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TOURISM HOLDINGS LIMITED (*thl*)

2023 ANNUAL MEETING ADDRESS

Chair's address – Cathy Quinn ONZM

The last 12 months have seen many achievements and milestones. What you see on screen are only some of the highlights and demonstrate the progress we've made across the business.

Touching on some of the key highlights, in December we merged ***thl*** and Apollo to create the world's largest commercial RV rental operator and listed on the ASX. We then delivered a record profit result for the year and recommenced dividends with a final and full year dividend of 15 cents per share. The team have also been busy progressing the integration of the two companies and positively are tracking ahead of schedule in realising synergies. 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 future growth. Across the organisation we have created real momentum.

We do consider that we are in a positive position today as a business, and I will touch on a few of the factors that give us this confidence.

We are today the world's largest commercial RV rental operator by fleet size, with an estimated number one or number two rentals share position in each operating region. We have just delivered a record underlying net profit after tax of $77.1M on a pro forma basis, or $49.9 million on a statutory basis, all while effectively integrating the two global leaders in RV rentals through the transformational merger with Apollo. We have meaningful synergy opportunities arising from the merger and a significant fleet regrowth plan ahead. We will benefit from our vertical integration into manufacturing in New Zealand and Australia as we undertake our re-fleeting. We believe we have the balance sheet strength to enable us to fund our current fleet regrowth plans without requiring additional equity or diluting shareholders.

We have a proven Board of Directors and Executive team who effectively managed the company through the biggest shock to tourism in history without a capital raise, and who are strongly focused on supporting the future growth of ***thl***. All while appropriately managing the risks to our business and people. With the addition of our Australian-based directors, Sophie, Rob and Luke, we also have a Board with significant Australian industry, governance and capital markets experience.

More broadly, while there are some macro headwinds in the economy, we have observed tourism spending to date to be resilient as people seek to travel after several years of restricted international tourism. We also see positive long-term indicators for our industry with a growing interest in travel by RV and increased travel from a younger demographic.

The combination of all of these factors we believe suggests a bright future for ***thl*** and our industry.

At ***thl*** we have a history of publicly stated profit growth goals. We believe these are effective at creating a north star for the group, creating momentum and alignment internally.

With our first set of merged financials complete, we believe now is an appropriate time to set a new goal. As a Board and management team, while we recognise that in the short-term the current macroeconomic conditions will create some volatility, particularly in the North American market, we do have confidence in the long-term direction of this business.

Having reviewed each business and their core operating metrics, we have set a goal for ***thl*** to achieve $100M in net profit after tax in the 2026 financial year.

While we have multiple earnings growth levers, including the regional expansion of the build, rent, sell model, our fleet regrowth plan, the realisation of merger synergies and acquisitions and partnerships, we do believe that our $100M NPAT goal is achievable through organic growth and the full realisation of the identified merger synergies.

This does not mean that we don't consider acquisition opportunities. We will continue to explore these as and when they arise, as ***thl*** has always done.

Lastly, we have every intention for ongoing growth beyond this target. We do not see ***thl***'s growth stopping there. However, achievement of a $100M net profit after tax goal would be a milestone on our growth journey that should not be underestimated both culturally and financially.

Before I pass on to Grant to cover off the result in more detail, I would like to acknowledge and thank all of our shareholders for your support of the businesses through-out what was an unprecedented challenging period. We have come out of this period in a stronger position and hope to continue on this positive growth journey with you.

CEO's address – Grant Webster

FY23 was a phenomenal year for ***thl*** and deserves celebrating. From a financial perspective as Cathy mentioned we delivered a record result. Whether you look at ***thl*** on a standalone basis, or whether you look at the pro forma merged group and compare it against the two best years in ***thl*** and Apollo's history, it is a record underlying pro forma result.

From the figures on screen you will see that it has been a complex result with the merger completing part way through the year, with four different net profit after tax metrics reported. As we move forward into a full year as a merged group, our result will become less complex and we will look to simplify the detail provided for both ease of understanding and commercial sensitivity.

I want to take a moment to acknowledge this result against our original expectations for the year set back in August last year. Combining ***thl*** and Apollo's first profit guidance for FY23 gave a result of approximately $51 million at the top end, meaning our final result beat the original expectations by over $25 million or 50%. This is a significant increase and a real testament to our team. Their hard work has contributed to us delivering this result and put us in a position where we have been able to award all our permanent crew globally with a net $1,000 share or cash bonus, which will be payable later this month. This bonus has been received very positively and we see many benefits from an employee engagement and retention perspective.

Looking ahead I am excited to announce that we have entered into an agreement in connection with the lease and development of our new flagship Auckland branch. Some may remember that unfortunately our old branch burned down in late 2020, and we have been operating from a temporary site near the Auckland Airport since then.

Our new site, located in South Auckland, will be transformational for ***thl***. We will be investing approximately $20 million across the next 14 months to re-develop the site so that it is fit-for-purpose as a rentals and vehicle sales branch, as well as the sole head office for our Auckland-based crew. We believe that the grounds, facilities and interior spaces of this location present a once-in-a-lifetime opportunity to deliver a world-class experience for our guests in a more efficient manner. Our investment in this flagship site is a statement as to where we see the future of our business heading.

