

Indoor Skydive Australia Group Limited
ACN 154 103 607

ASX/Media Release
Sydney, Australia – 30 Jul 2020

Quarterly Activities Report

Indoor Skydive Australia Group Limited (ASX:IDZ) (ISA Group or Company) is pleased to provide its Quarterly Activities Report and Appendix 4C with the ASX for the quarter ending 30 June 2020.

The quarter was dominated by the COVID 19 closures of our NSW and Queensland Operations. The Company utilized this time to complete maintenance, improvements and staff training. We also continued to train the military in NSW and completed a successful online gift card sales campaign. The company also launched FREAK in a box, a virtual reality home delivery/ click and collect service.

Key Activities during the Quarter

Re-opening of Operations

Indoor Skydiving operations recommenced at iFLY Gold Coast on the 6th of June in line with the easing of Government regulations in Queensland. While iFLY Downunder in Sydney resumed operations on the 13th June. Both sites have continued to operate under restricted conditions in order to adhere to social distancing and other COVID compliant measures.

FREAK Entertainment operations re-opened in Sydney on the 20th June.

FREAK Entertainment Expansion

Freak Entertainment commenced fit out on its second facility, FREAK Gold Coast. The new site is located within the iFLY Gold Coast building in the heart of Surfers Paradise. The venue features a single “Arena” show casing our two flagship games, Arizona Sunshine and Ghost Patrol. Both games are only available at FREAK venues within Australia.

The procurement of equipment, fit out, and training of staff is well advanced, and the business is on schedule to open to the public in August.

During the quarter, further sites have been identified and are currently under consideration.

FREAK in a Box

During the COVID-19 closures, FREAK introduced a home delivery service of premium equipment and pre-paid games for customers to play within their own homes. Due to the popularity of this service, FREAK in a Box will continue as an ongoing product in NSW and will be introduced into QLD as part of the Gold Coast operations.

Cashflow Analysis

The Company was cashflow positive for the quarter after generating cash receipts from customers of \$437k. We received support from our senior financier to support the JobKeeper initiative as well as relief from repayments associated with our debt facility. The company also received \$318k through government grants and incentives including the JobKeeper subsidy and an R&D grant related to FY2019.

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

ENDS

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

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Indoor Skydive Australia Group Ltd

ABN

39 154 103 607

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		437,007	6,261,785
1.2 Payments for			
(a) research and development		-	-
(b) product manufacturing and operating costs		-63,477	-1,832,727
(c) advertising and marketing		-21,256	-122,423
(d) leased assets		-	-
(e) staff costs		-424,337	-3,422,448
(f) administration and corporate costs		-75,524	-532,850
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		-	-
1.5 Interest and other costs of finance paid		-16,976	-150,090
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		318,690	318,690
1.8 Other (creditors from prior periods)		-53,156	-1,291,589
1.9 Net cash from / (used in) operating activities		100,971	-771,652
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) entities		-	-
(b) businesses		-	-
(c) property, plant and equipment		-	-
(d) investments		-	-
(e) intellectual property		-	-
(f) other non-current assets		-9,000	-503,261

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	46,571
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-9,000	-456,690

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,000,053
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-179,691
3.5	Proceeds from borrowings	62,285	62,285
3.6	Repayment of borrowings	-	-607,967
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	62,285	1,274,680

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	23,812	131,730
4.2	Net cash from / (used in) operating activities (item 1.9 above)	100,971	-771,652
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-9,000	-456,690

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	62,285	1,274,680
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	178,068	178,068

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	417,676	23,812
5.2	Call deposits	-	-
5.3	Bank overdrafts	-239,608	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	178,068	23,812

**6. Payments to related parties of the entity and their
associates**

- 6.1 Aggregate amount of payments to related parties and their
associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their
associates included in item 2

**Current quarter
\$A'000**

8,580

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

6.1 Part payment of redundancy payment to former Chief Operations Officer/Executive Director.

7. Financing facilities		
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	7,768,114	7,689,565
7.2 Credit standby arrangements	-	-
7.3 Other (Birkdale Holdings (Qld) Pty Ltd)	3,000,000	3,000,000
7.4 Total financing facilities	10,768,114	10,689,565

7.5 **Unused financing facilities available at quarter end** 78,548

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Westpac Banking Corporation – secured – 3.69%
 Westpac Banking Corporation – secured – 3.76%
 Westpac Banking Corporation – secured – 3.53%
 Birkdale Holdings (Qld) Pty Ltd – secured – 7%

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	100,971
8.2 Cash and cash equivalents at quarter end (Item 4.6)	178,068
8.3 Unused finance facilities available at quarter end (Item 7.5)	78,548
8.4 Total available funding (Item 8.2 + Item 8.3)	256,616
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	N/A

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:
N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:
N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:
N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 / 07 / 20

Authorised by:
(By the board)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.