s external auditor. Robert has no past or present relationship with PwC New Zealand.	
Debbie Birch	Birch & Associates Limited	Director
	Eastland Generation Group	Director
	Eastland Group Limited	Director
	Eastland Network Limited	*Director – resignation advised March 2023*
	Eastland Port Limited	Director
	Gisborne Airport Limited	Director
	Human Rights Measurement Initiative Charitable Trust	*Trustee – advised November 2022*
	Miraka Limited (and subsidiaries)	*Director – interest advised March 2023*
	Ngāti Awa Group Holdings Limited	*Director – resignation advised February 2023*
	Ngāti Awa Tourism Limited	*Director – resignation advised February 2023*

Corporate governance (continued)

For the year ended 30 June 2023

	NZTE AIP Advisory Panel	*Member – advised January 2023*
	Raukawa ki te Tonga AHC Limited	Chair
	Taupō Moana Investments Limited	Chair
	Te Pūia Tāpapa GP Limited	Director
	Treasury Capital Markets Advisory Committee	*Member – resignation advised February 2023*
	Tuaropaki Trust	*Trustee Elect – interest advised February 2023*
	Tūwharetoa Hau Rau GP Limited	Director
	Wellington Free Ambulance Trust	*Trustee – resignation advised March 2023*
	White Island Tours Limited	*Director – resignation advised February 2023*
Rob Hamilton	*Auckland Grammar School*	*Trustee – resignation advised September 2022*
	Auckland Grammar School Foundation Trust	*Member – interest advised September 2022*
	Oceania Healthcare Limited	Director
	Kamari Consulting Limited	Director and Shareholder
	NZX Limited	*Director – interest advised October 2022, resignation advised March 2023*
	Stelvio Consulting Limited	Director and Shareholder
	Synlait Milk Limited	Consultant
	Westpac New Zealand Limited	Director
Sophie Mitchell	*Corporate Travel Management Limited*	*Director – interest advised November 2022*
	Firstmac Limited	*Director – interest advised November 2022*
	Healthcare Logic Global Limited	*Chair – interest advised November 2022, resigned effective July 2023*
	Multi-year Investment Finance & Governance Panel, Australia Council for the Arts	*Member – interest advised November 2022*
	Morgans Foundation Limited	*Director – interest advised November 2022*
	Morgans Holdings (Australia) Limited	*Director – interest advised November 2022*
	Myer Family Investments Limited	*Director – interest advised November 2022*
Luke Trouchet	*Barmil Enterprises Pty Ltd*	*Director – interest advised November 2022*
	Eastglo Pty Ltd	*Director – interest advised November 2022*
	LGT Holdings Pty Ltd	*Director – interest advised November 2022*
	Salamanda Travel Pty Ltd	*Director – interest advised November 2022*
	Camp Stay Holding Pty Ltd	*Director – interest advised November 2022*
	Camp Stay Pty Ltd	*Director – interest advised November 2022*
	Jamonji Pty Ltd	*Director – interest advised November 2022*
	Jamonji Corp Pty Ltd	*Director – interest advised November 2022*
	KRLG Pty Ltd	*Director – interest advised November 2022*
	RV Boss Pty Ltd	*Director – interest advised November 2022*
	Caravans Away Pty Ltd	*Director – interest advised November 2022*
	Luke Trouchet is a Director of ***thl*** subsidiaries as listed on page 121.	
Gráinne Troute	Investore Property Limited	Director
	Summerset Group Holdings Limited	Director
	Duncan Cotterill	*Director – interest advised June 2022*
	Montana Group	*Chair – interest advised July 2023*
	Tourism Industry Aotearoa	*Chair – resignation effective June 2023*
Grant Webster	*Les Mills Holdings Limited*	*Chair - interest advised November 2022*
	Grant Webster is a Director of ***thl*** subsidiaries as listed on page 121.	

Corporate governance (continued)

For the year ended 30 June 2023

NZX Waivers

On 27 February 2017 ***thl*** obtained a waiver from NZXR from Rule 8.1.7 (which ensures that options may not be subsequently amended by an issuer in a manner that is detrimental to the interests of the holders of the underlying Equity Securities). The waiver was granted to the extent that the Rule would otherwise prevent the issue of options under ***thl***'s long-term incentive scheme for senior executives, introduced in 2017. The ruling allows for a formula to be used for the exercise price of the options that will result in a fluctuating exercise price.

