

Intrepid Group



ANNUAL REPORT

2017



DESTINATION
MANAGEMENT
COMPANY



CONTENTS

YEAR IN REVIEW

Introduction	2
Executive Chair & Founder's Report	4
CEO Report	6
Our Year in a Snapshot	8

OUR BUSINESS

Our Journey	12
Our Brands	14
Purpose and Values	16
Purpose Beyond Profit	18
The Intrepid Foundation	20
How We Grow with Purpose	22
External Environment	24

OUR PERFORMANCE

Financial	28
Brand and Know-How	32
Customer	36
People	40
Social and Relationship	46
Environment	54

OUR STRATEGY

2020 Plan	62
-----------	----

OUR GOVERNANCE

Our Board	68
Corporate Governance	70
Risk Management	72
Our Material Risks	74
Policies and Guidelines	76

OUR FINANCIAL STATEMENTS

78

MATERIALITY IN THIS REPORT

This report focuses on the matters that are deemed the most valuable and relevant for stakeholders by the Intrepid Group

The following outlines the material items that are included within this report:

- Our external environment
- Responsible business practices
- Financial performance
- Customer satisfaction
- Employee engagement
- Employee wellbeing
- Our relationship with the communities in which we operate
- Corporate governance



INTRODUCTION

Welcome to the Intrepid Group's 2017 Annual Report. This integrated annual report sets out our vision, our journey so far, our performance in 2017, and the outlook for our multi-brand global business in 2018 and beyond.

Intrepid was founded on the idea that a travel company should give back to the places and people it visits. Our vision is to 'Change the Way People See the World'. That long-term vision means that we are not only fully committed to responsible business practices that create value for all our stakeholders, we are also committed to being a business with a purpose beyond profit.

OUR COMMITMENT TO RESPONSIBLE BUSINESS

Intrepid Group has been a signatory to the United Nations Global Compact (UNGC) since 2008. The world's largest corporate sustainability initiative, the UNGC is both a practical framework for action and a platform for demonstrating corporate commitment and leadership.

In 2017, we've combined the Intrepid Group's first integrated annual report with our eighth Communication on Progress Report. It builds on our previous reports to the United Nations Global Compact and our commitment to support public accountability and transparency. By combining our sustainability reporting with our financial results, this report demonstrates how being responsible drives long-term value for all our stakeholders.

As part of our commitment to the UNGC, the Intrepid Group has identified nine of the 17 United Nations Sustainable Development Goals (SDGs) that we can contribute to most as a tourism business. The nine goals outlined on the next page, are interlinked and need to be addressed collectively. We recognise that by making a strong commitment to these goals across all parts of our business, the Intrepid Group can be a real force of good in the world.

OUR APPROACH TO REPORTING

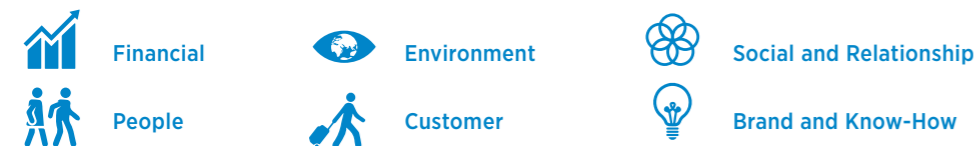
This full and transparent report aims to illustrate how our business creates value, both in the short-term and long-term, for our stakeholders, including:

- Employees
- Supply chain partners
- Shareholders
- Customers
- Travel agent partners
- Regulators and government bodies

This report draws on the International Integrated Reporting Council's (IIRC) International <IR> Framework to explain the Intrepid Group's performance during the year ended 31 December 2017.

Within the report we show how we create value for stakeholders, both in the short, medium and long-term. It sets out our relationship with stakeholders, what we do in our business, the outcomes of these activities and our role within the community.

The report focuses on six capital inputs of:



For each, we illustrate our business activities, performance in 2017, how the capital contributes to our 2020 strategy and the outlook for each capital in 2018 and beyond.

Intrepid Group is an independently-owned Australian company and all figures are reported in Australian dollars unless otherwise stated.

An independent audit of the group's annual financial statements was performed by Deloitte Touche Tohmatsu and a summary of these financial statements is included within this report. The rest of this annual report has not been subjected to independent audit or review. Information reported has been derived from the group's own internal records and from information available in the public domain.

How responsible tourism can contribute to the United Nations Sustainable Development Goals

 <p>01. NO POVERTY</p> <p>Sustainable tourism can be linked with national poverty reduction goals, such as promoting entrepreneurship and small businesses, and empowering young people, women and ethnic minorities.</p>	 <p>05. GENDER EQUALITY</p> <p>Tourism can empower women in many ways, but particularly through the provision of jobs and income-generating opportunities in small and larger-scale tourism and hospitality-related enterprises.</p>	 <p>11. SUSTAINABLE CITIES & COMMUNITIES</p> <p>A city that is not good for its citizens is not good for tourists. Sustainable tourism has the potential to advance urban infrastructure and universal accessibility, promote regeneration of areas in decay and preserve cultural and natural heritage – all assets upon which tourism depends.</p>
 <p>12. RESPONSIBLE CONSUMPTION & PRODUCTION</p> <p>A tourism sector that adopts sustainable consumption and production practices can play a significant role in accelerating the global shift towards sustainability.</p>	 <p>13. CLIMATE ACTION</p> <p>Tourism contributes to, and is affected by, climate change. By lowering energy consumption and shifting to renewable energy sources, especially in transport and accommodation, tourism can help tackle one of the most pressing challenges of our time.</p>	 <p>8. DECENT WORK & ECONOMIC GROWTH</p> <p>Tourism is one of the driving forces of global economic growth and currently accounts for one in every 11 jobs worldwide. With decent work opportunities in the tourism sector, society – particularly youth and women – can benefit from increased skills and professional development.</p>
 <p>10. REDUCED INEQUALITIES</p> <p>Tourism can be a powerful tool in reducing inequality if it engages local populations and key stakeholders in its development. It can contribute to urban renewal and rural development, and reduce regional imbalances by giving communities the opportunity to prosper in their place of origin.</p>	 <p>16. PEACE, JUSTICE & STRONG INSTITUTIONS</p> <p>Tourism is built on the interaction of people from diverse ethnic, religious and cultural backgrounds. Billions and billions of them. The industry has a unique potential to foster multicultural and inter-faith tolerance and understanding, laying the foundation for a more peaceful society.</p>	 <p>17. PARTNERSHIPS FOR THE GOALS</p> <p>Due to its cross-sectorial nature, tourism can strengthen private/public partnerships and engage multiple stakeholders – international, national, regional and local – to work together to achieve SDGs and other common goals.</p>

EXECUTIVE CHAIR & FOUNDER'S REPORT

Almost 10 years ago, Intrepid committed to transparency and public accountability by becoming a signatory of the United Nations Global Compact. This year, for the first time, we're providing full visibility to all of our stakeholders by publishing our first integrated annual report.

We firmly believe that not only do we have a responsibility to all our stakeholders, but that by working together we can achieve better outcomes for all. Our transparency helps that process, as it builds knowledge and mutual understanding.

This is the first time since returning to being an independently-owned company that we're publishing our financial results, but our focus is not on our short-term financial results. Our aim is to provide a complete view of our activities and how they are contributing to our 2020 strategy and the long-term success of our business.

In many ways, it's a good time to be in travel. Tourism is one of the fastest growing industries in the world, increasing by 4.6% in 2017 and now making up 10.4% of GDP. Consumers are spending more on experiences than things, with new destinations and markets opening up around the world.

With this growth comes the responsibility of ensuring that destinations are preserved for generations to come. 2017 was the United Nations Year of Sustainable Tourism for Development, but the travel industry found itself in the news for all the wrong reasons, with protests against 'overtourism' in places like Venice and Barcelona. Elsewhere, human rights were violated, environments affected and the increasing impact of climate change is self-evident.

The travel industry will continue to be impacted by the social and environmental events that face our world today. But what's changing is the trust that people have in our governments and institutions. That's why conscious businesses need to step up and play a greater role in society.

As the world's largest adventure travel company, every year we spend a substantial sum of money purchasing goods and services, which can make a real difference to the communities and places where we operate. In 2017, we've come a step closer towards becoming a certified B Corp, and as part of that, we updated our policies to ensure that these supply chain decisions are positive.

Our Statement on Modern Slavery outlines the steps we're taking to prevent human rights issues from occurring in our supply chain. Taking an industry leadership role on issues like orphanage tourism is not only in the best interests of our stakeholders, it's also what travellers want too.

The results we've seen this year confirm that our 2020 strategy is working. Having a purpose beyond profit is not only attractive to our staff, shareholders and travellers, but it can be profitable too!

Planning for our 2025 strategy has already commenced. Our multi-brand approach, targeting different demographics and markets globally, will see us progressively digitising and transforming our business for the long-term. Our goal is to be a billion-dollar business by 2025, delivering on our purpose of Changing the Way People See the World.

In March 2017 I stepped aside from my role of CEO, appointing James Thornton as the Intrepid Group's first non-founding CEO. James was later appointed as Chair of The Intrepid Foundation, to ensure that Purpose was fully integrated into our business. That strategy worked. Not only have we had a record year for the business, we also celebrated a record year for our not-for-profit arm, which raised almost \$1 million for local and international charities.

It's clear that the more we grow, the more we can do. A key milestone for the Board in 2017 was to set the model for an innovative new Purpose initiative, 1-2-3. This initiative truly creates a legacy that ensures the shareholders in our business will continue to give back to the places and people we visit.



Darrell Wade
Executive Chair and Co-founder of the Intrepid Group



CEO REPORT

In 2017, we had more customers travel with us to more destinations than ever before. We had another record year of both financial performance and another record year of donations to The Intrepid Foundation.

For the second time since returning to independent ownership two years ago, we've seen growth in our passenger numbers, our revenue and our profitability. We've also seen growth in all regions and brands. These results confirm that our 2020 strategy of growing with purpose is working.

This record growth enabled us to do more to grow the market for what we call 'sustainable, experience-rich travel'.

In August, we took a 50% stake in Chimu Adventures. The deal was funded from cash reserves and makes us a true seven continent operator. We also launched the first charter trip in our new Adventure Cruising range during the European summer, and the overwhelmingly positive response cemented our decision to make small boat cruising a key focus in 2018 and beyond. This new range is a testament to us not only living our core value of innovation, but also providing products that our customers want.

In 2017, we achieved our best-ever levels of customer enjoyment on our trips, with an overall customer satisfaction score of 4.71 out of 5. Objectively, that's fantastic. But one of our goals is to Be Better. That's why we're transforming our business, not only by investing more in digital, but by using technology to help us to better understand our customers. We've also ramped up our qualitative research, with initiatives like 'guerrilla testing' helping to bring our office-based staff closer to our customers than ever before.

Our tour leaders know our customers better than anyone. They are the heart of our business and we believe they're the best in the industry. In October, two of our tour leaders were awarded the Gold and Bronze prizes at the 2017 Wanderlust World Guide Awards, making Intrepid Travel the company with the most accolades in the history of the event. These awards are a tribute to the great work that PEAK DMC does in hiring and training our leaders.

Leveraging our DMC (destination management company) network is a key strategic objective in our 2020 strategy, and our 2017 results show that this strategy is working. PEAK DMC not only opened new DMCs in Japan, Iceland and Central America, it also significantly outperformed targets and grew external sales.

Urban Adventures is key to our 2020 strategy, and this award-winning start-up continues to be the fastest growing brand within the business, almost doubling its passenger numbers in 2017. This phenomenal growth is the reason we're doubling our investment in Urban Adventures, with the goal of reaching one million travellers by 2020.

Growth is nice on its own, but it's this sense of purpose that has us excited about the future. It is just one reason our staff are more engaged than ever before. But one of the biggest challenges we face as we increase our scale and grow is to ensure that we attract, retain, and develop the best talent. To do that, we need to make sure everyone has equal opportunities. That's why in 2017 we took our commitment to the United Nations Global Compact one step further, becoming a signatory of the United Nations Women's Empowerment Principles.

There are many significant achievements in this report, but I believe the work we are doing towards being a business with a purpose beyond profit is the most noteworthy.

We look forward to sharing our progress in the next report. For now, please take the time to read over our 2017 Annual Report and Communication on Progress.



James Thornton
Chief Executive Officer



OUR YEAR IN A SNAPSHOT



\$10.7 MILLION

Normalised EBIT*

(2016 - \$10.5 million)



\$997K

Raised by
The Intrepid
Foundation

(\$710k donated by
Intrepid Group)



\$341 MILLION

Group External Revenue*

(2016 - \$297 million)



**URBAN
ADVENTURES**

2017 New Innovator
in Travel Philanthropy
Award



81%

Overall Employee
Engagement Score



4.71/5

Overall Customer
Experience

(2016 - 4.70/5)



42%

Of all staff and
leaders are female

(2016 - 40%)



298,137

Customers travelled
with our tour
operator brands



PEREGRINE
SPIRIT OF ADVENTURE

**ADVENTURE
CRUISING**

94% Trip Fill in 2017



15%

Growth in Intrepid Travel
passenger numbers



PEAK

DESTINATION
MANAGEMENT
COMPANY

3 NEW

Destination management
companies established

(Iceland, Japan and Central America)

*non-audited non IFRS measure

All amounts are in Australian Dollars unless otherwise stated



OUR BUSINESS

Our vision is to Change the Way People See the World. We will be customer-obsessed, driven by passion, expertise, trust and a sense of fun. We will have the widest range of adventure travel experiences and continuously introduce innovative product. The Intrepid Group will continue to have a purpose beyond profit, with sustainability being at the core of what we do, and a focus on developing local economies through sustainable tourism.



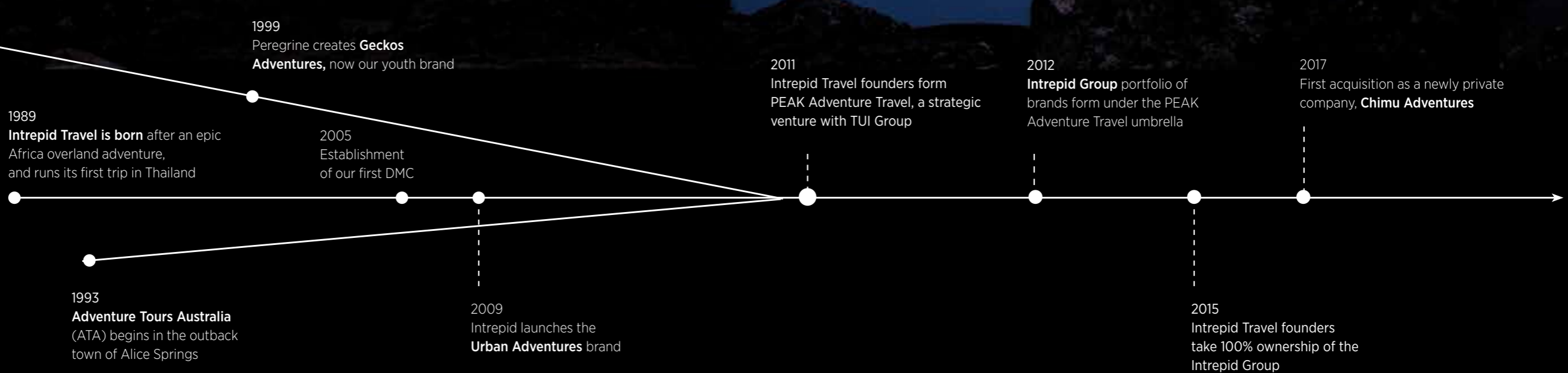
OUR JOURNEY

Intrepid has come a long way since its humble beginnings in 1989. Back then, who would have known a company that began with two bearded backpackers, a typewriter and a kitchen table would eventually grow into the world's largest provider of sustainable, experience-rich travel. The Intrepid Group now includes five tour operator brands, 20 destination management companies, and a not-for-profit foundation, employing 1800 staff in more than 25 offices around the world. Although we're a bit larger these days, we're still run by travellers, for travellers, and we still get a kick out of responsible travel and very (very) big adventures.



