Apollo Tourism & Leisure Ltd
Financial Results for the Full Year Ended 30 June 2020

The Directors of Apollo Tourism & Leisure Ltd (ASX: ATL) ('**Apollo**', '**the Group**', or '**the Company**') today announced the financial results of the Group for the full year ended 30 June 2020, reporting a statutory Net Loss After Tax of $61.2M and an Underlying[1] Net Loss After Tax of $7.7M.

FY20 HIGHLIGHTS & CHALLENGES

- Statutory Net Loss After Tax of $61.2M.
- Underlying[1] Net Loss After Tax of $7.7M.
- Global revenue for the 9-months ending March 2020 (unaudited) remained consistent with pcp, however the impact of COVID-19 and associated government-imposed lockdowns and travel restrictions resulted in income declining significantly from April to year end. Q4 FY20 rental revenue was down ~94% on pcp.
- Liquidity managed through a combination of principal repayment holidays, cost reductions, government support, accelerated fleet sales and reduced capital expenditure.
- Total fleet financing and floor plan debt reduced by $114.3M, from $335.6M as at 30 June 2019 to $221.3M as at 30 June 2020.
- The impact of the COVID-19 crisis has resulted in a non-cash impairment charge of $38.9M and loss on the sale of the USA fleet of $12.5M.
- Pivoting rental focus towards domestic markets, which usually make up approximately 20% of annual booking revenue in Australia, New Zealand and Canada. Domestic booking revenue is up on pcp an average of 38% in Australia, 229% in New Zealand and 115% in Canada for June and July 2020.
- Australian RV sales orders taken during May 2020 to July 2020 up an average of 16%/month on pcp.

CEO and Managing Director, Luke Trouchet, said "The impact of the Coronavirus and its associated government restrictions has been devastating for the global tourism industry. Apollo has reacted quickly and implemented initiatives to mitigate the impact on the business and ensure that Apollo will be in a position to benefit when tourism activity recovers."

Apollo saw a major fall in total revenue following the escalation of global travel restrictions in March 2020. Since that time retail vehicle sales have recovered to pre-COVID-19 levels, however rental revenue globally, while increasing, remains significantly below prior year levels. Globally in FY19 most Apollo rental bookings were made by international guests and international travel remains restricted indefinitely, materially impacting rental revenue.

With domestic tourism recommencing in May and June in most countries in which we operate, domestic bookings in these markets are promisingly tracking above historic domestic booking levels. Despite ongoing travel restrictions, revenue is increasing, and we exceeded our initial July and August revenue targets in most regions. This demonstrates the significant opportunity that remains for Apollo in the domestic market in all

[1] Underlying financial measures relate to certain non-IFRS financial measures. Underlying financial measures are defined as financial measures that are presented other than in accordance with all relevant Australian Accounting Standards. Certain Underlying financial measures are used internally by Apollo's management to make appropriate comparisons with prior periods and to assess financial performance. Refer to page 31 of the FY2020 Results Release Presentation for a reconciliation and description of the items that contribute to the difference between Apollo's underlying and statutory results.

geographies, especially as domestic borders continue to open further. Rental revenue however, is forecast to remain below prior year levels until international borders start to reopen.

Global rental revenue for the 9-months ending March 2020 remained consistent with pcp, despite the Australian bushfires. Apollo moved quickly to mitigate the impact of COVID-19 on its guests, working with them to change, postpone and cancel reservations.

Liquidity continues to be closely monitored, with initiatives including principal repayment holidays, cost reductions, government support, accelerated fleet sales and reduced capital expenditure. Apollo continues to invest in initiatives necessary to support the current focus on growing domestic business. Operationally, employee expenses reduced $3.6 million (before redundancy costs of $0.4 million and government wage assistance of $3.3 million) and other operating expenses, excluding rent, reduced $3.4 million in the fourth quarter of FY20[2].

Since year end, Apollo has secured financial assistance from the Federal Government under the COVID-19 Export Capital Facility in the form of a $15 million, two-year loan, the Queensland Government under the Industry Support Package in the form of a $10 million, two-year loan, and the Canadian Government under the COVID-19 relief program in the form of a CAD$2 million, three-year loan. Further programs for government support continue to be explored globally.

The impact of the COVID-19 crisis has resulted in non-cash impairment charges of $38.9 million, which has been excluded from the underlying Net Loss After Tax for FY20. The loss on the disposal of the USA fleet, redundancy costs, Apollo's share of the loss in Camplify and the impact of the adoption of the new lease accounting standard AASB 16 have also been excluded from the underlying FY20 result.

AUSTRALIA

The Australian rental business was impacted by the bushfires over the peak summer holiday period and was further significantly impacted by the COVID-19 travel restrictions imposed in March 2020. Since the onset of the COVID-19 pandemic, production for the Australian fleet ceased and the entire dynamic fleet (180 vehicles) has been handed back ahead of their contractual lease expiry dates, to reduce monthly lease payment commitments. The rental product offering has pivoted to the domestic market and domestic booking revenue averaged an increase over pcp of 38% across June and July, noting that prior to COVID-19, domestic booking revenue made up approximately 20% of annual booking revenue. August bookings will be affected by the lock down in Victoria, hot spot declaration in NSW and Queensland, and associated border closures.

