

Indoor Skydive Australia Group Limited

ACN 154 103 607

ASX/Media Release

Sydney, Australia – 7 August 2019

RECEIPT OF ASX WAIVER

Indoor Skydive Australia Group Limited (ASX:IDZ) (ISA Group or Company) advises that ASX has granted a new waiver from Listing Rule 10.1 in relation to the loan facility (**Loan Facility**) provided by Birkdale Holdings (QLD) Pty Ltd (**Birkdale**) to ISA Group (**Waiver**). The Waiver replaces the previous ASX waiver dated 12 July 2018 in relation to the Birkdale Loan Facility.

The Waiver allows ISA Group to proceed with the proposed amendments to the Birkdale Loan Facility without the requirement to obtain shareholder approval for the purpose of ASX Listing Rule 10.1. As previously announced by ISA Group on 15 July 2019, the Birkdale Loan Facility has been amended such that Birkdale has agreed to convert \$1.2 million of its existing \$3 million loan into shares in ISA Group (this conversion is still subject to shareholder approval of ISA Group), to extend the repayment date of the Loan Facility until 25 June 2021 and to capitalise interest on the Loan Facility until 30 June 2020 and ISA Group has agreed to grant security over its assets in favour of Birkdale to secure its obligations under the revised Loan Facility (**Security**). For further details in relation to the revised Birkdale Loan Facility, refer to ISA Group's announcement on the ASX announcement platform dated 15 July 2019.

The Waiver is subject to the following outstanding conditions:

1. The Company's shareholders approving the issue of 120,000,000 shares at \$0.01 per share to Birkdale pursuant to Listing Rule 10.11, as part repayment of the \$3,000,000 repayable by the Company to Birkdale under the Loan Facility;
2. The Security includes a term that if an event of default occurs and Birkdale exercises its rights under the Security, neither Birkdale nor any of its associates can acquire any legal or beneficial interest in an asset of the Company or any of its subsidiaries in full or part satisfaction of the Company's obligations under the Security, or otherwise deal with the assets of the Company or its subsidiaries, without the Company first having complied with any applicable listing rules, including Listing Rule 10.1, other than as required by law or through a receiver exercising its power of sale under the Security and selling the assets to an unrelated third party on arm's length terms and distributing the cash proceeds to Birkdale or its associates in accordance with their legal entitlements;
3. A summary of the material terms of the Loan Facility and the Security is made in each annual report of the Company during the term of the Facility;
4. Any variation to the terms of the Facility and Security which is not a minor change or inconsistent with the terms of the Waiver, must be subject to shareholder approval;

5. The Company and Birkdale must seek to discharge the Security when the funds advanced to the Company are repaid, or if it is not discharged, seek shareholder approval for the continuation of the Security for any further period; and
6. The Company immediately releases to the market an announcement which sets out the material terms of the Waiver and the information which ISA Group has set out below.

ISA Group's current intention is to repay the Loan Facility at the end of the term, being 26 June 2021. The funds for repayment of the revised Loan Facility are expected to be generated from cash flows from operations of ISA Group. ISA Group will seek to discharge the second ranking general security when the revised Loan Facility has been repaid in full.

ISA Group chose to amend the terms of the Birkdale Loan Facility as it considered it to be in the best interests of shareholders by further reducing interest bearing debt and increasing cashflow for growth opportunities. The terms and availability of alternative funding to replace the Birkdale Loan Facility with a later repayment date was impacted by the uncertainty associated with the dispute with SkyVenture. Birkdale, being a substantial shareholder with a long-standing relationship with the Company, agreed to extend the repayment date under the Revised Loan Facility, avoiding the requirement to obtain a new loan.

Prior to ISA Group agreeing to amend the Birkdale Loan Facility, ISA Group benchmarked the terms and availability of funding to similar third-party transactions in the market and is satisfied that the transactions under the revised Birkdale Loan Facility are on an arm's length basis and fair and reasonable from the perspective of ISA Group's shareholders.

Further information on ISA Group is available at www.indoorskydive.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

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