

**Indoor Skydive Australia Group Limited**  
**ACN 154 103 607**

**ASX/Media Release**  
**Sydney, Australia – 21 August 2019**

**Completion of Entitlement Offer and sale of Indoor Skydiving Perth  
(iFLY Perth)**

**Indoor Skydive Australia Group Limited (ASX:IDZ) (ISA Group)** announces today that it has completed its Entitlement Offer and has entered into an Asset Sale Agreement with iFly Australia Pty Limited (a subsidiary of SkyVenture International Limited) (**SkyVenture**) for the sale of the assets of its Perth Indoor Skydiving facility (**Agreement**).

**Entitlement Offer**

ISA Group is pleased to confirm that it has today issued 200,003,585 fully paid ordinary shares (**Shares**) under its Entitlement Offer and shortfall placement to raise gross proceeds of \$2,000,036.

The proceeds will be used to invest in growth activities, fund enhanced marketing initiatives and further reduce interest bearing debt and other liabilities.

The Board reserves the right to place the balance of the shortfall (comprising 141,737,700 Shares with third party investors at not less than the offer price of \$0.01 per Share no later than three months following the closing date of the Entitlement Offer.

**Sale of iFLY Perth**

Further to the announcement on 28 June 2019, ISA Group has today signed an Asset Sale Agreement for the sale of the assets of iFly Perth to SkyVenture. The assets of iFly Perth will be transferred to SkyVenture in exchange for:

- Full satisfaction of amounts payable by the ISA Group of companies to SkyVenture under the Promissory Notes which were issued on settlement of the legal dispute in 2018;
- Full satisfaction of all outstanding amounts payable by the ISA Group of companies under the Purchase and Licence Agreements for its three current operations;
- A royalty free period of 4 years for Indoor Skydiving Penrith and Indoor Skydiving Gold Coast
- A cash payment to ISA Group of A\$500,000
- Termination of the Purchase and Licence Agreement in relation to iFly Perth
- SkyVenture assuming certain liabilities for presold and unused flights

ASX has been notified of the transaction and has confirmed that shareholder approval will not be required for the transaction. Completion of the Asset Sale Agreement is expected to occur on 30 August 2019.

A summary of the key terms and conditions of the sale is set out in the Schedule.

“ISA Group would like to thank all current shareholders for their ongoing support, and welcome new shareholders to the company” said CEO Wayne Jones. “I would also like to expressly thank the entire ISA Group team for their ongoing loyalty and dedication throughout this process and we look forward to working closely with SkyVenture to continue the growth of indoor skydiving across Australia ”

Further information on ISA Group is available at [www.indoorskydiveaustralia.com.au](http://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](http://www.indoorskydive.com.au)

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**SCHEDULE**  
**KEY TERMS AND CONDITIONS OF ASSET SALE AGREEMENT**

<b>Parties</b>	Indoor Skydive Australia Group Limited ( <b>ISA Group</b> ) Indoor Skydiving Perth Pty Ltd ( <b>ISA Perth</b> ) iFLY Australia Pty Ltd ( <b>SkyVenture</b> )
<b>Sale</b>	ISA Group and ISA Perth agree to transfer all assets of ISA Perth that are used in or necessary to operate the business of the Perth facility as it is currently operated, free of any lien or other obligation.
<b>Consideration</b>	<p>In consideration for the transfer of assets to SkyVenture, ISA Group will receive the benefit of the following:</p> <ul style="list-style-type: none"> <li>• Full satisfaction of amounts payable by the ISA Group of companies to SkyVenture under the SkyVenture promissory notes (<b>Notes</b>)</li> <li>• Full satisfaction of all outstanding amounts payable by the ISA Group of companies under the Purchase and Licence Agreements for its three current operations (<b>PLAs</b>)</li> <li>• A cash payment to ISA Group of A\$500,000 comprising an upfront payment of A\$430,000 at completion and a deferred amount of A\$70,000 to be set-off against any adjustments to the purchase price under the Asset Sale Agreement including for the assumption of liabilities (see below)</li> <li>• Termination of the Purchase and Licence Agreement in relation to iFly Perth</li> <li>• SkyVentures will assume certain agreed liabilities for employee entitlements and presold and unused flights subject to an adjustment to the purchase price for liabilities over \$250,000</li> <li>• A waiver of any known breach by ISA Group or any of its subsidiaries of any of the PLAs and Notes prior to the date of signing.</li> <li>• A royalty suspension period of 4 years for Indoor Skydiving Sydney and Indoor Skydiving Gold Coast (subject to a set-off of any amounts owing by ISA Perth to SkyVenture in excess of the A\$70,000 hold back amount).</li> </ul>
<b>Conditions precedent</b>	The asset sale is conditional upon consent being obtained for the Landlord and its financier for the assignment of the lease of the Perth facility to SkyVenture.
<b>Warranties</b>	The Asset Sale Agreement contains customary warranties from ISA Perth with respect to the assets being sold to SkyVenture.
<b>Forbearance</b>	The ISA Group of companies are currently in breach of certain provisions under the PLAs and Notes. SkyVenture has agreed to extend its forbearance under these agreements until the earlier of completion of the sale and termination of the Asset Sale Agreement.