



Indoor Skydive Australia Group Ltd
ASX:IDZ

FY21 Results Presentation
31 August 2021

Disclaimer

This presentation has been prepared by Indoor Skydive Australia Group Limited (ISA Group) and provides general background information about the Company's activities. That information is current at the date of this presentation. The information is a summary and does not purport to be complete. This presentation is not (and should not be construed as) an offer, invitation, solicitation or recommendation with respect to the subscription for, purchase or sale of any security in any jurisdiction, and neither this document nor anything in it shall form the basis of any contract or commitment. The presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor which need to be considered, with or without professional advice, when deciding whether an investment is appropriate.

ISA Group has prepared this presentation based on information available to it, including information derived from publically available sources that have not been independently verified. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, correctness or reliability of the information, opinions and conclusions expressed in this presentation.

Any statements or assumptions in this presentation as to future matters may prove to be incorrect and the differences may be material. This presentation should not be relied upon as a recommendation of or forecast by the Company. To the maximum extent permitted by law, none of the Company, its directors, employees or agents, or any other person accepts any liability, including without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this presentation or its content or otherwise arising in connection with it.

The financial information disclosed in this presentation has been prepared on a statutory and pro forma basis consistent with the financial information prepared in the Company's accounts. Due care and attention should be undertaken when considering and analysing the financial performance of the Company. All references to dollars are to Australian currency unless otherwise stated. The distribution of this presentation in jurisdictions outside Australia may be restricted by law and you should observe such restrictions.

AGENDA

FY21 Dashboard & Key achievements

Operations Update

Financial Performance

Outlook

About Us

Indoor Skydive Australia Group Limited is changing to XReality Group Limited. This change reflects an evolution in company direction from indoor skydiving facilities to building physical and digital simulations. Portfolio companies include Indoor Skydiving facilities, Virtual Reality (VR) and Augmented Reality (AR) entertainment, training, and production.

FROM

A visionary leisure company formed to build and operate world class indoor skydiving facilities across the region.

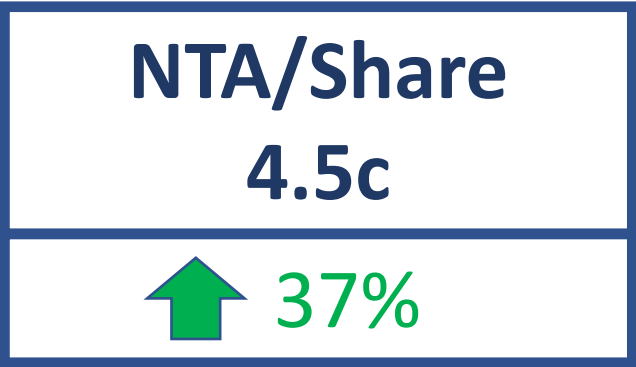
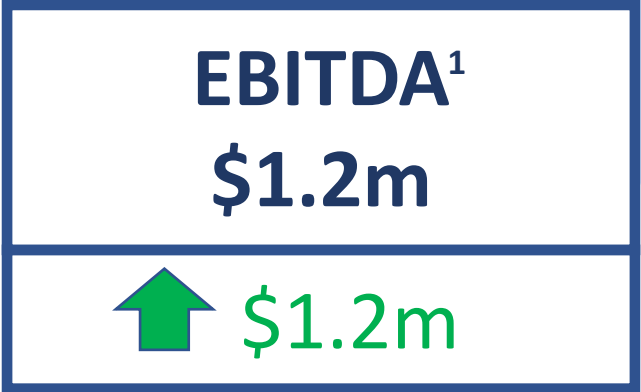
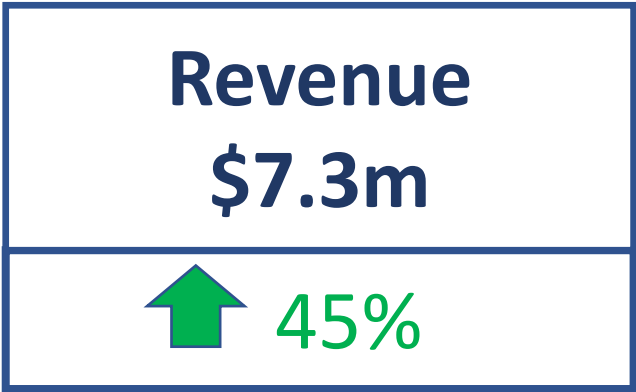


TO

An innovative company building immersive XR products and experiences that enhance lives.