On 22 May 2019 ***thl*** obtained a waiver from NZXR from Listing Rule 6.5.2 under the revised NZX Listing Rules. This waiver re-documented the existing waiver received on 27 February 2017 in respect of Rule 8.1.7 under the former NZX Listing Rules. In May 2023, ***thl*** relied on this waiver in the issuance of new options under its long-term incentive scheme.

On 1 December 2021, ***thl*** obtained a waiver from NZ RegCo from Listing Rule 4.9.1(a), to the extent that the rule would require ***thl*** to offer shares in ***thl*** to 'Excluded Shareholders' under the proposed Scheme of Arrangement with Apollo Tourism & Leisure Limited. The waiver was provided on the condition that ***thl*** must arrange the sale of any ***thl*** shares to which 'Excluded Shareholders' would be entitled to if they were eligible, and to account to those shareholders for the net proceeds. Shares were issued in reliance on Listing Rule 4.9.1(a), as subject to the waiver, on the implementation of the Scheme of Arrangement on 30 November 2022.

Directors' loans

There were no loans by the Group to Directors.

Directors' insurance

The Group has arranged insurance cover and provided deeds of indemnity for Directors' and Officers' liability.

Auditor

In accordance with section 207T of the Companies Act 1993, PricewaterhouseCoopers are appointed as the Group's auditors. Auditors' remuneration is detailed in note two to the financial statements.

Subsidiary companies

During the financial year ending 30 June 2023, the Directors of ***thl***'s subsidiary companies were as follows. No Director of any subsidiary received beneficially any Director's fees or other benefits except as an employee[1]. The remuneration and other benefits of such employees, received as employees, are included in the relevant bandings for remuneration disclosed under Employee Remuneration on page 116.

thl Motorhomes Limited	Grant Webster
thl Motorhomes UK Limited	Grant Webster, Nick Roach (appointed January 2023), Daniel Schneider (ceased January 2023)
THL UK and Ireland Limited	Grant Webster (appointed January 2023), Nick Roach (ceased October 2022, reappointed January 2023), Sarah Roach (ceased October 2022), Daniel Schneider (ceased January 2023), Gordon Hewston (ceased January 2023)
Waitomo Caves Limited	Grant Webster
Waitomo Caves Holdings Limited	Grant Webster
Maui Rentals Pty Limited	Grant Webster, Luke Trouchet (appointed December 2022), Catherine Meldrum (ceased December 2022)
Outdoria Pty Limited	Grant Webster, Luke Trouchet (appointed December 2022), Catherine Meldrum (ceased December 2022)
TH2connect GP Limited	Grant Webster and Nick Judd
thl Properties NZ Limited	Grant Webster, Nick Judd
Action Manufacturing Group GP Limited	Grant Webster, Nick Judd, Grant Brady, Chris Devoy and Ralph Marshall
The Green Bus Company Pty Limited	Grant Webster, Luke Trouchet (appointed December 2022), Catherine Meldrum (ceased December 2022)
thl Oz Pty Limited	Grant Webster, Luke Trouchet (appointed December 2022), Catherine Meldrum (ceased December 2022)
thl Group (Australia) Pty Limited	Grant Webster, Luke Trouchet (appointed December 2022), Catherine Meldrum (ceased December 2022)
Tourism Holdings Australia Pty Limited	Grant Webster, Luke Trouchet (appointed December 2022), Catherine Meldrum (ceased December 2022)
World Travel Headquarters Pty Limited	Grant Webster, Luke Trouchet (appointed December 2022), Catherine Meldrum (ceased December 2022)
Tourism Holdings Rental Vehicles Pty Limited	Grant Webster, Luke Trouchet (appointed December 2022), Catherine Meldrum (ceased December 2022)
Road Bear NZ Limited	Grant Webster

[1] Ralph Marshall and Grant Brady received Directors fees of $35,000 each in FY23 for their directorships in respect of Action Manufacturing Group GP Limited.

