

**Indoor Skydive Australia Group Limited  
Chairman's Address  
2017 Annual General Meeting**

Good morning ladies and gentlemen, it gives me great pleasure to welcome you to Indoor Skydive Australia Group Limited's 2017 Annual General Meeting.

The 2017 financial year was an exciting year as ISA Group reached a new level of maturity and we have positioned ourselves for further local and international growth.

**Australian Operations**

At a local level, the Australian operations were consolidated when we opened our Perth indoor skydiving facility in December 2016. Perth is the Company's third indoor skydiving facility to open in just 3 years.

The Perth facility is a great achievement. Using our previous experiences and lessons learned we were able to open ahead of schedule. This was a considerable feat given the challenges of the Australian construction market. The Perth facility has been recognised for its quality of workmanship, construction and utility through its Master Builders/BankWest 2017 Excellence in Construction award for Best Public Use Building under \$20 million.

The current focus for our Australian operations is driving performance improvements, implementing operating efficiencies and developing a strong presence in local markets. The ISA Group has a strong operating blueprint which has been implemented across all our facilities but then tailored at each location to better serve local market characteristics. For example, Penrith is our flagship operation with a strong professional and military customer base. It is the Group's main sporting facility and it successfully hosts the Australian indoor skydiving championships each year.

The relationship between indoor and outdoor skydiving is an important one. While there is absolutely no need to have experienced outdoor skydiving to enjoy indoor skydiving, the outdoor skydiver can gain considerable benefit from indoor skydiving training. Over our first few years the ISA Group has worked tirelessly to partner with the Australian Parachute Federation and local parachute drop zones to improve outdoor skydiving safety and skills while concurrently furthering the sport of indoor skydiving. This body of work now sees time flown in an indoor skydiving facility being recognised as part of the accreditation process for achieving outdoor skydiving qualifications.

## **International Operations**

Throughout the FY2017 the ISA Group spent considerable time, effort and resources on developing our international aspirations. This effort culminated in the announcement early this year of our first international facility, AirRider 1 Utama and the launch of our international brand, AirRider.

The opening of any new facility is a great achievement for the Group, but opening our first facility in an international location is a major achievement. Opening is of course just the start of our journey. We now have to build a smooth and professional operating environment, a task which we're looking to with excitement.

Over the course of the last 12 months ISA Group has developed an independent, internationally transportable system for the operation of international indoor skydiving facilities. The system responds to current consumer trends by focusing on a "mobile first" philosophy and is the first specific indoor skydiving system implemented across the ISA Group. It allows for multiple currencies and is intended for use across our South East Asian, and our potential China and Hong Kong operations.

Shortly after the end of the financial year we launched AirRider. AirRider is a wholly owned ISA Group brand developed specifically for the Asian market. The AirRider brand is a consumer's guarantee that the highest standards of safety, quality of experience and customer service are being delivered.

The AirRider 1 Utama facility is planned to open to the public in December and is already taking flight bookings from mid January 2018. The response in Malaysia to early promotional activity has been very positive and is fully supported by our partner, 1 Utama. Access to the 1 Utama extensive customer base has been an important and positive element in our achievements thus far. AirRider 1 Utama is a key attraction in the new 1 Utama E extension. This extension has been designed to meet contemporary customer expectations. It provides for a fun and engaging atmosphere, which is clearly visible and accessible from the new MTR line. AirRider 1 Utama will become a South East Asian focal point for experience based entertainment and professional flyers alike.

## **Strategic Plan**

ISA Group continues to deliver on its strategic plan and it is well positioned for further domestic and international growth. Work continues to progress a MOU for China and Hong Kong into joint venture agreements, and we are continuing to evaluate growth opportunities.

It is appropriate at this point to touch on publicised dispute between our Australian equipment provider SkyVenture and the Group. Before I do so, stakeholders should bear in mind that ISA Group has always been, and continues to be, committed to undertaking detailed research, due diligence and planning before entering into any new venture.

The dispute with SkyVenture is a contractual dispute which is being determined in the usual course. ISA Group is confident that its actions are appropriate and that the outcome of the dispute will be in its favour. We do not intend to provide ongoing commentary on the dispute and, while much of the commentary to date has been misguided, will not be responding to commentary via the media. Updates will be provided as appropriate and when the matter is resolved.

Finally, it takes a dedicated, professional and experienced team to drive ISA Group. On behalf of the Board I would like to thank Wayne Jones, Danny Hogan and their leadership team for their hard work and commitment.

Ken Gillespie  
Chairman  
21 November 2017