FY21 Dashboard: Strategy Delivering Results



1. Adjusted from reported EBITDA of \$6,210,961 see Pg.9 for details

Key Achievements

Balance Sheet Improvement

- Debt Restructure
- Cash Increased by \$1.5m
- Net Assets Increased by 37%

Platform for Growth

- Stable existing business Operations
- Scalable Systems
- Consolidation and re-branding Complete

Strategy Execution

- Acquisition of VR Studio
- Launch of Operator
- FREAK Venue Rollout

Operations Update – iFLY Indoor Skydiving

- Current Operations
 - iFLY Downunder (Sydney)
 - iFLY Gold Coast
- Stable Operations
 - Revenue increase 34%
 - Sales increase 18%
 - Unearned revenue increase 15%
- Successful Direct Marketing strategy
- Improved Frequent Flyer program “Flight Club”
- COVID closures from the 26 June 21 in NSW while Gold Coast continues to operate.
- Sydney facility refurbishment and upgrades complete

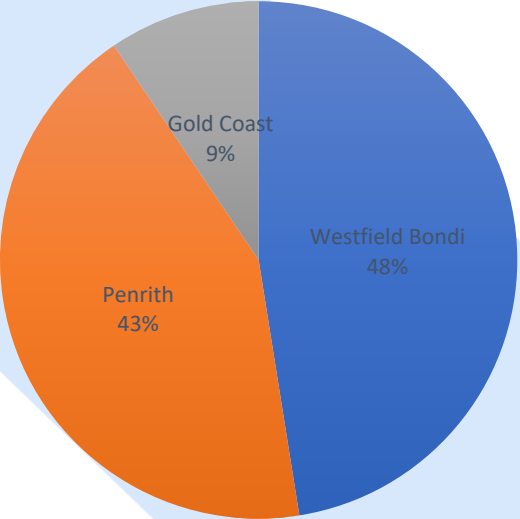


Operations Update - FREAK Entertainment

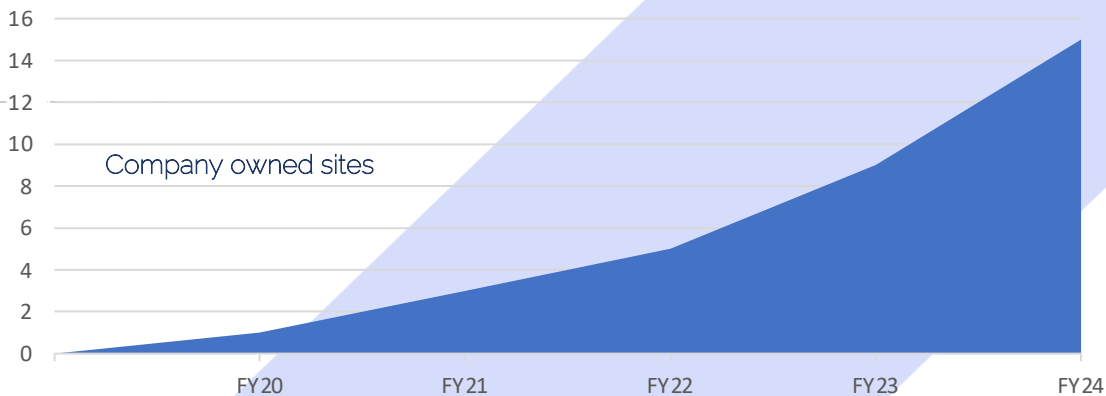
- Shopping Centre model proven successful
- Pipeline of new retail venues established
 - Scentre Group
 - AMP
 - Lendlease
 - Theme Parks
- Franchise and turnkey system models under review for global expansion.
- Capability of In-house game development
- FREAK Education
 - Pilot planned to recommence on NSW opening of Schools

Contribution by Venue

Total FREAK Sales \$846.5k



Analysis – Bondi Junction, FREAK’s first Retail site contributing \$402k in sales over 7 months with major disruptions across 50% of the period. Validating the business model and exceeding expectations.