Corporate governance (continued)

For the year ended 30 June 2023

Tourism Holdings USA Inc	Grant Webster
JJ Motorcars Inc	Grant Webster
El Monte Rents Inc	Grant Webster
Apollo Tourism & Leisure Ltd	Luke Trouchet, Karl Trouchet, Grant Webster (appointed December 2022)
Apollo Motorhome Ultimate Holdings Pty Ltd	Luke Trouchet, Grant Webster (appointed December 2022), Karl Trouchet (ceased December 2022)
Apollo Motorhome Holdings (Aus) Pty Ltd	Luke Trouchet, Grant Webster (appointed December 2022), Karl Trouchet (ceased December 2022)
Cheapa Campa Pty Ltd	Luke Trouchet, Grant Webster (appointed December 2022), Karl Trouchet (ceased December 2022)
G R L Enterprises Pty Ltd	Luke Trouchet, Grant Webster (appointed December 2022), Karl Trouchet (ceased December 2022)
Talvor Motorhomes Pty Ltd	Luke Trouchet, Grant Webster (appointed December 2022), Karl Trouchet (ceased December 2022)
Apollo Motorhome Holidays Pty Ltd	Luke Trouchet, Grant Webster (appointed December 2022), Karl Trouchet (ceased December 2022)
Apollo Motorhome Industries Pty Ltd	Luke Trouchet, Grant Webster (appointed December 2022), Karl Trouchet (ceased December 2022)
Hippie Camper Pty Ltd	Luke Trouchet, Grant Webster (appointed December 2022), Karl Trouchet (ceased December 2022)
Sydney RV Group Pty ltd	Luke Trouchet, Grant Webster (appointed December 2022), Karl Trouchet (ceased December 2022)
Apollo Investments Pty Ltd	Luke Trouchet, Grant Webster (appointed December 2022), Karl Trouchet (ceased December 2022)
Apollo RV West Pty Ltd	Luke Trouchet, Grant Webster (appointed May 2023), Karl Trouchet (ceased May 2023)
AMH Products Pty Ltd	Luke Trouchet, Grant Webster (appointed December 2022), Karl Trouchet (ceased December 2022)
Apollo RV Service & Repair Centre Pty Ltd	Luke Trouchet, Grant Webster (appointed December 2022), Karl Trouchet (ceased December 2022)
Apollo Finance Pty Ltd	Luke Trouchet, Grant Webster (appointed December 2022), Karl Trouchet (ceased December 2022)
Winnebago RV Pty Ltd	Luke Trouchet, Grant Webster (appointed December 2022), Karl Trouchet (ceased December 2022)
Apollo Motorhome Holdings (NZ) Pty Ltd	Luke Trouchet, Grant Webster (appointed December 2022), Karl Trouchet (ceased December 2022)
Apollo Motorhome Holidays Limited	Grant Webster (appointed December 2022), Luke Trouchet (ceased December 2022), Karl Trouchet (ceased December 2022)
Talvor Motorhomes Limited	Grant Webster (appointed December 2022), Luke Trouchet (ceased December 2022), Karl Trouchet (ceased December 2022)
Hippie Camper Limited	Grant Webster (appointed December 2022), Luke Trouchet (ceased December 2022), Karl Trouchet (ceased December 2022)
Cheapa Campa Limited	Grant Webster (appointed December 2022), Luke Trouchet (ceased December 2022), Karl Trouchet (ceased December 2022)
Apollo Car Hire Limited	Grant Webster (appointed December 2022), Luke Trouchet (ceased December 2022), Karl Trouchet (ceased December 2022)
Apollo Tourism & Leisure (EU) Ltd	Luke Trouchet, Karl Trouchet, Daniel Kunzi, Keith Charlton, Louise Charlton
Apollo Motorhome Holidays GmbH	Chris Stewart
Apollo Motorhome Holidays SARL	Keith Charlton
ATL Canada Ltd	Grant Webster (appointed February 2023), Kristen Evans (appointed February 2023), Luke Trouchet (ceased February 2023), Karl Trouchet (ceased February 2023), Kelly Shier (ceased February 2023)
CanaDream Corporation	Luke Trouchet, Grant Webster (appointed February 2023), Kristen Evans (appointed February 2023), Karl Trouchet (ceased February 2023), Kelly Shier (ceased February 2023)
Ameridream	Luke Trouchet, Karl Trouchet, Kelly Shier
CanaDream Inc	Luke Trouchet, Grant Webster (appointed February 2023), Kristen Evans (appointed February 2023), Karl Trouchet (ceased February 2023), Kelly Shier (ceased February 2023)
Apollo Motorhome Holidays LLC	Luke Trouchet, Grant Webster (appointed May 2023), Karl Trouchet (ceased May 2023)
Apollo Tourism & Leisure UK Ltd	Luke Trouchet, Karl Trouchet, Chris Stewart
Bunk Campers Ltd	Luke Trouchet, Karl Trouchet, Chris Stewart
Camperco Group	Luke Trouchet, Karl Trouchet, Chris Stewart
Camperco Ltd	Luke Trouchet, Karl Trouchet, Chris Stewart
Camperworks Ltd	Luke Trouchet, Karl Trouchet, Chris Stewart
Blue Quadrant Leisure Ltd	Keith Charlton, Louise Charlton and Mark Austin