INTREPID GROUP TIMELINE

1978
Peregrine Adventures begins in the foothills of Nepal



1989
Intrepid Travel is born after an epic Africa overland adventure, and runs its first trip in Thailand

1993
Adventure Tours Australia (ATA) begins in the outback town of Alice Springs

1999
Peregrine creates **Geckos Adventures**, now our youth brand

2005
Establishment of our first DMC

2009
Intrepid launches the **Urban Adventures** brand

2011
Intrepid Travel founders form **PEAK Adventure Travel**, a strategic venture with TUI Group

2012
Intrepid Group portfolio of brands form under the PEAK Adventure Travel umbrella

2015
Intrepid Travel founders take 100% ownership of the Intrepid Group

2017
First acquisition as a newly private company, **Chimu Adventures**


OUR BRANDS

We're the largest provider of adventure travel experiences in the world, catering for all ages, budgets and appetites for adventure through our B2C and B2B brands.

Our five tour operator brands offer more than 2,000 trips in more than 120 countries and on every continent, and our B2B destination management company PEAK DMC delivers innovative, competitive, low-risk, high quality travel products in more than 90 countries.


What all our brands have in common is they are leaders in sustainable, experience-rich travel (we call it SERT). That means we only offer immersive trips, with local leaders, that enable our travellers to explore authentic local culture. We're dedicated to creating innovative adventures that deliver the best travel experiences ever, for everyone.



 Halong Bay, Vietnam



Intrepid Travel

 Our style of small group travel means you'll eat, sleep and get around the local way. With three travel styles to choose from, our trips strike the perfect balance between included activities and 'you time', and cater to a range of budgets. Plus you'll have the knowledge of a local leader, taking you out of the guidebooks and into a world you're waiting to discover.

- Over 1,000 trips across 120+ countries
- Average group size 10 (max 16)
- Departures guaranteed



Peregrine Adventures

 Premium adventures with a genuine focus on immersive local experiences. We get you into areas often restricted to larger groups, allowing you to fully immerse yourself in a destination, away from the crowds. Our journeys include hand-picked accommodation, private transport, local guides, and a more considered pace. Premium means exceptional, but never artificial.

- Over 300 trips across 80+ countries
- Average group size 9 (max 12)
- Departures guaranteed




Geckos Adventures

 Our adventures are for 18-29 year olds who want to have a good time with others their own age, but don't want to spend their whole trip crammed into a bus with 40 hungover backpackers. You want to meet locals, embrace new cultures and actually learn stuff, while also making friends and hitting up backstreet bars, street food stalls and cool secret spots along the way.

- Over 90 trips across 50+ countries
- Average group size 9 (max 16)
- Departures guaranteed



Adventure Tours Australia


 Seeing Uluru or snorkelling the Great Barrier Reef is a pretty special way to travel - that we'd never deny. But as any local will tell you, it's Australia's backstories that really bring it to life.

Our tours feature authentic Indigenous experiences, use specialist vehicles and are lead by the best local guides in the business. And with over 80 trips across the continent to choose from, we've got an Aussie adventure to suit just about everyone!

- Over 80 trips across Australia/NZ
- Average group size 15 (max 24)
- Departures guaranteed



Urban Adventures

 In 2009, we created a new style of day tour; one that gets travellers away from standard city tours and off the beaten path to really connect with a destination, experiencing things only possible in a small group (of max 12).

Run by passionate locals in more than 165 destinations, Urban Adventures ditch the tourist traps and introduce you to awesome local highlights and hotspots. A great add-on for before, during or after a longer tour.

- Over 1,000 unique itineraries
- Operating in 97 countries across 165 destinations
- Maximum group size 12



PEAK DMC

 **DESTINATION MANAGEMENT COMPANY**

We deliver sustainable, experience-rich destination management solutions across five continents for the world's leading travel brands.

With a structure that combines the best of international operating standards with in-depth local expertise, our B2B-only model offers businesses a partnership that is trustworthy, stable and transparent.

- Operational capability across 90+ countries
- Local DMC offices in 20+ locations
- Carry 350,000 passengers annually, for Intrepid Group brands and external B2B customers

OUR VISION

CHANGE THE WAY
PEOPLE SEE
THE WORLD

OUR PURPOSE

SHARE, CREATE
LEAD BOOK
SELL MANAGE
OPERATE BUILD
LIVE

OUR VALUES



GROWTH

Stakeholders in our own success



RESPONSIBILITY

Think global, act local



INNOVATION

Thriving on new ideas and embracing change



PASSION

We are inspired by the work we do and the trips we offer



FUN

It's ingrained into who we are and what we do



INTEGRITY

Doing the right thing

THE BEST TRAVEL
EXPERIENCE
EVER



PURPOSE BEYOND PROFIT

The original founders of Intrepid Travel wanted to create a style of travel that could benefit both travellers and the places and people they visit. In fact, their first business plan included donations to communities before Intrepid was making any money.

The Intrepid Group has grown since then, and so has our vision: we want to Change The Way People See the World. The Intrepid Group's 2020 strategy includes the two key goals of Growth and Purpose. We believe that these two goals are indelibly linked. The more we grow, the more we can do. There are four ways that we put this purpose beyond profit into action:

RESPONSIBLE TRAVEL

Creating an immersive local style of travel that ensures a larger share of the money generated through tourism stays in local pockets has always been a focus.

We employ local leaders and use local suppliers. That means more authentic experiences and that tourism money stays where it belongs: in local communities. We ensure our trips and travellers have a positive impact on the places we visit, through initiatives like banning elephant rides and orphanage visits, as well as providing cloth bags and encouraging travellers to reject plastic water bottles in favour of reusable ones.

RESPONSIBLE BUSINESS

Intrepid was the first travel company to have a dedicated Responsible Business department. Since 2009, we've offset more than 290,000 tonnes of carbon emissions by investing in accredited renewable energy and carbon reduction projects around the world.

We've adopted a global Human Rights Policy and are committed to protecting the rights of women, minorities and children, as well as supporting animal welfare and the environment. As a signatory of the United Nations Global Compact, we're dedicated not only to operating our global business in a responsible manner but also to transparency and continuous improvement. Our aim is to be a business that creates shared value for our stakeholders. A business that is a force for good.

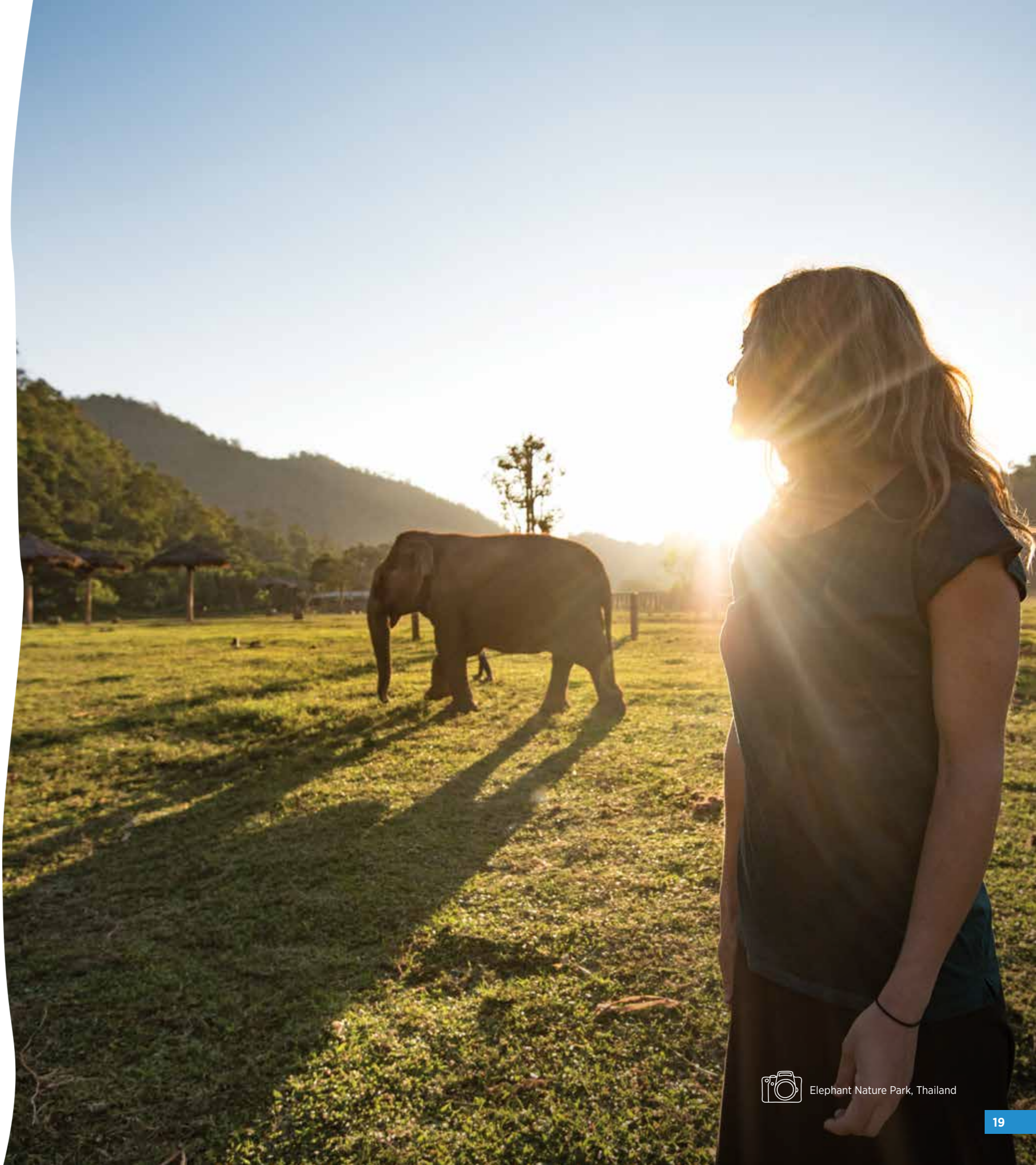
THE INTREPID FOUNDATION

In 2002, a not-for-profit arm of the business called The Intrepid Foundation was established to encourage travellers to give back to the places and people they visit. Its purpose is pretty simple: to empower travellers to make a difference and to help communities in the places we visit.

BUSINESS AS A FORCE FOR GOOD

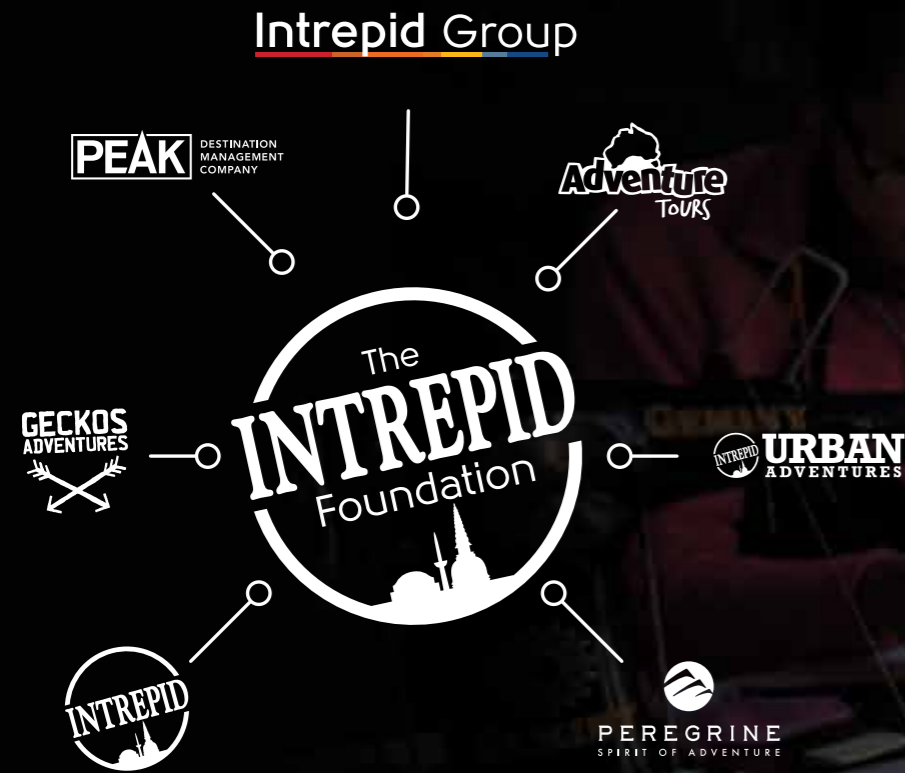
Our belief is that by creating shared value for all our stakeholders, that purpose beyond profit can be profitable. But only by staying focused on being a purpose-led business for the long-term. In the short-term, it can mean making some difficult business decisions.

The best example of this was our decision to end elephant rides. This came after The Intrepid Foundation funded World Animal Protection research in South-East Asia in 2010. At the time, the region made up 40% of our sales and elephant riding was considered a 'must-do' for travellers. The research found that elephants were being poached from the wild in order to fuel tourism demand. It also found that elephants can never be domesticated, and in order for them to accept human control they have to endure a very cruel breaking-in process. This research meant Intrepid could no longer consciously continue to offer elephant rides. In 2014, we announced we had become the first global tour operator to end elephant riding. The response from customers was overwhelmingly positive. We received global media coverage and huge engagement on our social media channels. We learnt that by doing the right thing and clearly communicating why, we could be a force for good.



THE INTREPID FOUNDATION

The Intrepid Foundation is the charitable arm of the Intrepid Group. As an instrumental part of the Intrepid Group's 'purpose beyond profit' ambitions, the foundation provides a transparent and trusted way for all Intrepid Group brands and their travellers to support the destinations and communities they visit.



Established in 2002, The Intrepid Foundation has supported more than 100 non-government organisations.

