

Indoor Skydive Australia Group Limited
ACN 154 103 607

ASX/Media Release
Sydney, Australia – 15 July 2019

ISA GROUP TO RAISE UP TO \$3.4M

Indoor Skydive Australia Group Limited (ASX:IDZ) (ISA Group or Company) today announced an equity capital raising of up to \$3.4 million to support its repair, growth and diversification strategy by way of a 2.5 for 1 renounceable entitlement offer to existing shareholders (**Entitlement Offer**).

With the previous announcement on the sale of its Perth facility and the material reduction in interest bearing debt, the company is now focused on increasing operational performance, new business streams, reducing costs and paying down its remaining debt. The announcement of the capital raise today coupled with the partial conversion of the Birkdale debt and further repayment of debt to Westpac will complete the next phase of the strategy that is currently being executed by the Company.

Funds raised through the Entitlement Offer will:

- Enable substantial investment in growth activities, specifically introducing new revenue generating businesses including Virtual Reality offerings
- Enable implementation of a new web platform and digital marketing strategy
- Fund further reduction to interest bearing debt and other liabilities
- Fund enhanced marketing initiatives to drive revenue
- Provide additional working capital

Entitlement Offer

Under the Entitlement Offer, eligible shareholders at the record date of 18 July 2019 at 7pm (Sydney time) (**Record Date**) are able to subscribe for 2.5 new ordinary shares in the Company (**Shares**) for every 1 Share held on the Record Date at an offer price of \$0.01. Eligible shareholders can choose to take up their entitlement in full, in part or not at all. They may also apply for additional shares in excess of their entitlement (**Additional Shares**). Additional Shares will only be available where there is a shortfall between applications received from eligible shareholders and the number of new Shares to be issued under the Rights Issue and at the discretion of the ISA Group Board. Additional Shares will be issued at the offer price of \$0.01 per new Share. Eligible shareholders may also elect to sell their entitlements on ASX.

Eligible shareholders are those shareholders who have a registered address in Australia or New Zealand on the Record Date.

The offer price under the Entitlement Offer of \$0.01 per new Share represents a discount of 38% to the 30-day VWAP to 12 July 2019.

The Company is seeking to raise \$3.4 million under the Entitlement Offer by way of the issue of up to 341,741,285 Shares and the minimum subscription for the Entitlement Offer to proceed is \$2 million.

To the extent that eligible shareholders under the entitlement offer elect not to take up their entitlements (and eligible shareholders do not subscribe for all of the shortfall) the Board reserves the right to place the shortfall with third party investors at not less than the offer price of \$0.01 per Share. The shortfall placement process will be conducted by Veritas Securities Limited (**Veritas**), the lead manager of the Entitlement Offer.

Shareholder approval is not required for the Entitlement Offer or shortfall placement.

Indicative Timetable

Ex-date. Rights commence trading on ASX	17 July 2019
Record Date	18 July 2019
Despatch of Prospectus and Entitlement and Acceptance Forms to eligible shareholders	23 July 2019
Offer Period Opens	23 July 2019
Rights trading ends	25 July 2019
Offer Period Closes	01 August 2019
New Shares commence trading on ASX	08 August 2019

**Dates and times in the above timetable are indicative only and subject to change. All times and dates refer to Sydney time. The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer without prior notice, including extending the Entitlement Offer or accepting late Applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice.*

Further Information on the Entitlement Offer

Further details of the Entitlement Offer, including details of the use of proceeds, the timetable and the key risks associated with the Entitlement Offer and ISA Group, are included in the prospectus lodged with ASIC and released to ASX today and available on ISA Group's website. The prospectus including entitlement and acceptance forms are expected to be dispatched to eligible shareholders by Tuesday, 23 July 2019.

Amendment to Birkdale loan facility

In conjunction with the Entitlement Offer, to assist with the Company's strategy of reducing debt and liabilities, Birkdale Holdings (Qld) Pty Ltd (an entity associated with new Chairman, Steve Baxter) has agreed to convert \$1.2 million of its existing \$3.0 million loan into Shares at the Offer Price. The conversion is subject to shareholder approval being obtained for the issue of the 120 million Shares to Birkdale.

In addition, Birkdale has agreed to extend the repayment date of the loan until 26 June 2021 and capitalise interest on the loan until 30 June 2020 (subject to ASX granting a waiver for the amendment).

If the Company does not obtain shareholder approval for the conversion, the Company and Birkdale have agreed (subject to ASX granting a waiver for the amendment) to extend the repayment date for the whole amount of the outstanding principal under the Birkdale Loan facility, being \$3 million, by a further 12 months to 26 June 2021.

A notice of meeting will be sent to shareholders in due course to seek approval for the conversion of the loan.

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

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

Indoor Skydive Australia Group Limited was established in 2011 as the parent company to build and operate indoor skydiving facilities across our region. These facilities allowing human flight within a safe environment are currently used by tourists, skydiving enthusiasts and military throughout the world. Flexible operating hours, low overheads and proven technology are just a few of the highlights that support the company's business model. The Company listed on ASX on 18 January 2013 under the code IDZ.

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

Telephone: +61 2 4761 1880 fax +61 2 8088 7939

Wayne Jones, CEO, wjones@indoorskydive.com.au

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