Board of Directors

Cathy Quinn (Auckland)

Independent Director appointed in September 2017. Cathy was appointed Chair of ***thl*** in June 2022 and serves on all of ***thl***'s Board Committees. Cathy is a former senior corporate partner at MinterEllisonRuddWatts. She served as the firm's Chair for eight years during a period of transformation and growth. Cathy is a Director of Fletcher Building Limited, Fonterra Co-operative Group Limited, Rangatira Limited and is Chair of Fertility Associates. Cathy is also Pro-Chancellor of the University of Auckland. Cathy is a former member of the NZ Securities Commission and Capital Markets Development Taskforce, and was made an Officer of the NZ Order of Merit in 2016 for services to law and women.

Robert Baker (Brisbane)

Independent Director appointed in November 2022. Rob serves on the Audit and Risk Committee and Health, Safety and Sustainability Committee. Rob is an experienced Non-Executive Director, and his current ASX Board positions include Non-Executive Director and Chair of the Audit and Risk Committee of Flight Centre Travel Group Ltd (ASX: FLT) and Non-Executive Chairman of RightCrowd Limited (ASX: RCW). Rob is also Chairman of Goodman Private Wealth Ltd and has several pro bono Board or Advisory Board roles with organisations in the not-for-profit sector including Chairman of the Audit and Risk Committee of Australian Catholic University Limited.

Debbie Birch (Taupo)

Independent Director appointed in September 2016. Debbie Chairs the Health, Safety and Sustainability Committee (appointed June 2022). Debbie has held various Director and trustee positions for the last 10 years and is currently Chair of Taupō Moana Investments Limited and Raukawa ki te Tonga AHC Limited. Debbie is a Board member of Eastland Group and associated subsidiaries. Debbie has significant financial, commercial and strategic experience gained in Asia, Australia and New Zealand with more than 30 years' working in global capital markets.

Rob Hamilton (Auckland)

Independent Director appointed in February 2019. Rob Chairs the Audit and Risk Committee (appointed November 2019) and serves on the Remuneration and Nomination Committee and Market Disclosure Committee. Rob is a respected member of the finance community, with more than 30 years' experience in senior roles. Rob is currently a Director of Westpac New Zealand Limited and Oceania Healthcare Limited. He was previously Chief Financial Officer at SkyCity Entertainment Group Limited and Managing Director and Head of Investment Banking at Jarden (formerly First NZ Capital). Rob has previously been a Board member on the New Zealand Olympic Committee and Auckland Grammar School.