The Intrepid Group contributes to The Intrepid Foundation in the following ways:

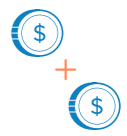
- Donations are matched dollar-for-dollar
 - Up to \$400,000 per year
 - Up to \$1,000 per individual donor
 - Emergency appeals are not matched unless specified
- 100% of administrative costs are covered by the Intrepid Group
- We enable customer donations to be added to bookings on an Intrepid Group trip at the time of sale
- We encourage workplace giving by Intrepid Group staff
- Our tour operator brands partner with our foundation to raise funds

OUR MODEL IS:

The Intrepid Foundation supports local and international partner organisations tackling important issues all over the world - from conservation and wildlife protection, to education, health care and human rights. The Intrepid Foundation's model is simple:



You donate
We receive money via donations and fundraisers



Intrepid Group doubles
We double your contribution for twice the impact



We give
We give 100% of that money directly to projects



You empower
Your gift empowers local communities around the world

Seven Women, Nepal

HOW WE GROW WITH PURPOSE

Our founders wanted to start a business that not only benefits travellers, but also benefits the places and people they visit. More than just responsible tourism, Intrepid Group is committed to creating shared value for all our stakeholders through sustainable, experience-rich travel.



EXTERNAL ENVIRONMENT

Our ability to create shared value for stakeholders is directly influenced by the economic, regulatory, political and social environments that we operate in.

In a world that appears to be becoming increasingly divided, it is now more important than ever for businesses to be a force for good. Travel has always been a conduit for cross-cultural learning, for the fostering of friendships and the interchange of ideas. It is an industry that truly has the power to change the world.

Travel and tourism now represents 10.4% of GDP (Gross Domestic Product) of the global economy and this number continues to grow. With this growth comes responsibility, and travel companies need to integrate sustainable practice into their operations to ensure that popular travel destinations are preserved for generations to come. By achieving carbon neutral status in 2010, and now working towards B Corp certification, Intrepid has demonstrated its commitment to responsible travel.

ECONOMIC OUTLOOK

Consumer confidence slowed slightly for OECD (Organisation for Economic Co-operation and Development) countries in early 2017 as a result of fallouts from elections in the United States and Brexit in the UK, but from mid-2017 onwards consumer confidence continued the upward trend experienced in late 2016 and this trend is predicted to continue into 2018.

The IMF (International Monetary Fund) recently raised its 2018 and 2019 forecast for global output to growth of 3.9% as a result of higher than projected 2017 growth and increased global growth momentum. This, coupled with the fact that consumers are spending more on experiences rather than durable goods, means the outlook for the travel industry in 2018 and beyond is positive.

TRAVEL INDUSTRY

The UNWTO (United Nations World Tourism Organization) reported that in 2017 international tourist arrivals increased by 7% worldwide, well above the average trend of 4%, representing the strongest result in seven years. This momentum is expected to continue into 2018 at a rate of 4-5%. On top of this, spending on travel grew at 4.6%, 50% faster than the global economy. It was also the fastest growing economic sector.

In 2017, one in every five new jobs created around the world were related to travel and tourism. Travel & tourism directly or indirectly creates 313 million jobs worldwide (one in 10) and it is predicted that over the next 10 years, 100 million jobs will be created through tourism activities.

Intense airline competition is putting downward pressure on pricing thanks to low fuel prices and the number of competitors in the industry. It is now cheaper than ever to travel the world and consumers are taking advantage of this with 7.1% growth in passenger departures in 2017. On top of this, airlines are flying more routes than ever before, opening up travel to new and exciting destinations.

KEY CHALLENGES

Moving forward, there are a number of key macro challenges for the travel industry, including:

- Addressing the impact of climate change on destinations and the travel industry's responsibility to ensure that responsible business practices maintain destinations for generations to come.
- Ensuring the safety and security of travellers and employees in times of political and social unrest.
- Harnessing the opportunity presented by emerging markets for increased outbound travel.
- Noticing how an ageing and changing demographic influences the way people travel.

Intrepid is working to ensure that the company is in a good position to predict, understand and act upon these challenges and trends impacting the business and travel industry as a whole.

7%

*growth in
international tourist
arrivals in 2017*

4-5%

*predicted growth in
international tourist
arrivals in 2018*

10.4%

*of global GDP
represented by the
travel industry*



OUR PERFORMANCE

In 2017, we carried more customers than ever before, our financial and brand position is as strong as ever, our people are more engaged and we continue to have a positive impact on the environment and the societies in which we operate.

FINANCIAL

2017 was another record year of financial performance for the Intrepid Group with all brands and sales regions performing strongly.

A strong focus on growing the top line revenue across all brands and sales regions has delivered beyond expectations, indicating that the macro strategy of growing with purpose is working.

Overall, we achieved 14.81% growth in group external revenue, growing external revenue to \$341m. On top of this, we have grown EBIT (earnings before interest and tax) to \$10.7m, up 1.9% on our normalised 2016 results.

On top of our record performance in 2017, January 2018 represents our biggest month of bookings ever recorded, and sets us up for another strong year in 2018.

All brands and sales regions achieved growth in 2017, with the EMEA (Europe, Middle East and Africa) and North America regions significantly improving on 2016 results. Overall, the Intrepid brand continues to be the strongest performer with 20.3% year-on-year growth (at like for like exchange rates).

A strong net asset position and cash balance also enabled an acquisition of a 50% stake in Chimu Adventures in August 2017, our first investment since becoming privately owned in 2015. The acquisition will expand trip offerings in the Arctic and Antarctica regions and increase the global reach of the brand.

Other financial highlights included:

- Net cash position up 6.96% on 2016 as a result of strong operating results.
- Slight decrease in overheads as a percentage of TTV (Total Transactional Value).

Following the split from the TUI group in 2015, the Intrepid Group is now in a stronger financial position than ever before as a result of strong financial control and governance. This will enable the group to invest further in sustainable growth across all brands and sales regions.

DEFINITIONS

Total transactional value (TTV)	Gross price of a tour, before any discounts or commission expense.
Gross Group External Revenue	Total group revenue, including income from associates and joint ventures, prior to discounts
Departed Revenue	Revenue reported at date of departure
Booked Revenue	Revenue reported at date of booking

GROUP EXTERNAL REVENUE

\$341mⁱ
(\$297m)

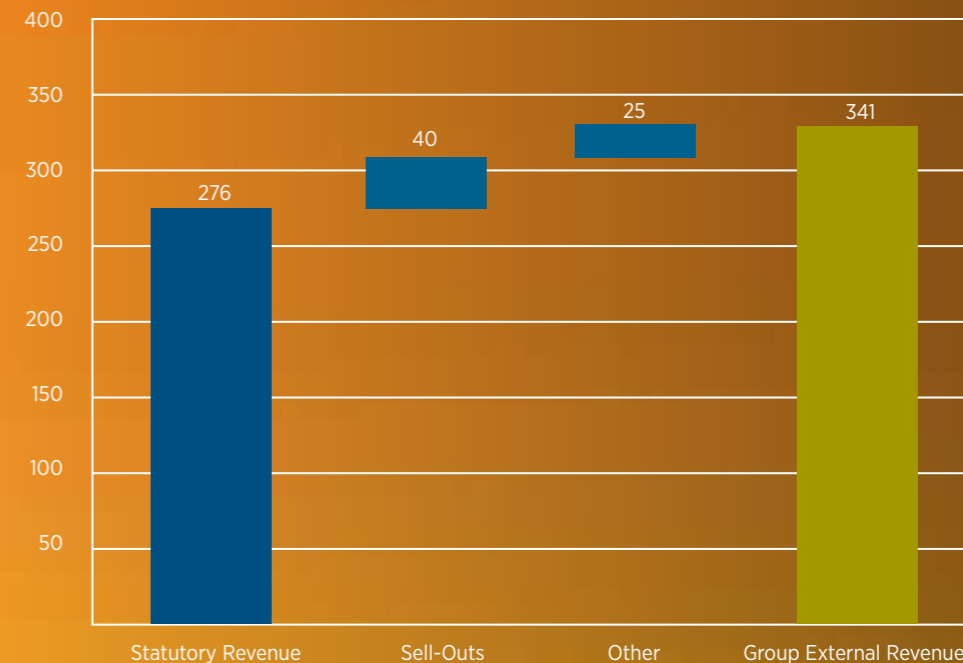
In 2016

EBIT

\$10.7mⁱⁱ
(\$10.5m)

normalised EBIT
for 2016

Statutory Revenue to Gross Group External Revenue (\$'mil)



ADJUSTMENT	REASON FOR ADJUSTMENT
Sell-outs	External third party operated trips are shown as net of costs for statutory purposes.
Other	Other adjustments include our share of income from associates, discounts applied to revenue and foreign exchange.

All amounts are in Australian Dollars unless otherwise stated

ⁱ Gross group external revenue includes all revenue prior to discounts, including share of revenue from associates and sell-outs (sales of third party tours).

ⁱⁱ 2016 EBIT included a one-off lease break incentive.

FINANCIAL

SALES REGION PERFORMANCE

The Intrepid Group operates through three main outbound sales regions, being Asia Pacific (based in Melbourne, Australia), Europe, Middle-East and Africa (based in London, United Kingdom) and North America (based in Toronto, Canada). Each sales region performed strongly in 2017, with North America and EMEA both achieving revenue growth in excess of 25%.

Asia Pacific (APAC)

APAC is our most mature region, but still performed strongly during 2017, achieving an increase in TTV of 7.9% - a great result for the region.

Europe, Middle East and Africa (EMEA)

The EMEA region achieved an impressive 25.7% growth in TTV at like-for-like exchange rates, further cementing our position in this market.

North America

North America was the best-performing sales region during the 2017 financial year, achieving 30.9% growth in TTV (at like-for-like exchange rates) and continues to grow into 2018.

DESTINATION PERFORMANCE

South-East Asia was again our best-selling destination, followed by South America, Southern Asia and Southern Europe. Our fastest growing destination was Northern Africa, with departed revenue growth of 56%, followed by Northern Europe with departed revenue growth of 53%.

OUTLOOK

In 2018 we will again be aiming for strong top line performance across all regions and brands whilst also looking to grow our group EBIT.

January 2018 was a record breaking month for bookings for both the Intrepid Travel and Peregrine brands. This dynamic start puts the business in a strong position to capitalise on another record year. The robust performance in January 2018 has been driven by strong sales performance across all sales regions.

APAC departed TTV

↑ 7.9%

(at like-for-like exchange rates)

EMEA departed TTV

↑ 25.7%

(at like-for-like exchange rates)

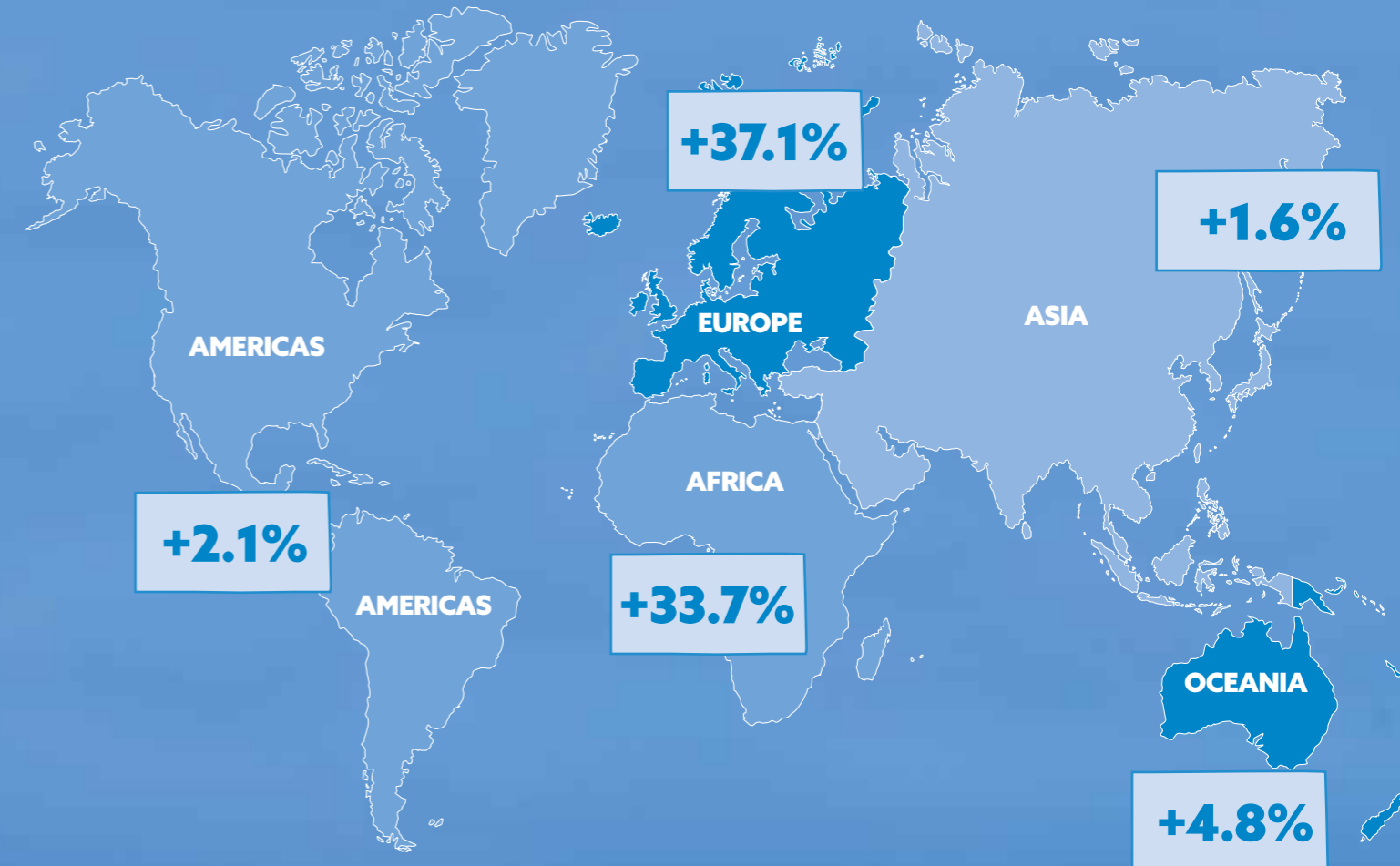
North America departed TTV

↑ 30.9%

(at like-for-like exchange rates)

REVENUE BY DESTINATION 2017 VS 2016

(excluding Urban Adventures)





BRAND AND KNOW-HOW

In 2017, all Intrepid Group brands took huge steps towards our 2020 goal of growing the market for sustainable, experience-rich travel.

The continuous improvement across our entire product range and brands has ensured our customers' trip experience is at an all-time high, and enabled us to deliver on our strategy of having the right product in the right market at the right time.

The launch of our Adventure Cruising product range in 2017 is proof that we are living our core value of innovation, and achieving 94% trip-fill across all charters is a testament to the fact that we are providing new products that our customers want.

All our brands undertook activities to strengthen their position in the market and create blue water between the brands in the group. This resulted in variation across customer and departure numbers but ultimately led to top line growth for all brands of the Intrepid Group.