FY21 Financial Performance

Key Financials – Income Statement

\$ million	FY21	FY20	Change %
Revenue	7.27	5.00	45%
Gross Profit	5.60	3.72	51%
Other Income	6.36	0.61	-
Reported EBITDA	6.21	(2.57)	-
Profit / (Loss) after Tax	4.51	(5.44)	-
Underlying EBITDA ¹	1.23	(0.18)	-

Commentary

- Revenue exceeded expectations across business segments in FY21
- Other income includes;
 - Debt and Creditor write downs - \$5.86m
- Both FREAK and iFLY recovered quickly post each COVID closures and disruptions throughout the year
- Expenses included start up costs associated with 2 new FREAK venues and pre-approvals for future sites

1. Reported EBITDA for the period was \$6.21m with an underlying EBITDA of \$1.23m. The adjustments include excluding \$5.86m in debt restructure adding back non-cash amortisation of pre-paid royalties of \$564k, non-cash accounting treatments of \$263k and \$50k adjustment of Perth sale price.

FY21 Financial Performance

Key Financials – Balance Sheet

\$ million	FY21	FY20	Change %
Cash	1.76	0.23	-
PP&E	24.07	24.67	-2%
Deferred Revenue	1.05	0.86	22%
Borrowings	7.54	10.45	-28%
Net Assets	15.70	11.19	37%
NTA per Share (cents)	4.5	3.3	37%

1

Commentary

- Strong Cash Position to support strategic growth and diversification
- Debt restructure significantly reducing debt while minimising shareholder dilution
- Deferred Revenue reflects strong sales and a robust revenue pipeline
- Capital Investment in 2 new FREAK Venues and building and IT upgrades to existing iFLY facilities

Outlook – Stable platform for Growth in FY22

Increasing Capability

Build capability in XR games creation and simulation software development to increase company owned IP

Enterprise XR Launch

Expand current military training services into XR training and simulation product development

FREAK Expansion

Continue rollout of FREAK company owned venues.

Develop FREAK "Turnkey system" & Franchise model enabled through own game development

Red Cartel – VR Production Studio

- Completion of acquisition achieved 24th August 21
- Red Cartel will continue to grow their own client driven business while also developing games and Enterprise targeted XR training applications for ISA Group.

Current Projects include;

- Core software technology – underlying multiplayer game technology to be used for a variety of applications across Operator and FREAK
- Military Tactical Trainer development;
 - Hardware design – designing robust tracking and haptic systems
 - Mapping and scenario builds – Military and Law Enforcement