The scale of the site will enable us to invest in a full-service RV Super Centre dealership featuring an indoor showroom showcasing brand new motorhomes and caravans, an extended retail store and a large-scale service centre for motorhome owners. This will be our first full-fledged dealership model in New Zealand, and we believe will become the premier shopping destination for RV enthusiasts and owners in New Zealand. The development will be undertaken in consideration of our future-fit principles and with a focus on solar power and water conservation. We look forward to hosting you as shareholders and potential customers once our site is fully developed.

Having recently visited a number of our businesses and operating regions, it is worthwhile to give a brief update on our view of the global tourism and RV industry today.

The global RV rental market has gone from strength to strength. We are seeing that prices are up across all aspects of the tourism industry, as are wages and input costs. Demand has been extremely resilient and customers are accepting the reality of higher tourism prices and remain keen to travel. The concept of revenge travel is beginning to feel like a misnomer, as the changes appear to be a long-term positive trend ahead of us. RV rental supply remains well down on pre-COVID supply levels and we expect it will take several years for this to recover, likely lagging well behind the recovery in international airline capacity.

The positivity that we are seeing in tourism demand does contrast with the challenging broader macroeconomic conditions. The downside of the economic situation will have an impact on RV sales globally, but more so the North American market than others. The usual RV purchaser in New Zealand or Australia would be the mortgage-free retiree, who may have seen some benefit from the higher interest rates and can often be in a position to pay using savings, so is less impacted by the rising financing costs. For ***thl***, retail RV sales is a valuable growth area, but it is not a business-critical aspect and we expect will grow again from calendar 2024 on.

Moving on to an update on the latest North American high season, which normally covers the period from late June through to September.

From a rentals perspective we have had a positive season and achieved strong yields in line with our earlier expectations. The Canadian business benefited from the larger fleet size this year and had a very strong shoulder season, and the USA business operated at high utilisation across the Burning Man festival period. From a vehicle sales perspective, we are seeing average margins continue to normalise as we have previously indicated. Quarter one sales volumes are up on last year but down on expectation, reflecting the subdued retail RV market, driven by constrained household budgets and greater financing costs.

As we indicated in our annual results, we have already managed for this outcome by taking a conservative approach to our 2024 purchase volumes, so that our fleet size and funds employed are appropriately managed to the markets.

Looking at the broader RV industry in North America, the consensus is that total wholesale shipments of new RVs, which covers both towables and motorhomes, will be around 300,000 in calendar 2023. This is seen as a low point with expectations of a recovery in calendar 2024 of up to 20% growth in RV volumes. Of critical importance is that the current environment is generally seen as a temporary decline, with no structural shift away from the growing interest in the RV category.

When we consider ***thl***'s position within the RV category, it is important to recognise that our sales presence is in the used motorhome part of the market. The motorhome category has generally seen less of a decline than towables and the used category is also partly protected as customers trade down to our vehicles at lower price points.

The expected reduction in purchase and sales in this market over the next 18 months will see us slightly age the rental fleet, however we operate a very young fleet in both these markets. On average our operating fleet in Canada is only 1.2 years old and it is even lower in the USA at 1 year.

The positive upside to the current environment is that we are able to deal more effectively with our suppliers on both delivery timing and price.

We are currently in the process of implementing new demand generation strategies in the USA business to support a sustainable improved ROFE performance and are positive about the overall outlook of the North American market beyond FY24 and the synergies that we can create between the two businesses.

Our expectations for FY24 remain unchanged from the guidance we provided as part of our annual results. We remain of the view that last year's pro forma underlying NPAT of $77.1M is a good starting point and continue to be positive about ***thl***'s opportunity for growth in FY24 and beyond.

On a group basis we have delivered a positive performance to date in this financial year relative to our expectations, with challenges in the retail RV sales market, particularly in North America, offset by outperformance in other areas of the business.

We have decided not to provide half-year guidance at this time, as it would not give clarity on the performance of the business across the full year. There are several factors that will need to be considered when comparing the half-year result against the prior corresponding period, including the sale of 310 motorhomes to Jucy in the first half of FY23, and the impact of acquisition accounting adjustments and the ***thl*** global crew bonus paid in the first half of FY24. These factors should result in the H1 underlying contribution this year being a lesser proportion of the full year result.

ENDS

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About ***thl*** (www.thlonline.com)

thl *is a global tourism operator listed on the NZX and ASX (code: THL) and is the largest commercial RV rental operator in the world. In November 2022,* ***thl*** *merged with Apollo Tourism & Leisure, creating a multi-national, vertically integrated RV manufacturing, rental, and retail business spanning motorhomes, campervans and caravans.* ***thl*** *also operates tourism adventure, travel technology, and commercial vehicle manufacturing businesses.*

In New Zealand/Australia, ***thl*** *operates rental brands (Maui, Britz, Apollo, Mighty, Hippie, Cheapa Campa), manufacturing (Action Manufacturing, Apollo), retail brands (Talvor, Kea, Winnebago, Adria, Coromal, Windsor), retail dealerships (RV Super Centre, Apollo RV Sales, Kratzmann, George Day, Sydney RV, E-Camperco), travel technology (TripTech) and tourism attractions (Kiwi Experience and the Discover Waitomo Group, which includes Waitomo Glowworm Caves, Ruakuri Cave, Aranui Cave and The Legendary Black Water Rafting Co.). In North America,* ***thl*** *operates the Road Bear RV, El Monte RV, CanaDream, Britz and Mighty rental brands. In UK and Europe,* ***thl*** *operates the Just go, Apollo and Bunk Campers rental brands.*