Intrepid Travel



Solidifying its position as the hero brand of the business, the Intrepid Travel brand grew again in 2017, with 20.3% growth in departed revenue (at like-for-like exchange rates).

Double-digit growth was reported for the Intrepid Travel brand across all sales regions, with both North America and EMEA growing by more than 20%.

In 2017, there was big focus on our themed products, with Cycling experiencing a 400% increase in traveller numbers due to new trips and increased departures.

South-East Asia continues to be the brand's biggest region, but in 2017 Northern Europe was the fastest growing, up by 121%.

Other key statistics include:

- Overall 15% passenger growth in 2017
- We ran 23% more departures globally
- Booked revenue was up 16.8%

Peregrine Adventures



Peregrine departed revenue grew by 1.1% (at like-for-like exchange rates) during the year with EMEA and North America both showing increased sales for the year.

A significant change impacting Peregrine's results for 2017 was the reallocation of our Comfort trips from our Peregrine brand to our Intrepid Travel brand which resulted in both less departures and passengers for Peregrine in 2017.

Peregrine Adventures had the biggest product release of the group in 2017, with the new Adventure Cruising range. Our first charter itinerary in Croatia achieved 94% trip fill. In 2018, we've added new itineraries in Europe and South-East Asia, a total of 10 charter itineraries and we have 40 scheduled departures confirmed for the 2018/19 season. The outlook for Peregrine is as healthy as it has been in three years, with bookings into 2018 and 2019 growing year-on-year.

Other key statistics include:

- 25% less departed passengers in 2017
- 16% less departures
- 15.8% growth in booked revenue

Geckos Adventures



In 2016, Geckos Adventures was repositioned to become a true youth-brand, with the age-range for customers changed from 18-39 to 18-29. This change to the age range was implemented on 2017 trips. Despite halving the market for eligible travellers, the brand achieved departed revenue growth of 6% (at like-for-like exchange rates) for the year. The North American market was the key driver of the growth, with a 36% year-on-year increase.

New trips were launched in North America and Africa - making Geckos a more global 18-29 year old tour operator. Deposits were dropped to \$99 to make the price point more affordable for the brand's younger demographic.

Other key statistics include:

- 17% more departures in 2017
- Passenger numbers grew by 1%
- 16.5% bookings growth

Urban Adventures



In 2017, Urban Adventures was the fastest growing brand in the Intrepid Group. Departed passenger numbers grew by a staggering 62% to 172,261 and TTVV increased by 53.6%. The day tour brand continues to grow with purpose, with its award winning In Focus range of social impact tours now benefitting 23 different local organisations. A brand partnership with Foundation beneficiary ActionAid, saw Urban Adventures donate \$100,000 in support of its Safe Cities campaign.

Adventure Tours Australia



Our smallest brand Adventure Tours Australia achieved significant growth in 2017, growing departed revenue by 12%.

BRAND AND KNOW-HOW



2017 was a milestone year for PEAK DMC. Not only did we open our 20th destination management company under the brand, but we also transformed the way we do business, grew external sales, and started to build the brand in its own right.

Leveraging our DMC network is part of our 2020 strategy, and 2017 saw us deliver upon all three metrics (Expansion, Efficiency and Sales).

PEAK DMC expanded into three new regions during the year, establishing new DMCs (destination management companies) in Japan, Iceland and Central America.

We received assistance and funding from the Japanese External Trade Organisation to launch a new DMC in the region, with operations commencing in May 2018.

Unprecedented growth in Intrepid Group sales to Iceland brought forward our expansion plan and led to the creation of our own DMC there, which began operating trips in October 2017.

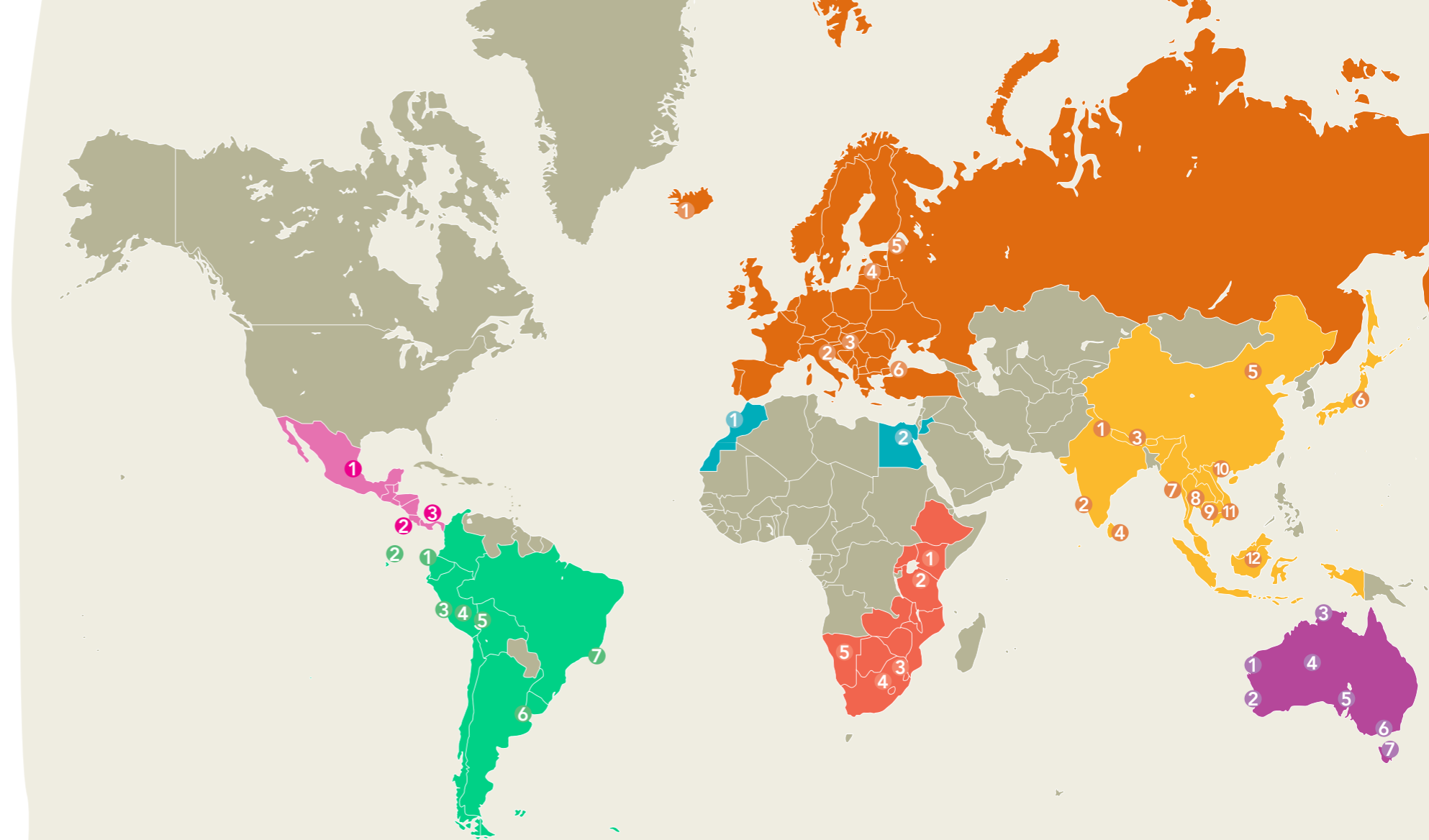
The final DMC established in 2017 was PEAK Central America, which will carry more than 7,000 passengers in 2018 across the eight countries within the region.

Another important achievement in 2017 was the introduction of a new DMC system which commenced in 2017, with full functionality being progressively rolled out in 2018. This system will increase efficiency across the DMC network by simplifying and automating processes such as quoting, supplier management and financial reconciliations. The system will allow for the transformation of PEAK DMC and enable it to scale more quickly and easily without adding additional overhead costs.

To top off a great year, PEAK DMC reported 20% growth in externally generated sales. This was as a result of a significant investment being made within the DMC global team to establish an internal structure that facilitated increased levels and types of enquiries. With this structure now in place, there was a large focus on generating new enquiries and pleasingly, a number of large new clients were won in the latter half of 2017.

Other key statistics include:

- 20% growth in externally generated DMC sales
- Maintained Overall Enjoyment Score of 4.73/5 year-on-year



Where PEAK DMC operate from

CENTRAL AMERICA

- 1 Mexico City, Mexico
- 2 San José, Costa Rica
- 3 Panama City, Panama

SOUTH AMERICA

- 1 Quito, Ecuador
- 2 Galapagos, Ecuador
- 3 Lima, Peru
- 4 Cusco, Peru
- 5 Puno, Peru
- 6 Buenos Aires, Argentina
- 7 Rio de Janeiro, Brazil

EUROPE

- 1 Reykjavik, Iceland
- 2 Venice, Italy
- 3 Budapest, Hungary
- 4 Riga, Latvia
- 5 St Petersburg, Russia
- 6 Istanbul, Turkey

SOUTH ASIA

- 1 New Delhi, India
- 2 Kochi, India
- 3 Kathmandu, Nepal
- 4 Colombo, Sri Lanka

NORTH ASIA

- 5 Beijing, China
- 6 Kyoto, Japan

SOUTH-EAST ASIA

- 7 Yangon, Myanmar
- 8 Bangkok, Thailand
- 9 Siem Reap, Cambodia
- 10 Hanoi, Vietnam
- 11 Ho Chi Minh City, Vietnam
- 12 Kota Kinabalu, Malaysia

NORTH AFRICA & MIDDLE EAST

- 1 Marrakech, Morocco
- 2 Cairo, Egypt

EAST & SOUTHERN AFRICA

- 1 Nairobi, Kenya
- 2 Arusha, Tanzania
- 3 Hoedspruit, South Africa
- 4 Johannesburg, South Africa
- 5 Windhoek, Namibia

AUSTRALASIA

- 1 Broome
- 2 Perth
- 3 Darwin
- 4 Alice Springs
- 5 Adelaide
- 6 Melbourne
- 7 Hobart

CUSTOMER

In 2017, we carried almost 300,000 passengers on our tour operator brands – a 35% increase on 2016.

On top of this, we understand our customers better than ever, and are continually looking for ways to improve the full customer journey (prior to trips, on trips and after trips). In 2017, we dialled up the customer research, particularly on the qualitative side, implementing face-to-face customer research and guerrilla testing. Beyond the insights this uncovered, these activities brought our office-based staff closer to the customer than ever before.

Pleasingly, 26% of our customers were return customers in 2017, up from 23% in the prior year. This equates to 17% growth in repeat passengers year-on-year.

Whilst our passenger numbers have increased, our health and safety performance has remained at a consistently high level thanks to the performance of our DMC network and global product team.

Our highlight for 2017 was the performance of our Urban Adventures business. Not only did Urban Adventures carry 62.4% more passengers in 2017, it continued to drive change within responsible tourism, taking out the Tourism Cares, Hearts of Travel Award for Best New Innovator in the field of Responsible Tourism. Not only do Urban Adventures customers receive the Best.Day.Ever, they also receive a sense of purpose and knowledge that booking with Urban Adventures means giving back to local communities.

UNDERSTANDING OUR CUSTOMER

In 2017, we focused on better understanding our customers so that we could provide them with the best travel experience possible.

To do this, we have conducted extensive research on our customer database to better understand their needs and wants. We have collected and analysed more than 50,000 pieces of feedback from customers around their overall experience, and throughout their entire customer journey. We have increased our User Experience team by 250%, a large investment in understanding our customers' needs, but one that is already seeing results in our customer performance.

In addition to customer feedback, we held 88 User Tests on three continents, resulting in 368 videos and 3,000 minutes of footage.

We ran our second ever innovation and design sprint in our London office, utilising Google Sprint & Design thinking methodologies to solve real internal and external customer problems. These methods have since been utilised across the business.



126K

passengers departed on
*Intrepid, Peregrine or
Geckos trips in 2017*
(2016 - 114K)

172K

passengers departed on
Urban Adventures in 2017
(2016 - 106K)

26%

return customer rate
(23% in 2016)



CUSTOMER

WHAT WE DO WITH CUSTOMER INSIGHTS

The customer insights gained in 2017 have been used to drive change both on trips, before trips and after trips to improve our whole customer journey.

We have added new features to improve our customers before and after experiences, including implementing live chat and enhanced pre-trip messaging as well as introducing new products based on feedback from passengers.

IMPROVING THE ON-TRIP EXPERIENCE

Our overall customer trip experience score has increased to 4.71/5 (versus 4.70 in 2016). This is an internal metric created to assess our trips based on a number of measures, including tour leader rating, product rating and a number of other contributing factors to a customer's overall trip enjoyment.

We introduced more than 130 exciting new itineraries to our product range in 2017, including our first full range of cycling adventures and our inaugural Adventure Cruising departures. We remain devoted to ensuring our customers can travel to more destinations across the globe and experience the greatest places on offer.

Our trip feedback forms the basis for improving itineraries and leader training. This year, PEAK DMC ran more than 40 new and refresher leader training sessions around the world. Incorporating both classroom and practical learnings, our leaders cover topics as varied as safety, incident management, customer service, brand training and responsible travel. This resulted in improvements in Trip NPS & Overall Enjoyment scores from our customers for the Peregrine and Geckos brands; allowing us to maintain high scores year-on-year for our largest brand, Intrepid Travel.

OUTLOOK

We believe that we are only scratching the surface when it comes to understanding our customers and how we collect and analyse insights from their feedback. In 2018, we're continuing to evolve our customer-centric approach to incorporate touch points across the entire customer journey to ensure we're delivering the best customer experience ever.



WHAT OUR CUSTOMERS ARE SAYING



*Sri Lanka Real Food Adventure
January 2018*

Marie

Intrepid are amazing, I had the most amazing time. Our tour leader was beyond amazing and I will definitely be travelling with them again.



*India Real Food Adventure
January 2018*

Georgia

Going on an Intrepid tour is a great way to travel. You are in a small group, which makes activities and places easier to get to.



PEOPLE

Our fast-growing business is now truly global. In 2017, our focus was on building the capability of our managers and teams around the world and on embedding purpose into our business.

In 2017, we took a number of steps to ensure we continue to live our vision, 'to Change the Way People See the World'. Our increased focus on diversity and inclusion resulted in a 2% shift in the gender diversity of employees and tour leaders for the Intrepid Group.

MILESTONES IN 2017:

UNCONSCIOUS BIAS TRAINING

As part of our diversity and inclusion focus, in 2017 we rolled out our Unconscious Bias Training to all staff. On top of this, our Global Leadership Team and senior leaders undertook an Unconscious Bias Workshop to deepen their understanding of conscious and unconscious thinking processes and how they impact judgements, decisions and ultimately actions in the workplace. As a company, we are committed to understanding and unpacking our biases, and by doing so, understanding how this contributes to better business results.