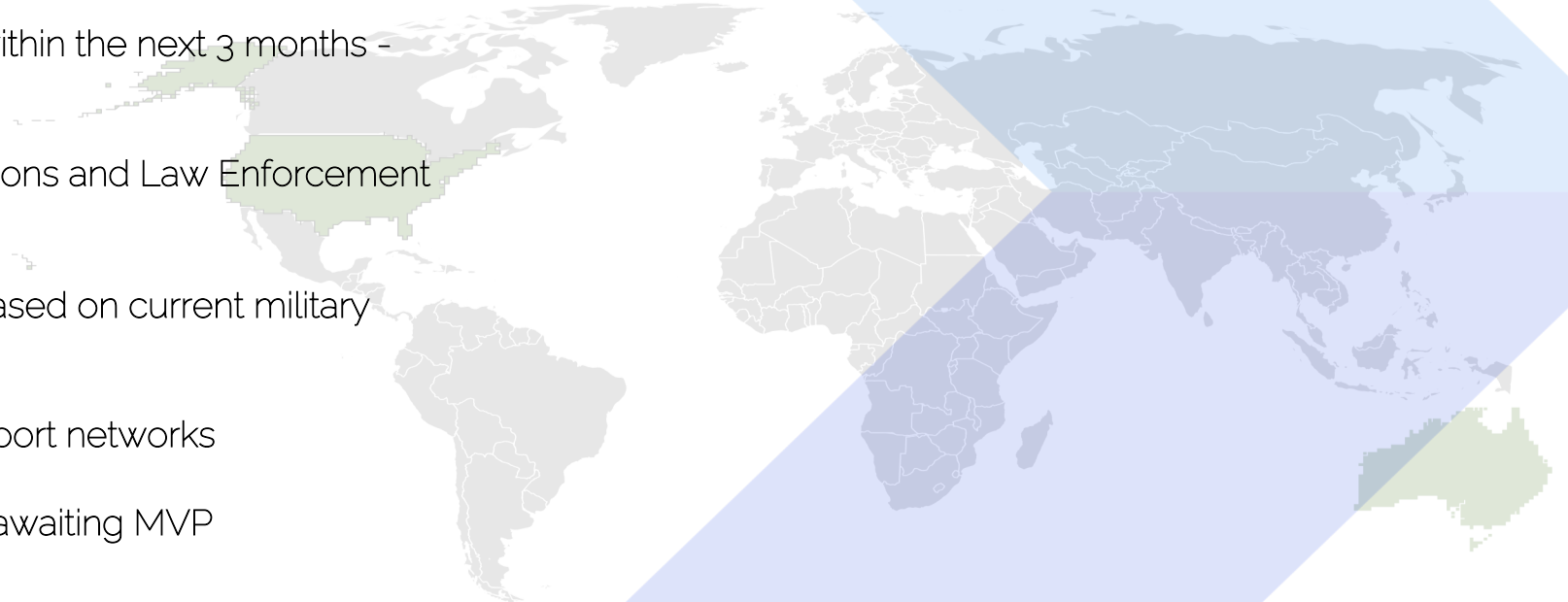


www.redcartel.com

Operator Tactical Solutions

Special purpose company established specifically for Industry, Defence and Law Enforcement Products

- First product – Military Tactical Trainer – significantly advanced and close to trial phase
- Completion of tactical trainer product within the next 3 months - ready for trial
- Target markets include, Special Operations and Law Enforcement in Australia, Europe and the US.
- Finalising road map and key features based on current military feedback
- Establishing global distribution and support networks
- Trial partners have been identified and awaiting MVP

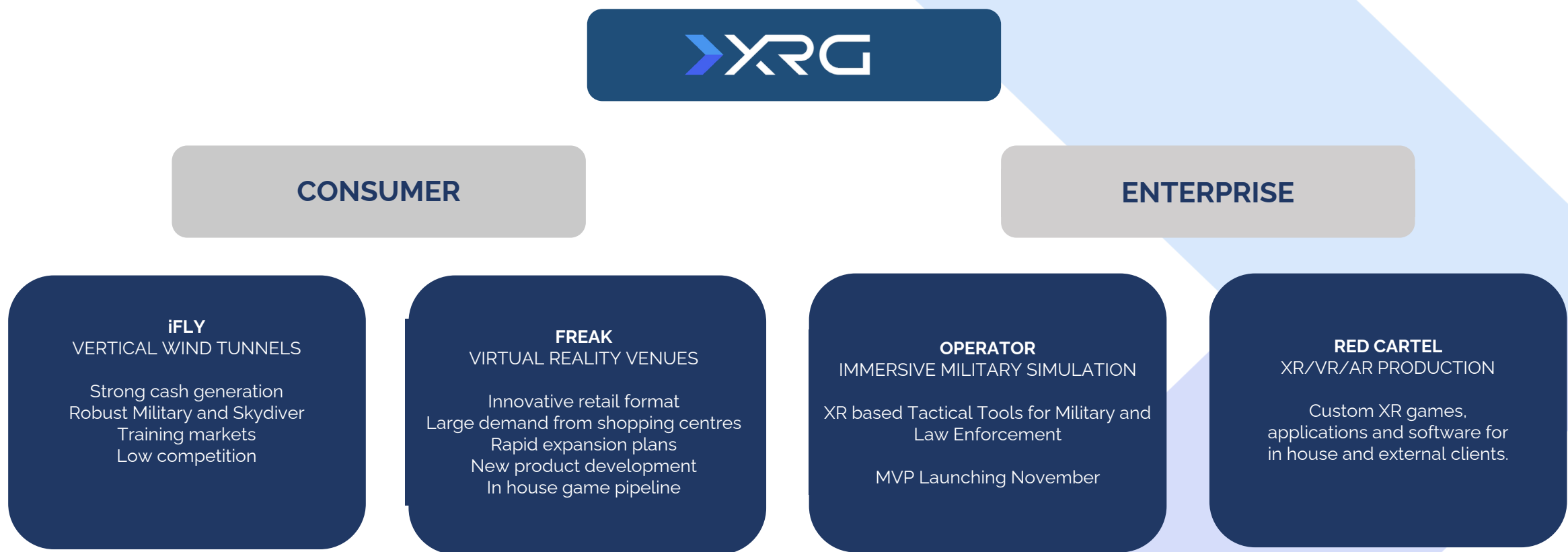


Design

Trial

Implementation

Outlook - New Look, New Capabilities, New Markets



For further information contact

Wayne Jones - CEO wjones@indoorskydive.com.au

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