Board of Directors (continued)

Gráinne Troute (Auckland)

Independent Director appointed in February 2015. Gráinne Chairs the Remuneration and Nomination Committee (appointed February 2015) and serves on the Health, Safety and Sustainability Committee. Gráinne is a Chartered Fellow of the Institute of Directors and is also a Director of Summerset Group Holdings Limited, Investore Property and Duncan Cotterill, and is Chair of the Montana Group. Gráinne is a professional Director with many years' experience in senior executive roles. Gráinne was General Manager, Corporate Services at SkyCity Entertainment Group and Managing Director of McDonald's Restaurants (NZ). Gráinne also held senior management roles with Coopers and Lybrand (now PwC) and HR Consultancy Right Management. She has also spent many years as a Trustee and Chair in the not-for-profit sector, including having been the Chair of Ronald McDonald House Charities New Zealand for five years.

Sophie Mitchell (Brisbane)

Independent Director appointed in November 2022. Sophie serves on the Audit and Risk Committee, the Remuneration and Nomination Committee and the Market Disclosure Committee. Sophie is an experienced professional in the finance industry and holds Non-Executive Director roles in Corporate Travel Management Limited (ASX: CTD), Myer Family Investments Limited, Firstmac Limited and Morgans Holdings (Australia) Limited. Sophie was previously Chair of Apollo Tourism & Leisure Ltd, prior to the merger with ***thl***.

Grant Webster (Auckland)

Grant was appointed Managing Director in November 2022 and was originally appointed as Chief Executive Officer in December 2008. Grant has served on various industry and Government bodies including nine years on the Tourism Industry Aotearoa Board including periods as Chair and Deputy Chair. Grant was also a co-Chair for the New Zealand Government's Tourism Futures Taskforce in 2020.

Grant's background includes senior executive roles across the tourism, hospitality, gaming and retail industries, where he held Director and general management roles within the retail sector before moving into tourism. Grant holds a Bachelor of Commerce degree from Victoria University and has completed executive studies at the Insead Advanced Management Programme in Fontainebleau and Monash University, Melbourne Australia. Outside of ***thl***, Grant is on the Board of Les Mills Holdings NZ.

Luke Trouchet (Brisbane)

Luke moved into the Executive Director role as part of the merger between ***thl*** and Apollo Tourism & Leisure in November 2022. Luke was appointed as CEO and Managing Director of Apollo in 2001, when he took over the management control of the business his parents founded, with his brother Karl. Luke led Apollo through a strong growth period, expanding internationally to New Zealand, the United States, Canada, United Kingdom and Europe. Luke's entrepreneurial mindset helped the business make a number of strategic acquisitions that delivered strong financial performance. Luke continued to drive Apollo forward to become a global RV solution.

Corporate Information

Directors

Cathy Quinn – Chair
Robert Baker
Debbie Birch
Rob Hamilton
Sophie Mitchell
Gráinne Troute
Luke Trouchet
Grant Webster

Executive Team

Grant Webster – Chief Executive Officer and Managing Director
Luke Trouchet – Executive Director
Nick Judd – Chief Financial Officer
Stacey Davis – Chief Operating Officer (Australia)
Chris Devoy – Chief Executive Officer – Action Manufacturing
Kristen Evans – Chief Operating Officer (Canada)
Scott Fahey – Chief Marketing Officer
Ollie Farnsworth – Chief Transformation Officer
Matthew Harvey – Chief Operating Officer (New Zealand)
Gordon Hewston – Chief Operating Officer (USA)
Jo Hilson – Chief Technology Officer
Kate Meldrum – Chief People and Capability Officer
Nick Roach – Chief Operating Officer (United Kingdom)
Juhi Shareef – Chief Responsibility Officer
Nick Voss – Deputy Chief Financial Officer (Acting)

Registered office

Level 1
83 Beach Road
Auckland 1010
New Zealand

Securities exchange

Tourism Holdings Limited shares are primary listed on the New Zealand Stock Exchange (NZX), with a secondary listing on the Australian Stock Exchange (ASX) with foreign exempt listed status.

Share registrar

Link Market Services Limited
PO Box 91976
Auckland

Tel: +64 9 375 5998

Email: enquiries@linkmarketservices.co.nz

Primary Solicitors

MinterEllisonRuddWatts

Bankers

ANZ Bank New Zealand Limited

Australia and New Zealand Banking Group Limited

Westpac New Zealand Limited

Westpac Banking Corporation

Auditors

PricewaterhouseCoopers

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