WOMEN'S LEADERSHIP FORUM

In 2017, the Intrepid Group made a business commitment to continue to focus on gender equality as part of a broader commitment to the UN Global Compact and its Sustainable Development Goals. As part of this commitment, and in order to unearth a new wave of potential female leaders across our business, the Intrepid Group held our inaugural Women's Leadership Forum in Siem Reap, Cambodia in September 2017. Twelve future female leaders from across our global business were invited to attend a four-day conference hosted by our female Global Leadership Team members. The conference was a huge success, and has spawned a Global Mentoring Program to help grow and develop our future female leaders.

FOCUS ON DIVERSITY

In 2014, Intrepid had two female tour leaders in India. We recognised at the time that we needed to do more to drive change within the diversity of employees in India (Women still make up less than 30% of India's workforce). We are proud to say that at the end of December 2017 we now have 22 female tour leaders in the region, more than any other travel company.

We are also happy to report that 27% of our tour leaders worldwide are now female. Although there is still a long way to go, this is a remarkable feat in an industry that has for a long time been dominated by male employers, particularly in countries where female employment in the travel industry is not a cultural norm.

81%

Overall Staff
Engagement Score

42%

Female employees
worldwide
(up from 40% in 2016)

1,771

employees,
contractors and
freelancers worldwide
(1,548 in 2016)



PEOPLE

WOMEN'S EMPOWERMENT PRINCIPLES

At the end of 2017 we also become signatories to the UN Global Compact Women's Empowerment Principles. As part of this, we will be taking steps to set up our places of work for the future so that we understand and are openly discussing the underlying causes of inequality. It means ensuring our policies and practices support both females and males to work safely and flexibly in a way that allows equal caring responsibilities and ensures that an individual's development, career progression and opportunities are not disadvantaged by the life-stage choices they make. It means shifting our organisational culture towards outcomes-based working rather than counting hours spent at a desk.

FOCUS ON FEMALES

ZINA BENCHEIKH

Zina was announced as the permanent General Manager of PEAK Marrakech in November 2017, after joining the business as a Finance Manager in 2010. Zina undertook our internal development opportunities, including our Building People Managers and Building Business Managers programs, and is a user of our online learning system, Degreed.

BECY KIEHA

Becy is the first and only overland truck driver in East Africa. Driven by ambition and the memory of her late father, she has overcome challenging cultural norms to become admired across the travel industry in East Africa, where she is now known as 'Mamma Africa'. As a part of our ongoing commitment to driving gender balance, her video profile among other similar stories will be released mid 2018 in a bid to inspire others.

WOMEN IN TRAVEL AWARDS

To further highlight our performance in 2017, we are proud to say that we had eight employees nominated and two employees win awards at the Australian Women in Travel Awards.

GM Global Communications, Gillian Monahan, was awarded the Public Relations of the Year award, while UX Manager, Gemma Sherwood, was awarded the Technology award. This was a great result, and a testament to our ability to build great leaders from within.



Becy Kieha, East Africa



PEOPLE

BUILDING ENGAGEMENT AND CAPABILITY OF EMPLOYEES & MANAGERS

We see managers as having a significant impact on the lives of the people who report to them, and therefore believe it is important that managers actively work to ensure all staff are developing to their full potential.

During 2017, we conducted our first Manager Essentials Survey in order to provide managers with structured feedback to help them grow. We had a high overall participation in the survey, with 79% of relevant staff completing the survey. Pleasingly, there was a positive response rate of 83% from staff members on their managers' performance. Most importantly, our managers received structured feedback on what they can be doing better to improve their performance, and therefore the performance of the Intrepid Group. On top of this, we launched 7 Essential Superpowers of an Intrepid Group Manager and conducted 32 manager exchange sessions with 130 managers in 22 countries.

During the year, we rolled out our global development programs, including Building Business Managers in our London and Melbourne offices, Building People Managers in our Toronto, Colombo and Melbourne offices and our Train-the-Trainer program for our DMC staff.

We doubled the usage of our online learning hub, Degreed, over the last 12 months and added 35 new pathways for employees to continue to grow and develop. During the 2017 year, employees viewed more than 10,000 videos, articles, books, podcasts and courses. We also developed Global Onboarding Toolkits for managers and new starters to get the best introduction to the company.

Overall, our team is more engaged than ever as measured by our 'Your View Staff Engagement Survey'. Your View was rolled out to over 1,670 staff and leaders globally with 77% participation and an employee engagement score of 81%.

WANDERLUST TOUR LEADER AWARDS

To top off a great year for our people at Intrepid, in October 2017 it was announced that two of our fantastic tour leaders were awarded with the Gold and Bronze prizes at the 2017 Wanderlust World Guide Awards.

Khalid Lamlih from Morocco took out the gold award whilst Dinesh KC from Nepal took out the bronze award. It was also confirmed that Intrepid Travel had more finalists than any other company in the history of the awards – proving once again that we have the best tour leaders in the business, a testament to our PEAK DMC teams' efforts in hiring and training our leaders.

OUTLOOK

In 2018, we will continue to focus on embedding purpose and capability across the organisation. Plans for 2018 include the development and delivery of a complete diversity and inclusion strategy, the implementation of parental and carer support guidelines as well as an increased emphasis on developing and retaining our world-class talent through further development programs, engagement in our online learning platform and mobility guidelines.



Dinesh KC, Nepal



SOCIAL & RELATIONSHIP

Our style of travel connects people. As we've grown to become the world's largest adventure travel company, our potential social impact has grown too. That's why our relationships with our partners and communities are at the heart of everything we do.

Built on the principle that sustainable, grassroots travel can promote cross-cultural understanding, the Intrepid Group strives to be a company that fosters peaceful, just and inclusive societies.

We aim to treat all people impacted by our business with fairness and respect. We look to reduce inequality and show support to local communities by spreading our business across a number of suppliers who operate in the destinations we visit and ensuring our business earnings are distributed in a way that is beneficial to the local economy. Our aim is to benefit our partners and communities while achieving the responsible and sustainable growth of the Intrepid Group.

Relationship with our Partners

The Intrepid Group engages with over 5,000 partners globally, including travel agents, hotels, tour operators and transportation providers.

We add value to our travel agent partners through our strategic relationships and the trust created by continually providing a reliable and exceptional product.

Our decision to engage local suppliers means we are helping to create employment and generate income for local communities.

B Corp Progress Report

B Corp aims to help businesses shift their focus beyond profit generation and maximising shareholder value to also being a force for good. B Corps are for-profit companies certified to meet the highest standards of social and environmental performance, accountability and transparency.

The Intrepid Group continued its pursuit of B Corp certification in 2017, with all of our sales and marketing companies and destination management companies completing their assessments.

At the end of 2017, the Intrepid Group's five largest companies went through an initial review audit with the B Corp certification team. The reviews confirmed that we were answering the questions with a high level of due diligence, and provided us with a very clear understanding of how the company is tracking in our endeavour for certification.

For certification to be achieved by the Intrepid Group, 23 companies must complete the audit where each company will be weighted and graded. The requirement for certification is to attain a minimum of 80 out of a potential 200 points. A dedicated team is focused on preparing the Intrepid Group's application for submission by March 2018.

1-2-3 Initiative

In 2017, the Intrepid Group Board approved an innovative new financial model to ensure our shareholders continue to fund The Intrepid Foundation well into the future.

By 2020, 1% of global revenue, 2% of global time and 3% of the Intrepid Group founders' equity will be dedicated to purpose-based initiatives. A purpose initiative is defined as any activity carried out by the business that will benefit the environment, communities, our customers or our staff.





SOCIAL & RELATIONSHIP

Sustainable Tourism Hub (STH) in Myanmar

The STH initiative has been established to promote the inclusion of locally owned small-medium enterprises in Myanmar's growing tourism industry.

The STH in Myanmar has been formed as a result of a partnership between:

- The Intrepid Group
- AVI - an Australian organisation that works with individuals, organisations and communities in response to locally identified development priorities
- The Australian government's Department of Foreign Affairs and Trade (DFAT)

The partnership forms part of the Business Partnerships Platform (BPP) funding initiative of DFAT's overseas aid program.

The aim of the partnership is to provide sustainable, experience-rich travel (SERT) products and services for the growing tourism market in Myanmar by providing training and business management support to individuals and Small and Medium Enterprises (SMEs).

The STH focuses on providing these opportunities to people who would otherwise face significant barriers to participation in the tourism market in Myanmar, such as women, ethnic minorities and people with a disability.

The STH also aims to contribute to the development of locally-based responsible tourism by providing a platform that brings like-minded organisations and consumers together.

To maximise its sustainability, the STH uses a strengths-based approach by harnessing existing organisations and systems, rather than bringing in new programs, with tourism business training content from the International Labour Organization (ILO), market research from the Myanmar Responsible Tourism Institute, business advice from Ernst & Young, local legal advice and banking services from Yoma Bank.

A group of 30 individuals and SMEs participated in a 12-week business training program and from there, 10 business ideas were selected to progress into the next phase of the STH program in 2017.

The business ideas that were selected ranged from:

- the creation of bags and jewellery made from recycled materials
- a tea shop which incorporates a demonstration of the traditional tea-making process in Myanmar
- cooking classes that employ local women to teach tourists how to cook traditional home cooked meals

With ongoing support and assistance from a dedicated STH business coach, all 10 participants have prepared viable business plans. These plans were reviewed by pro-bono partner Ernst & Young (EY) to ensure they comply with local regulations.

The STH is currently supporting the participants to find suitable distribution and venues to run their businesses and are expected to be up and running by September 2018, in time for the peak tourism season in Myanmar.

Volunteer Program

20

hours provided to each staff member to spend volunteering

25%

By the end of 2018, we aim to increase the number of global employees participating in our volunteer program by 25%





SOCIAL & RELATIONSHIP

Urban Adventures 'In Focus' Tours

In Focus tours are run in partnership with local NGOs, non-profits, and social enterprises, enabling travellers to assist in tackling real local issues.

The Urban Adventures (UA) brand of the Intrepid Group run day trips in more than 160 cities around the world, with the aim of providing customers with the Best.Day.Ever. UA tours bypass the tourist traps, and take travellers into local communities. They work with independent businesses and local entrepreneurs to ensure money stays within the local economy.

In 2015, Urban Adventures launched In Focus, a range of one-day tours which run in partnership with local social enterprises and non-profits. To mark the United Nations International Year of Sustainable Tourism for Development in 2017, Urban Adventures dedicated the year to promoting these experiences to travellers, working to grow a range of tours from just a handful of experiences into 30 responsible tours benefitting 23 different local organisations, across 16 countries.

In Focus tours are a two-way interaction between the project and traveller: the local project is financially supported without resorting to charity donations, the traveller gains insight into an important social problem and a solution is brought into focus.

The experiences and projects vary, but they all bring travellers face-to-face with a local issue and a program designed to address that issue.

In December 2017, the UA team received the 2017 New Innovator in Travel Philanthropy Award at Tourism Cares Hearts of Travels Awards in New York City, recognising the sustainable impact that In Focus tours have in the communities they operate in.

In 2018, Urban Adventures will have a dedicated team member to grow the In Focus program, with the aim of doubling the number of organisations offering these experiences, and gaining new supporters to continue doing their great work.

Some of our In Focus tours include:

- 'From Farm to Feast' tour in Nairobi that works alongside One Horizon Africa to help rural women launch pig and chicken farming businesses
 - 100 women supported over 2 years
 - AUD \$13,000 raised from In Focus tour sales and donations
- 'Outcast Bucharest' tour that partners with Romania's Parada Foundation to offer job training to homeless and at-risk youth
 - One guide employed in 2017, with a second starting in 2018
 - AUD \$3,100 raised from In Focus tour sales and donations





SOCIAL & RELATIONSHIP

Child Protection

The Intrepid Group actively supports best practice in child protection and works to ensure that children and their families are protected from harm.

The term 'child protection' refers to preventing and responding to violence, exploitation and abuse against children. This includes commercial sexual exploitation, trafficking, child labour and harmful traditional practices.

The Intrepid Group recognises that exposure to tourism has the capacity to increase the risk of harm to children, and understands its responsibility and obligation to do no harm in the places we visit.

In 2016, we removed orphanage visits from all our trips and our Responsible Business Manager, Liz Manning, became a steering committee member of ReThink Orphanages, a cross-sector network that aims to prevent the unnecessary institutionalisation of children by shifting the way travellers and donors engage in overseas aid and development.

In 2017, the Intrepid Group and child protection specialists from ReThink Orphanages hosted forums for travel industry partners in an effort to raise awareness of the impact of orphanage tourism and to help other businesses ethically transitioning away from residential care.

With the assistance of a child protection consultant, we updated our child protection guidelines and created a set of tips for our travellers as part of our responsibility and obligation to protecting all children. New customised web-based training modules for staff have also been developed, as well as a more in-depth 'Train the Trainers' module to support our operations teams in-country.

For more information please visit www.intrepidtravel.com/en/our-stance-child-protection

MODERN SLAVERY STATEMENT

"An estimated 40.3 million people are victims of modern slavery across the world" - The Walk Free Foundation.

The Intrepid Group issued a Modern Slavery Statement in 2017 which outlines the steps taken to prevent acts of modern slavery and human trafficking from occurring in our business and supply chain.

The Statement on Modern Slavery also outlines the ways in which we work to prevent, identify and mitigate incidences of modern slavery, which encompasses forced labour and wage exploitation, involuntary servitude, debt bondage, human trafficking, forced marriage and other forms of exploitation.

As a vertically integrated business, our in-country offices or PEAK Destination Management Companies (PEAK DMC), operate the majority of our tour itineraries. This enables us to manage our own operations and have greater oversight of the supply chain, as well as identify and mitigate risk areas of modern slavery and trafficking within the business.

The Intrepid Group's statement is currently compliant with section 54 of the Modern Slavery Act in the UK, however in 2017 the Australian Government moved to create new legislation that would look to prevent, identify and put an end to all forms of modern slavery in Australia. There was a Parliamentary Inquiry in Melbourne in August 2017, which if passed, will mean Australian companies will be forced to scrutinise their supply chains globally and make sure they are not complicit in forced labour or human trafficking.

The Intrepid Group attended the Parliamentary Inquiry, where fellow members of the ReThink Orphanages steering committee provided testimonies at the Parliamentary Inquiry, to encourage the government to consider orphanage tourism and all forms of institutionalisation of kids as a form of modern slavery. If this legislation passes, Australia would be the first country to consider orphanage tourism and residential care as a form of modern slavery.





ENVIRONMENT

Protecting the environment by using resources in an efficient, fair and responsible way is paramount to ensuring future generations have a habitable planet to live in. All Intrepid Group trips are designed to limit physical and environmental impacts in order to preserve destinations for generations to come.

Climate Change and Travel

In July 2017, Al Gore released the follow-on documentary, *An Inconvenient Sequel*, and co-founder, Darrell Wade, joined Al Gore at a preview screening of the film followed by a Q&A panel discussing the progress that the world has made in grappling with climate change in the last decade.

