

Indoor Skydive Australia Group Limited (ASX:IDZ) (ISA Group)
ACN 154 103 607

ASX Release

Sydney, Australia – 9 August 2021

Successful re-negotiation of Subordinate Debt Facility

Indoor Skydive Australia Group Limited (ASX:IDZ) (ISA Group) is pleased to announce a re-negotiation of the Birkdale Holdings debt facility resulting in no requirement to convert and dilute current shareholders.

As part of the overall debt restructure in March 2021 the company entered into an agreement with Birkdale Holdings to convert \$1.2m of its debt facility (as disclosed in the IPO prospectus dated 15 July 2019) into ISA Group shares at \$0.01 per Share (subject to shareholder approval).

Under the March 2021 agreement, the conversion of part of the debt facility into ISA Group shares would have resulted in an issue of 120m new ISA Group shares, representing 26.3% of the fully diluted issued capital of ISA Group.

The board has successfully renegotiated the March 2021 agreement to:

- remove the equity conversion component, instead agreeing to issue to Birkdale Holdings (subject to shareholder approval) 45m options over ISA Group shares with an exercise price of \$0.02. Exercise of the options would result in the issue of ISA Group shares representing 11.8% of the fully diluted issued capital of ISA Group, and ISA Group receiving \$900k. The expiry of the options is aligned with the term of the new Birkdale Holdings debt facility; and
- roll the remaining balance of the Birkdale Holdings debt facility, totalling \$3.56m (including capitalised outstanding interest of \$561k) into a new 3 year subordinated loan agreement, interest only, with interest capitalising for the term of the loan.

The new agreement is subject to shareholder approval to be obtained at ISA Group's AGM in late September 2021.

ISA Group CEO, Wayne Jones said "The new terms of the Birkdale Holdings debt facility and the removal of the equity conversion obligation is a great outcome for ISA Group." "It will preserve shareholder value and assist the company in focusing its cashflow on growth opportunities" Jones added.

This announcement has been authorised for release by the board of directors of ISA Group.

Further information on ISA Group is available at www.indoorskydiveaustralia.com.au

About Indoor Skydive Australia Group Limited (ACN: 154 103 607)

Indoor Skydive Australia Group Limited was established in 2011. A visionary adventure leisure company bringing specialised experiential, training and simulation solutions across the region, targeting a wide market that includes families, tourists, thrill seekers and military. IDZ has two Australian Indoor Skydiving Facilities; iFLY Downunder (Penrith NSW) and iFLY Gold Coast. The company also owns and operates a Virtual Reality business under the consumer brand Freak Entertainment. The Company listed on ASX on 18 January 2013 under the code IDZ.

For further information visit: www.indoorskydive.com.au

Wayne Jones, Chief Executive Officer, wjones@indoorskydive.com.au

Stephen Tofler, Company Secretary stofler@indoorskydive.com.au