Despite a significant drop in retail sales in April 2020 due to COVID-19 restrictions, the first full year of Apollo's Geelong, Newcastle and relocated Melbourne dealerships contributed to overall increased retail vehicle sales for the year. Pleasingly, retail sales recovered in May and June and have continued to perform well into the start of FY21. Retail sales orders have increased an average of 16% per month from May 2020 to July 2020.

NEW ZEALAND

New Zealand's rental business was significantly impacted by the global COVID-19 related travel restrictions implemented in March 2020. Similar to Australia, the dynamic fleet (50 vehicles) has been handed back. Domestic guests contributed to a significant recovery in June, followed by a strong July in which we achieved record rental revenue. Domestic booking revenue increased over pcp an average of 229% across these months, noting they are New Zealand's seasonally slowest months, and that annual domestic booking revenue prior to COVID-19 made up approximately 5% of bookings. The recent Auckland lockdown will have a negative impact on August and potentially future months.

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[2] These reductions should not be interpreted as the level of cost reductions for each quarter given they are heavily influenced by seasonal rental and retail activity. Costs moving forward will also be impacted by the shape of the COVID-19 recovery.

Production at the New Zealand manufacturing facility has been winding down in H2 FY20 and will be closed permanently in H1 FY21. New Zealand's future fleet requirements will be manufactured in the Australian factory.

Vehicle sales revenue and volumes were up on pcp, with the retail store at the expanded Auckland rental branch and retail sales out of the Christchurch branch generating positive market traction.

NORTH AMERICA

The USA operations were hibernated in late FY20 due to the COVID-19 international travel restrictions imposed in March 2020. The liquid RV sales market in the USA allowed Apollo to quickly dispose of its USA fleet and retire the associated debt. A book loss of AUD$12.5 million was incurred on the sale of the USA fleet however sales proceeds exceeded the debt retired and allowed Apollo to avoid further financing and vehicle holding costs. A review of the USA business is underway to explore options to leverage existing supplier and partner relationships as well as technology that will allow us to take advantage of the opportunities that exist in this market, in a capital light way.

Canada's rental revenue for the first nine months of FY20 was up on pcp by 13% and the region held record forward bookings. Canadian rental revenue from March 2020 was significantly impacted by the global COVID-19 travel restrictions. Domestic booking revenue, which usually makes up approximately 20% of annual booking revenue, increased over pcp an average of 115% across June 2020 and July 2020. Ex-rental RV sales in Canada were also accelerated, however a meaningful fleet has been retained as the Canadian business is better positioned to transition to a domestic focused rental market. Canada has experienced a large increase in domestic bookings for the summer season.

EUROPE

Rental performance for Europe was significantly impacted by the global COVID-19 restrictions implemented in March 2020. Apollo's rental branch near Paris, France, was permanently closed and the fleet was moved to Hamburg, Germany, for the 2020 summer season. In Europe the market is primarily continental guests and revenue is impacted less than other regions. Total booking revenue in Europe across June 2020 and July 2020 is up 58% on pcp.

Ex-rental RV sales in Europe for the first nine months of the year were up on prior year, showing recovery from Brexit. However, COVID-19 government restrictions implemented from March 2020 impacted sales and resulted in ex-rental RV sales finishing in line with the prior year.

OUTLOOK

We are expecting our guest mix in Australia, New Zealand and Canada will shift to a majority of domestic guests for FY21, with some limited international travel in H2 FY21. While still a relatively small region for Apollo, Europe and the United Kingdom markets are primarily in-market guests and therefore activity is expected to be impacted less than other regions.

Apollo's Managing Director and CEO, Luke Trouchet said "As domestic travel re-emerges, followed by international travel in time, Apollo is ideally placed to service guests looking for "COVID-19 safe" ways to explore the great outdoors with family and friends."

"We expect the recent increase in retail RV sales to continue as people seek more freedom and control over their holiday choices. With limited options for consumer travel related discretionary spend, and many people finding themselves with more spare time than previously, a RV holiday is becoming an increasingly attractive option."

DIVIDEND

Given the significant current and ongoing impact of COVID-19 on the business, the Board has determined there will be no dividend declared for FY20.

AASB 16 LEASES
AASB 16 Leases[3], is a new Australian Accounting Standard that came into effect on 1 July 2019. The new standard materially changes the treatment of all Group operating leases. This impact has been excluded from the Company's underlying financial measures. Refer to page 31 of Apollo's FY20 Results Release presentation for a reconciliation and description of the items that contribute to the difference between Apollo's underlying and statutory results.

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About Apollo Tourism & Leisure Ltd
Apollo Tourism & Leisure Ltd is listed on the Australian Securities Exchange (ASX code: ATL). Apollo is a multi-national, vertically integrated manufacturer, rental fleet operator, wholesaler and retailer of a broad range of RVs including motorhomes, campervans and caravans.

Important notices
This announcement may contain forward-looking statements, which include all matters that are not historical facts. Without limitation, indications of, and guidance on, future earnings and financial position and performance are examples of forward-looking statements.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No representations, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by Apollo Tourism & Leisure Ltd or by any other person. In particular, no representation, warranty or assurance (express or implied) is given that any of the events expressed or implied in any forward-looking statement in this announcement will actually occur. While the Company believes there is a reasonable basis for the making of any forward-looking statements as at the date of this announcement, actual results, performance or financial positions may be affected by a range of variables which could cause actual results to differ materially from any forward-looking statements and the assumptions on which those statements are based.

[3] Refer Note 1 of the Full Year Statutory Accounts for details of the new standard.