While the film showed that the world has made great progress in many ways, there is still an inconvenient – and urgent – reality facing today's travellers. The act of travelling is a significant source of carbon emissions and that is a problem that the travel industry must face up to. The travel industry now makes up over 10% of global GDP, and is one of the fastest growing industries in the world. There are more planes in the sky and hotels on the ground than ever – both emitting large quantities of carbon. The UN may have made 2017 the International Year of Sustainable Tourism for Development but even now, there are no industry-wide plans to reduce carbon emissions.

The irony is if we don't take action, there will be no travel. There will be no reefs, no ski fields, no beaches and many of the world's cities will be under water.

A decade ago, the Intrepid Group realised that, although we were operating responsibly, we are part of an industry in which few businesses have made efforts to minimise their environmental footprint.

The Intrepid Group strongly believes that travel can be a force for good in the world. We believe that travellers should expect more of the businesses they support. People are travelling more than ever, and while it is now common to pack reusable drink bottles and shopping bags, few offset their flights, which are often their trip's largest source of carbon emissions.

Al Gore's *An Inconvenient Sequel* has had a big impact on us as a company. It shows how real progress can and has come from the grassroots and individuals, but also how important it is that businesses take responsibility for their environmental impact (see [Enviro infographic page](#)).



Darrell Wade with Al Gore



ENVIRONMENT

The Intrepid Group are committed to protecting our planet, and that's why we follow the Measure – Reduce – Offset carbon management principles to manage the environmental footprint of our trips and offices around the world.

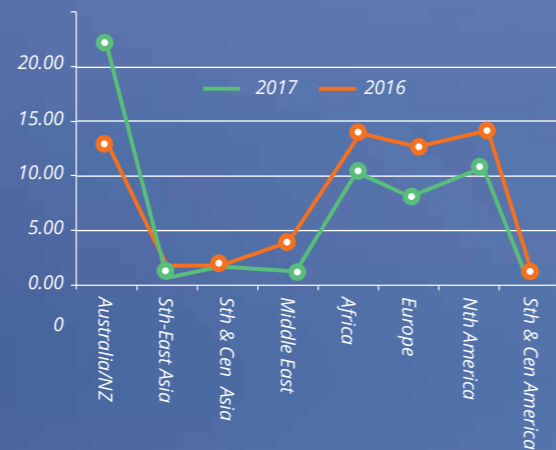
1. MEASURE

We measure and offset the main sources of passenger emissions created on our trips from transport, accommodation and waste by our passengers. When it comes to our offices, we measure emissions from electricity, gas, waste, business travel and water.

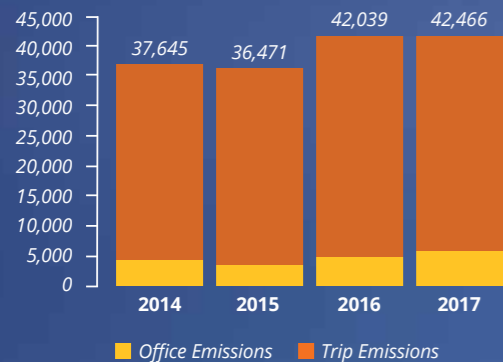
OFFICE EMISSIONS SOURCES GLOBALLY



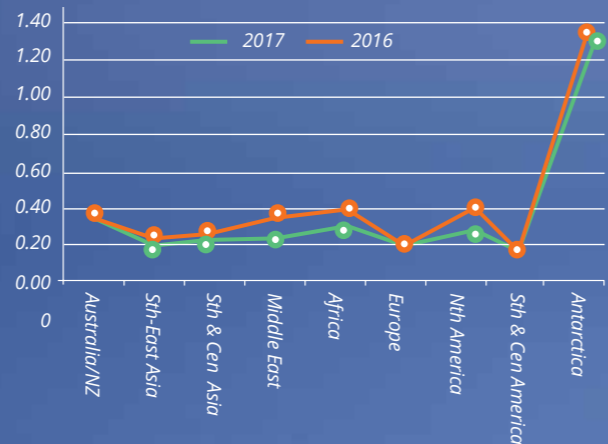
OFFICE EMISSIONS (TONNES CO2-E PER FTE)



INTREPID GROUP CARBON EMISSIONS (TONNES CO2-E)



TRIP EMISSIONS (TONNES CO2-E PER PAX)



2. REDUCE

Encouraging our travellers use refillable drink bottles.

Using public transport on our trips to reduce fuel use per passenger.

Introducing efficiency measures, including energy efficient light bulbs and Skype conferencing.

Recycling waste in our offices around the world.

Minimising the number of flights included in trips.

Conserving water use in our offices and on our trips.

3. OFFSET

Investment in renewable energy projects such as:



WIND POWER PROJECT

Rajasthan, India

Located in one of the most arid districts in India, this project plays an important role in reducing CO2 emissions and contributing to the economic growth of the area.

- Additional benefits of the project:
 - 2 water storage tanks installed in the community
 - 3 water filtration systems installed for public use

★ GOLD STANDARD ★

SOLAR FARM PROJECT

Bambous, Mauritius

Supporting technology transfer, energy transition, and the first ever solar farm in Mauritius.

- Additional benefits of the project:
 - 20 local jobs created
 - 220,000 tonnes of CO2 avoided

★ VERIFIED STANDARD (VCS) ★

WIND POWER PROJECT

Three locations across Mexico

Generating clean energy from renewable wind sources, this project replaces the energy that would have been generated from grid connected power plants, predominately based on fossil fuels.

- Additional benefits of the project:
 - 50 graduates of the small wind turbine design and production course
 - 152.8 hectares of reforestation in the communities of the Itsmo region

★ VERIFIED STANDARD (VCS) ★



ENVIRONMENT

PROJECT IN PUNO, PERU

Improved homes for communities in remote Peru

In 2016, Intrepid Group's North America team launched the Travel for Good campaign, an initiative designed to give back to the communities we visit. For every trip purchased from within the US and Canada over a three-week period, the Intrepid Group donated 10% of the cost to partners of The Intrepid Foundation, raising more than AUD \$200,000.

In 2017, these funds were distributed to four partners, including Kusimayo – an organisation in Peru that improves the living conditions for children and adults affected by poverty and malnutrition in one of Peru's poorest regions, the high plains of Puno.

Located in south-eastern Peru, Puno is situated at 3,830 metres above sea level.

Because of its elevation, it experiences extreme weather conditions, with an average annual temperature of around 8 degrees Celsius. The region's economy is based on agriculture and farming, and many communities in the region struggle with poverty.

The funds raised from the Travel for Good campaign went towards improving the houses and lives of 27 families living in the San Roque village in Puno.

Solar heating and insulation was installed in each home as well a new, healthier kitchens.

With year-round cold temperatures, many families traditionally cook over open flames, which has resulted in high levels of lung disease. The new kitchens have chimneys which increase the efficiency of the stoves, while also ensuring smoke-free homes.

The combined efforts of this project mean that 27 families will now be able to live comfortably and safely in their homes, proving that having a purpose beyond profit really does change, and sometimes even saves, people's lives and the impact they have on the environment.



In 2017, PEAK DMC Peru achieved Rainforest Alliance certification that certifies them as the best-scoring Sustainable Tour Operator in Peru



OUR 2020 CARBON GOAL

By the end of 2020 we aim to lighten our overall global environmental footprint and reduce Intrepid Group's carbon emissions per full time employee in our offices by 5%.

- 5% reduction in energy use per full-time employee globally
- 5% reduction in water consumption per full-time employee globally
- 5% reduction in staff flights per full-time employee globally

OUR STRATEGY

Our 2020 strategic plan was developed in 2016, after the Intrepid Group returned to independent ownership. It aims to deliver on our vision to Change the Way People see the World.



2020 PLAN

CHANGING THE WAY PEOPLE SEE THE WORLD

Our 2020 strategic plan revolves around our mantra of growth with purpose and was established in 2016 after our split from the TUI Group. The initial 2016 objective was about creating a sustainable and profitable business, and all objectives are aimed at achieving our overarching purpose of Changing the Way People See the World.

There are six strategic pillars of our 2020 Strategic Plan:

- Responsible Business
- Digital Mindset
- Leveraged DMC
- Flexible Independent Travel (FIT)
- Be Better
- Right Product to the Right Market

Intrepid Group will meet the demands of a broad customer base and attract new people to our style of travel by delivering outstanding sustainable, experience-rich travel (SERT) products through a multi-brand, multi-distribution, multi-region platform.

Through our DMC network we are uniquely positioned to control the quality of product and customer service provided to our clients, and expand our distribution base into Flexible Independent Travel.

With a digital mindset at the heart of our organisation, and a continual aim to Be Better, we are committed to being the global leader in responsible travel.



RIGHT PRODUCT TO THE RIGHT MARKET

Right product, in the right market, at the right time, to the right customer

- Powerful brands with a clear purpose and place - customer led
- Increase the value of our brands
- Brand owners within organisational structure

RESPONSIBLE BUSINESS

Global leader in sustainable travel

- B Corp certification (in progress)
- Partnerships (public & private sectors)
- Create shared value

DIGITAL MINDSET

Every employee chooses digital methods to transform our business

- Digital is at the forefront in everything we do
- Convenience
- Agile business environment
- Maximise our technology
- Understand our customers

LEVERAGE DMC

Our DMC network is our competitive advantage

- Expansion: Number of DMCs and capabilities
- External 3rd party sales growth
- Create competitive cost advantages across the network

BE BETTER

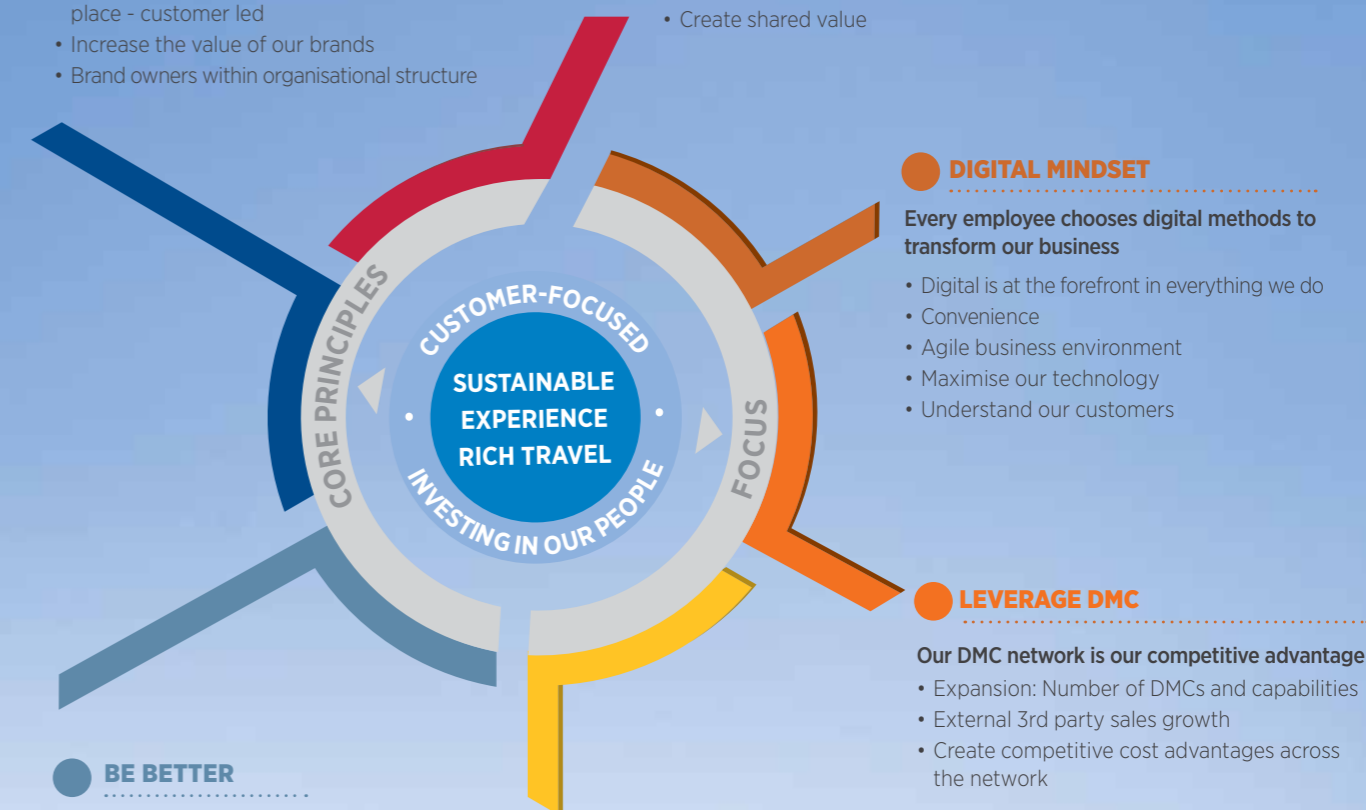
An Agile Intrepid Group

- Reset of business model metrics

FIT

Exploit the FIT market opportunity

- Develop business capabilities to offer FIT product range in a timely, efficient and competitive way
- Multi sales channel approach
- Intrepid "Tailor Made" pilot



2020 PLAN

Growing with purpose needs a plan. This is how we will grow the market for sustainable, experience-rich travel and have purpose beyond profit.

	BE BETTER	RIGHT PRODUCT TO THE RIGHT MARKET	RESPONSIBLE BUSINESS
STRATEGIC OBJECTIVES	<p>In a rapidly evolving world we need to be a flexible business.</p> <p>This agility will keep us competitive, create opportunities for our people and lead to new experiences and improved service for our customers.</p> <p>We will do this by designing and delivering initiatives that reduce costs and increase productivity, including speeding up decision-making and encouraging innovation.</p> <p>The result will be a smarter, more agile, sustainable business that will be a better place to work.</p>	<p>We are a multi-brand, multi-market and multi-distribution channel business. We need to address the current mixed levels of performance within our multi-brand portfolio.</p> <p>We need to ensure that there is an appropriate level of investment in each brand and sales region to ensure consistent growth. We need to ensure that we are continually developing new and exciting products to meet customer demands.</p>	<p>We are a global leader in sustainable travel and are committed to being a leader in responsible business.</p> <p>Our responsible business strategy underpins our belief that businesses need to have a purpose beyond profit to increase the long-term value of our business and the impact for our shareholders, employees, customers and the communities we visit.</p>
2017 OUTCOMES	<ul style="list-style-type: none"> • 1.9% growth in EBIT. • 6.96% increase in our cash position at the end of the year. • All three Salesforce clouds introduced (sales, service & marketing) to improve efficiencies across all pillars of the business. 	<ul style="list-style-type: none"> • 7.9% growth in APAC Region • 25.7% growth in EMEA Region (at like-for-like exchange rates) • 30.9% growth in NA region (at like-for-like exchange rates) • Adventure Cruising introduced with 94% trip fill in 2017. • More than 130 exciting new itineraries added to our product range. 	<ul style="list-style-type: none"> • Significant progress made towards B Corp certification. If achieved we will be the largest B-Corp certified travel organisation • \$710k donated by Intrepid Group to the Intrepid Foundation during 2017 (\$997k raised by the foundation overall). • Announcement of our commitment to our 1-2-3 initiative and for this to be in place by 2020.
2018 OBJECTIVES	<ul style="list-style-type: none"> • Employee share scheme to be introduced to increase employee alignment with company vision. • Integrated reporting to be introduced to improve transparency across the business and with our partners and broader community. 	<ul style="list-style-type: none"> • Sales growth across all brands and sales regions. • 22 Peregrine exclusive adventure cruising departures in 2018. 	<ul style="list-style-type: none"> • 0.75% of net revenue to be spent on purpose-based activities. • The Intrepid Foundation donations raised of \$1m. • 25% increase in staff volunteer time.
Link to Capitals			

	LEVERAGED DMC	FLEXIBLE INDEPENDENT TRAVEL	DIGITAL MINDSET
STRATEGIC OBJECTIVES	<p>Our DMC network is what sets us apart from the rest of the industry.</p> <p>Vertical integration allows us to control the customer experience and product delivery on the ground whilst the compliance and safety record of our DMC network ensures ongoing viability.</p> <p>The next step with our DMC network is to grow the number of third party trips run by the network by leveraging our expertise and experience whilst also expanding the products offered by the DMCs.</p>	<p>Attract a new market of travellers by offering alternative product choices through Flexible Independent Travel.</p> <p>We will exploit the FIT market opportunity by leveraging our existing audience and DMC network to grow revenue.</p>	<p>A digital mindset is not about using technology alone but being to able understand the power of technology to democratise, scale and speed up every interaction we have.</p> <p>We want to instill a digital mindset into all employees to ensure our customers have the best experience possible.</p> <p>Having a digital mindset will enable us to engage our staff, build capacity, maximise our use of technology and deliver growth and purpose beyond profit.</p>
2017 OUTCOMES	<ul style="list-style-type: none"> • 3 new DMCs established in Japan, Iceland and Central America. • 20% increase in externally generated DMC sales. • 4.73 feedback score for DMC operated Intrepid Group trips (versus 4.57 for non-DMC operated trips). • New technology selected and implementation commenced to improve efficiency within DMC network. 	<ul style="list-style-type: none"> • Acquisition of 50% of Chimu Adventures, an expert in Tailor Made Travel. 	<ul style="list-style-type: none"> • Salesforce implemented across all pillars of our business, allowing us to offer a greater customer experience. • New offices in Melbourne and London to facilitate a culture of collaborative thinking amongst staff.
2018 OBJECTIVES	<ul style="list-style-type: none"> • Double-digit growth in DMC-generated external sales. 	<ul style="list-style-type: none"> • Internal software developed and in-use to enable scaling of the FIT product through our DMC network. • Additional training for DMC network to facilitate FIT product offerings. 	<ul style="list-style-type: none"> • Improved efficiency, including continual decrease in overheads as a percentage of TTV.
Link to Capitals			



OUR GOVERNANCE

Our Board and Global Leadership Team are committed to strong corporate governance and management of internal and external risks faced by the business.



OUR BOARD

The Intrepid Group business is governed by the Intrepid Group Board, who have been appointed by shareholders.

The Intrepid Group Board meets quarterly and is responsible for governance, as well as setting the strategy and overall direction of the business. The Board sets the culture and tone of the Group, living and endorsing the six values of Intrepid: Integrity, Responsibility, Fun, Innovation, Growth and Passion. The day-to-day management of the Intrepid Group is the responsibility of the company's CEO and the Global Leadership Team.

The Board takes their responsibility very seriously, and all members of the board attended all four board meetings during the year. No changes were made to the composition of the Board during the December 2017 financial year.

INTRODUCING OUR BOARD MEMBERS *(pictured left to right)*

GEOFF MANCHESTER

Geoff Manchester is the co-founder of Intrepid Travel and Director of the Intrepid Group. Globally recognised as a responsible travel pioneer, "Manch" has ensured Intrepid delivers on its sustainable and responsible travel ethos as the company has grown. Integral to the creation of the Intrepid Foundation, Manch has championed the not-for-profit since its inception in 2002. From humble beginnings, the Foundation has raised more than \$6 million for more than 100 conservation and community projects around the globe, supporting initiatives in environmental conservation, wildlife protection, human rights, health care, child welfare and gender equality. An ambassador for Conscious Capitalism Australia and a regular speaker on sustainable business issues in Australia and around the world, Manch is spearheading the Intrepid Group's efforts to become a B Corp.

DARRELL WADE

Darrell Wade is the co-founder of Intrepid Travel and Executive Chair of the Intrepid Group. During the course of his career, Darrell has been recognised as a leader in entrepreneurship and as a passionate advocate for sustainable tourism. Leading Intrepid's climate management program, the company realised its goal of becoming carbon neutral in 2010. Darrell was also one of the first Australians to complete Climate Project training with the Hon Mr Al Gore. Darrell's achievements include winning the NAB SmartCompany Award, and being named the Ernst & Young Entrepreneur of the Year in 2002. Darrell is a board member of Melbourne-based social enterprise Good Cycles, a mentor for the University of Melbourne's entrepreneurship program, and member of the Executive Committee of the World Travel and Tourism Council. A dynamic leader and natural communicator, Darrell's enthusiasm for and dedication to sustainable adventure travel continues to grow after decades in the industry.

JAMES THORNTON

James Thornton is the Chief Executive Officer of the Intrepid Group. Hailing from the UK, James began his career in the lucrative field of investment management before making a career change to join Intrepid Travel's UK office as Sales & Marketing Coordinator. Over the past 13 years James has made an impact on the business in a variety of senior roles including UK & Europe Regional Director, General Manager Global Sales, and Managing Director of Intrepid Group. Focussing on the dual objectives of growing the market for sustainable, experience-rich travel and operating a company that has a purpose beyond profit, James has been instrumental in the growth of the Intrepid Group. James is a member of the Young President's Organisation and the Australian Institute of Company Directors.



CORPORATE GOVERNANCE

The Board, and its sub-committees, are dedicated to ensuring the open and honest operation of the Intrepid Group at every level of the business.

The Intrepid Group adheres to the ASX Corporate Governance Principles:

<p>Principle 1 Lay solid foundation for management and oversight</p> <p>Principle 2 Structure the Board to add Value</p> <p>Principle 3 Act ethically and responsibly</p> <p>Principle 4 Safeguard integrity in company reporting</p>	<p>Principle 5 Make timely and balanced disclosure</p> <p>Principle 6 Respect the right of members</p> <p>Principle 7 Recognise and manage risk</p> <p>Principle 8 Remunerate fairly and responsibly</p>
---	--

The Board has delegated authority to the Risk and Audit Committee to oversee the following areas: financial management (including the external audit process), compliance and risk management and health and safety. The Committee meets quarterly and the Chair of the Committee reports back to the Board after each meeting.

No changes were made to the composition of the Risk and Audit Committee during the December 2017 financial year.

The Global Leadership Team (GLT) is chaired by the CEO and is comprises of the members of the Board and the heads of the departments and regions. The GLT meet quarterly, and are charged with implementing the strategies set by the Board and overseeing the management of the company. The GLT is also responsible for relaying the culture, tone and initiatives from the Board to the business.

2017 HIGHLIGHTS

Across the year, a number of milestones were achieved by the Board and committees:

- Setting the 1-2-3 purpose beyond profit model
- Tracking progress against our 2020 strategy
- Commencing the planning for our 2025 strategic plan, taking the company beyond the current 2020 plan
- Developing a road map to expand and diversify the Board and Management of the Group

2018 AND BEYOND

2018 saw the introduction of a new management sub-committee. The Core Strategy Team (CST) is made up of the senior members of the GLT and has the mandate of creating, monitoring and managing the annual business plan, budget, and goal-setting process across the entire Group. The CST will be responsible for the active management of the business.

The GLT has been expanded to include representatives from key business segments and divisions as well as department heads. The GLT will act as a wider steering committee, charged with providing input and insight into strategic goals and projects.

The Intrepid Group believes in diversity amongst staff and strives to have diversity at all levels of the organisation, including with senior management.

We recognise that currently there is no diversity in the Board of Directors, and the board structure of the Intrepid Group will be reviewed again in 2019 with the aim of increasing the diversity of the members on the Board.



INTRODUCING OUR 2018 CORE STRATEGY TEAM

- | | | | | | | | | | | | | | |
|----------|--|----------|--|----------|--|----------|------------------------------|----------|--|----------|--|----------|---|
| 1 | Chief Growth Officer
Michael Edwards | 2 | Chief Purpose Officer
Leigh Barnes | 3 | Chief Information Officer
Michelle Beveridge | 4 | CEO
James Thornton | 5 | Managing Director, PEAK DMC
Natalie Kidd | 6 | Group Commercial Director
Tom Beadle | 7 | Group Finance Director
Darshika Jones |
|----------|--|----------|--|----------|--|----------|------------------------------|----------|--|----------|--|----------|---|

	TOTAL MEMBERS	MALE	FEMALE	DIVERSITY
Board of Directors	3	3	0	0%
Core Strategy Team (non-Board)	6	3	3	50%
Global Leadership Team (non board and CST)	12	6	6	50%

RISK MANAGEMENT

Effective risk management is essential to achieving our vision to Change The Way People See The World. As a multi-brand business operating globally across a number of countries and cultures, we are exposed to a number of business risks that may materially impact on our ongoing business success.

OUR APPROACH TO RISK MANAGEMENT

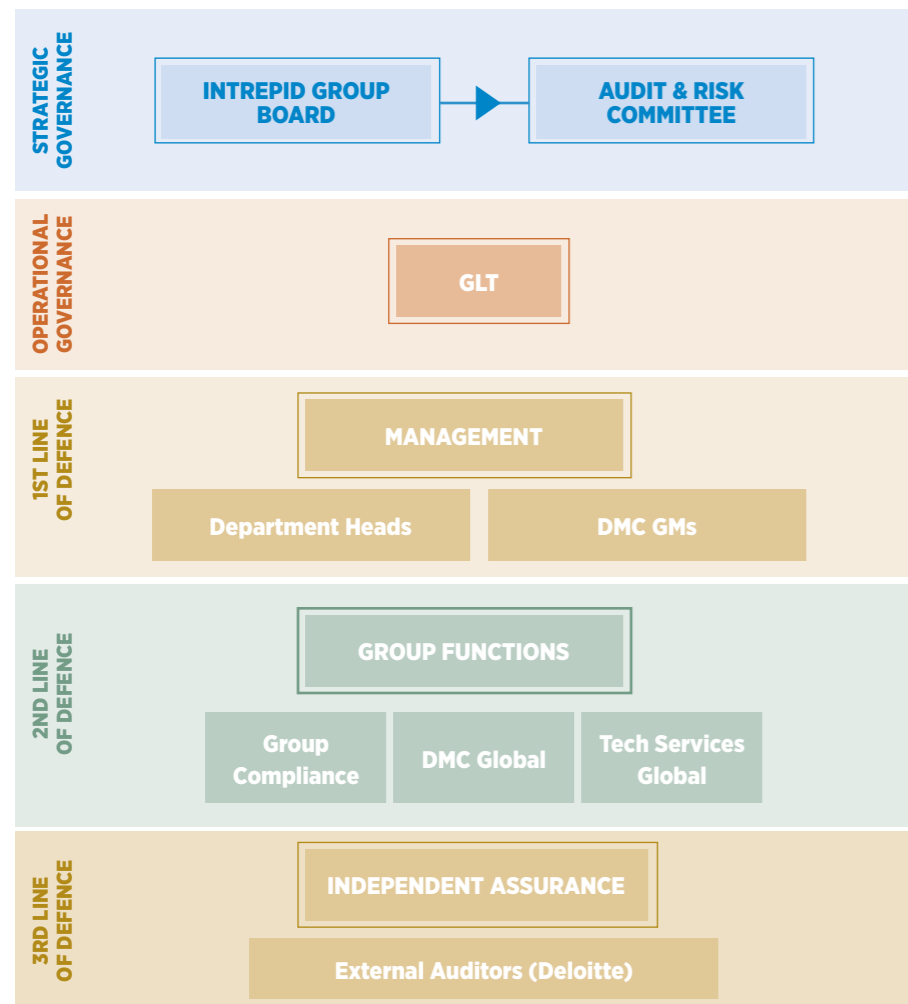
Intrepid Group has a multi-layered approach to the identification, management and mitigation of external and operational risks. Risk Governance is led by the Intrepid Group Board, who actively participate in the 'top-down' identification, assessment and acceptance of strategic risk.

The Risk and Audit Committee have been appointed by the Board to oversee the effectiveness of internal controls and risk management systems across the organisation, while our leadership teams manage our business risks at an operational level. On top of this, the Intrepid Group has three lines of defence against risk. All three lines help to ensure that our business risks are mitigated.

The first line of defence is the management team themselves, who promote a culture of risk awareness, control focus and 'doing the right thing' within the business. They have assigned nominated risk champions within business units to promote and implement risk management.

The second line of defence is the group functions which are set up specifically to identify opportunities to further mitigate common Group-wide risk and set required control standards; communicating and reporting these to the wider business.

The third line is independent assurance by way of external auditors. They provide independent and objective assessment of the effectiveness of risk management, operational controls and governance processes. They also provide guidance to management on risk and control through ad-hoc consulting as required



Mekong Delta, Vietnam

OUR MATERIAL RISKS

The Intrepid Group has identified the key risks to our stakeholders and our ongoing business success, as well as potential consequences if these risks are not addressed. This plan outlines what we are doing to mitigate each of our material risks.

RISKS	DETAILS	CONSEQUENCE
On trip safety	Provision of travel includes potential risks to safety for both customers and employees.	The risk of injury or trauma to customers, including possible death, potentially leading to law suits, fines and penalties, as well as significant reputational damage.
Major Global Incident	Intrepid Group and its passengers are exposed to the inherent risk of domestic and/or international incidents affecting some of the countries that we operate in, including terrorism and natural disasters.	The risk of a significant operational disruption in our source markets and destinations caused by a major global incident in a country we operate in leading to significant losses, a general decline in customer demand and increases in our insurance premiums.
Digital Transformation	Inability to, or poor implementation of, Digital Mindset strategy leading to us falling behind the marketplace.	Inefficiencies in systems leading to the increased cost of acquisition and the increased cost of doing business, as well as missed opportunities to expand, grow and improve.
Talent Management	The Group's success depends on its ability to retain key management and remain competitive within the market.	Increased cost to the business to recruit and onboard talent into key roles.
Economic Environment	Spending on travel and tourism is discretionary and price sensitive. The economic outlook remains uncertain with different source markets at different points in the recovery cycle. Consumers are also waiting longer to book their trips in order to assess their financial situation.	An inability to react to changes in the market leading to the misallocation of resources and an inability to meet customer demand.

MITIGATING MEASURES	LINK TO CAPITAL
<p>Intrepid Group Health and Safety Policy embedded into all parts of the business, both brand and DMC.</p> <p>Regular assessment of on-ground adherence of our Health and Safety policy via traveller reviews, leaders' Trip Reports and Trip Safety Assessments.</p> <p>Development and implementation of a Global Incident Management Plan which ensures any incident is dealt with in a timely and professional manner to mitigate any further damage to passengers or the business.</p> <p>Comprehensive insurance in place for the Group.</p> <p>All leaders and guides receive regular and comprehensive health and safety training.</p> <p>Maximise use of in-house DMC network where we have more direct control over quality assurance.</p>	
<p>All trips are run in accordance with the travel advice issued by the Australian Department of Foreign Affairs, with reference also made to the governmental travel guidance from other key source markets.</p> <p>Our business model is based on having a balanced destination mix to minimise concentration risk.</p> <p>We minimise the impact of any negative events in our source markets and destinations, should they occur, by ensuring the effective execution of our incident management plans.</p> <p>The business is debt-free, and maintains a healthy level of free cash which allows it to absorb temporary shocks to its cash reserves resulting from regionalised destabilisation.</p> <p>Our DMC network has a strong relationship with local tourism bodies, travel and aviation associations and actively monitors the political situation in volatile destinations.</p>	
<p>Implementation of Agile project management practices enable the projects and the wider business to react to changing circumstances to ensure we are working towards up-to-date goals.</p> <p>Continuing to execute our online driven strategy and the customer journey. Strategy is reviewed as part of the ongoing goals alignment process.</p>	
<p>We have ensured succession and development plans are in place for all identified business-critical roles.</p> <p>We run a suite of internal management development programs and invest in a mix of internal and external training to ensure our people have the right skills.</p> <p>We undertake a range of activities to build culture and increase engagement.</p> <p>We progressively grow the employment offering by increasing salary ranges, incentives and benefits within the affordability of the business.</p>	
<p>Close monitoring and actioning of critical KPI's (passenger numbers, trip fill, average selling price etc.).</p> <p>Active management of, and investment in, resources for our yield management systems to ensure flexibility and resilience in our business model. This will ensure that trip fill is maximised and capacity is aligned closely to forecasts in order to protect margins and profit growth.</p> <p>Maintaining a healthy free cash position to absorb any temporary shocks.</p> <p>Continuing to ensure we have a diversified customer base and that we are targeting the growing sectors of the industry. Aim to obtain number one position in each market.</p> <p>Management has ability to adjust cost structure in response to changing market conditions.</p>	



POLICIES AND GUIDELINES

Responsible Travel Policy

Intrepid Group supports the 2030 Sustainable Development Goals. The five principles (Respect, Support, Preserve, Protect and Give Back) mentioned in the policy outline our approach to embedding sustainable practices throughout our operations.

Responsible Travel Guidelines

These detailed guidelines are a part of our "Intrepid Group Responsible Travel Kit" and are designed to support our global Intrepid Group Responsible Travel Policy. They also act as a practical guide for PEAK destination management companies (DMCs) and third party operators when conducting Intrepid Group brand leader training and as guidance for DMC operations managers.

Global Study Support Policy

To support the continued learning and development of Intrepid Group employees through study opportunities that enhance the capability of the company and promote personal growth responsibilities.

Porter Policy

The Intrepid Group believes in responsible travel and is committed to ensuring respectful and fair working conditions for all trekking porters.

Supplier Code of Conduct

PEAK DMC, as part of the Intrepid Group, is committed to sustainable, ethical business practices that obey applicable laws, conventions and regulations.

Carbon Management Program

Intrepid Travel achieved carbon neutral status in late 2010. Each year, the Intrepid Group measures and offsets its main sources of carbon emissions: those from our trips and our offices around the world.

Flexible Working Policy

We will endeavour to assist all employees to achieve their personal, professional or family goals by facilitating flexibility (where possible) in their work arrangements.

Health and Safety

Our in-depth Health and Safety plan identifies the risks associated with travelling, and details the steps taken to assess and proactively respond to risks. While there are inherent risks in travelling, our health and safety policy is designed to ensure adequate assessment of itineraries and activities to support not only enjoyable but safe travel experiences.

Prevention of Discrimination, Bullying and Harassment in the Workplace

This policy confirms the Intrepid Group's stance that we do not condone any form of discrimination, bullying or harassment in the workplace, and will act to stamp out any such behaviour reported to Management or Human Resources.

Animal Welfare Guidelines

We actively discourage the participation of Intrepid Group passengers in activities that exploit animals, whether they be wild, domestic or working.

Internship Guidelines

The Intrepid Group wishes to provide opportunities to those seeking experience in our workplace; providing those opportunities in a fair and equitable way.

Privacy Policy

This policy sets out the types of personal information we receive and collect when customers use our services, how we collect it, and what we do with it, as well as some of the steps we take to safeguard information.

E-Waste Disposal Guidelines

This guideline outlines the process around the management of e-waste disposal to ensure data protection and the minimisation of harm from potential environmental and public health impacts.

Global Human Rights Policy

The aim of this policy is to formalise our commitment to protect human rights within our sphere of influence and ensure that all our people - including our staff, passengers, suppliers and local communities, as well as other stakeholders who are impacted by our business - are treated with fairness and respect.

OH&S policy for Australia

Intrepid Group recognises its moral and legal responsibilities under Occupational Health and Safety (OH&S) legislation to provide a safe and healthy work environment. The Global Leadership Team is accountable for ensuring local workplace health and safety standards are met.

Prevention of Bribery & Corruption

Intrepid Group is committed to carrying on business fairly, openly and honestly. We inherently oppose bribery and corruption. We recognise that these inappropriate ways of doing business are a cause of hardship and crime in several countries in which we operate. Laws in a number of countries hold our companies, our staff and our suppliers accountable for preventing bribery and corruption anywhere in the world in which we do business.

Code of Conduct

The Code is intended to assist in overcoming ethical and legal challenges in day-to-day working life, and to provide a basis for dealing with conflict.

Volunteering policy

The Intrepid Group offers all staff the option to spend up to 20 hours per calendar year volunteering for a charity of their choice, receiving paid leave for this time. The volunteering time is designed to benefit local communities as well as our staff, and support our purpose beyond profit.

Incident Management Plan

PEAK DMC and our other brands rely on its integrated Incident Management Plan to respond to any incidents, including natural disasters, crime and terrorism, accidental injury and passenger health concerns. The IMP ensures the best possible response and care when unexpected incidents occur.

NEW OR UPDATED POLICIES IN 2017

Business gifts policy

The company policy on the receipt of business gifts was established to provide guidance to staff as to what is an appropriate business gift, and what is inappropriate. Accepting excessive or expensive gifts could be viewed as an attempt to influence business decision-making. To maintain integrity (both actual and perceived) certain gifts must be politely declined.

Fraud policy

The company policy on fraud was established to facilitate the development of controls that will aid in the prevention, detection, investigation and subsequent prosecution of fraud against the Intrepid Group.

Purchasing Policy

Every year, the Intrepid Group spends a substantial sum of money purchasing goods and services. With this purchasing power comes responsibilities. The

purchasing decisions we make have a real impact, not only on our business, but the environment and communities in which we operate. The aim of this purchasing policy is to ensure that these impacts are positive, while serving the operational needs of the business. This policy was updated in 2017 to include:

- Virtual office guidelines
- Global offices responsible purchasing policy
- Significant supplier code of conduct

OUR FINANCIAL STATEMENTS

The accompanying summary of financial statements, which comprises a summarised profit and loss statement and summarised balance sheet, have been derived from the audited financial statement of the Intrepid Group.



FINANCIALS

SUMMARISED STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 \$(‘000)	2016 \$(‘000)
REVENUE FROM CONTINUING OPERATIONS	275,780	245,260
<i>Cost of sales</i>	(189,487)	(167,344)
<i>Overheads</i>	(76,657)	(70,312)
<i>Other income</i>	1,468	6,461*
<i>Share of net profit of associates and joint ventures</i>	89	493
PROFIT/(LOSS) BEFORE INCOME TAX	11,193	14,558
<i>Income tax (expense)/benefit</i>	(4,088)	(4,808)
PROFIT/(LOSS) AFTER INCOME TAX	7,105	9,750

* Other income in 2016 included a one-off lease break incentive.

SUMMARISED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 \$(‘000)	2016 \$(‘000)
<i>Current Assets</i>	86,366	84,045
<i>Non-Current Assets</i>	77,261	74,969
TOTAL ASSETS	163,627	159,014
<i>Current Liabilities</i>	83,783	77,078
<i>Non-Current Liabilities</i>	3,535	3,252
TOTAL LIABILITIES	87,318	80,330
NET ASSETS	76,309	78,684
TOTAL EQUITY**	76,309	78,684

** Total equity was impacted by a dividend paid to shareholders in 2017 and movements in our other reserves.

The Intrepid Foundation is a separate reporting entity and is not included in the financial results of the Intrepid Group

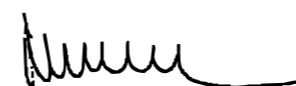
DIRECTORS DECLARATION

For the year ended 31 December 2017

In the opinion of the Directors of Intrepid Group Limited:

- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- The summary financial report has been derived from and is consistent with the full financial statements for the financial period ended 31 December 2017;
- The full financial statements and notes thereto are in accordance with the Corporations Act 2001 and:
 - comply with Accounting Standards, and other mandatory professional reporting requirements;
 - give a true and fair view of the financial position and performance of the Company for the 12-month financial period to 31 December 2017.

Signed in accordance with a resolution of the Directors



Mr Darrell Wade

Executive Chair and Director of Intrepid Group Limited

Melbourne, 27 March 2018

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

DX: 111
Tel: +61 (0) 3 9671 7000
Fax: +61 (0) 3 9671 7001
www.deloitte.com.au

Report of the Independent Auditor on the Summarised Financial Information to the members of Intrepid Group Limited

Opinion

The Summarised Financial Information, which comprise the Summarised Statement of Financial Position as at 31 December 2017 and the Summarised Statement of Profit and Loss for the year then ended, are derived from the audited financial report of Intrepid Group Limited for the year ended 31 December 2017.

In our opinion, the accompanying statements are consistent, in all material respects, with the audited financial report.

Summarised Financial Information

The Summary Financial Information do not contain all the disclosures required by the Australian Accounting Standards. Reading the Summarised Financial Information and the auditor's report thereon, therefore, is not a substitute for reading the audited financial report and the auditor's report thereon. The Summarised Financial Information and the audited financial report do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial report.

The Audited Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial report in our report dated 27 March 2018.

Responsibilities of the Directors for the Summarised Financial Information

The Directors are responsible for the preparation of the Summary Financial Information.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial report based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

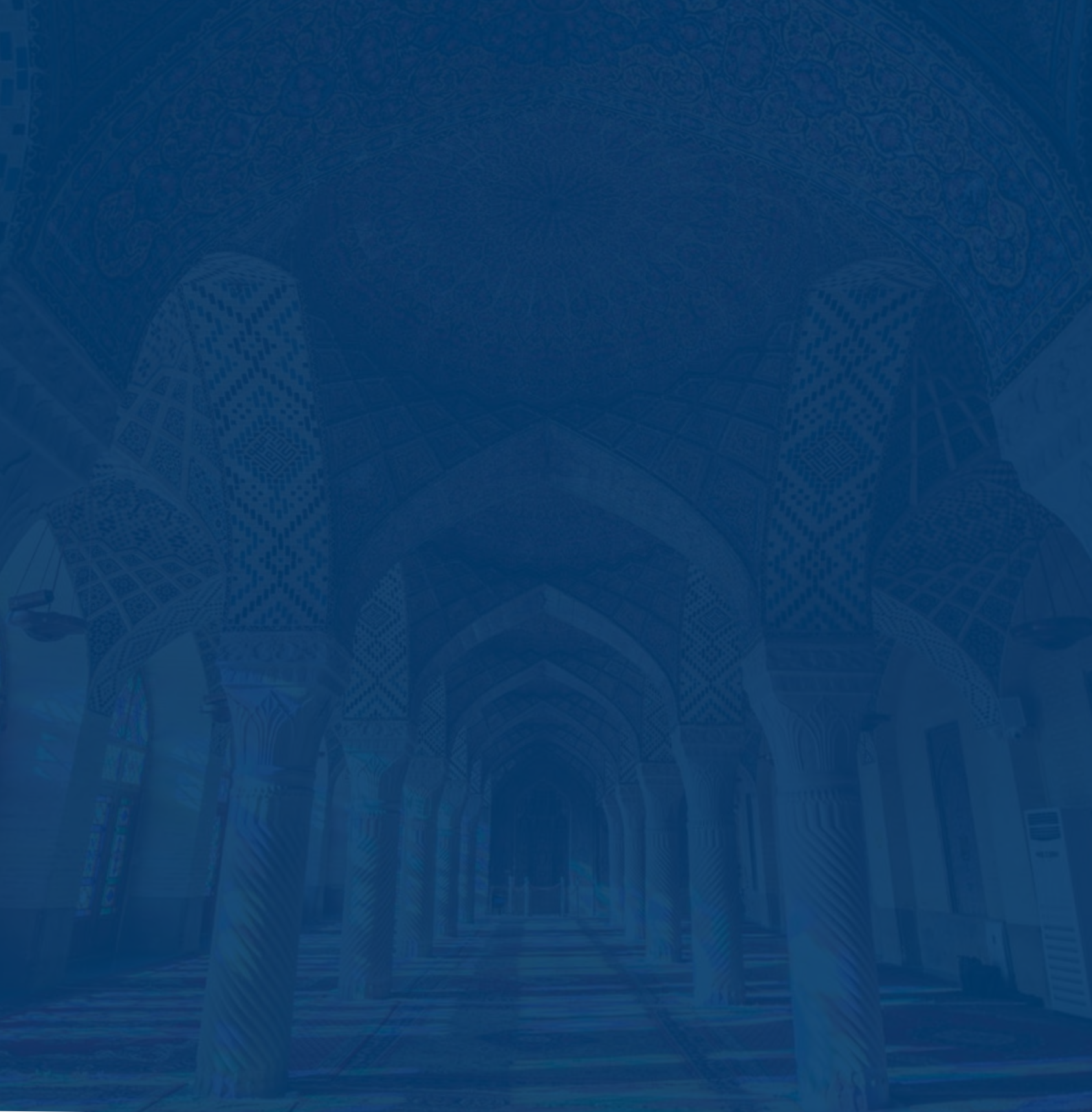


Craig Bryan
Partner
Chartered Accountants
Melbourne, 29 March 2018

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Touche Tohmatsu Limited







Intrepid Group supports the United Nations
Global Compact & Principles



HUMAN RIGHTS
LABOUR
ENVIRONMENT
ANTI-CORRUPTION
PARTNERSHIPS
FOR DEVELOPMENT

Intrepid Group

Global Head Office
Level 7, 567 Collins Street, Melbourne, VIC, Australia, 3000
1300 854 500 or +61 3 8594 3903
enquiries@intrepidgroup.travel
www.intrepidgroup.travel