



ASX RELEASE

7 November 2019

Q1 FY20 Trading Update

Experience Co Limited ("Experience Co" or "the Company") (ASX: EXP) today announces the following trading update.

Skydiving

The Group's Skydiving business continues to demonstrate robust demand however Q1 FY20 tandem jump volumes were down by 10.4% on Q1 FY19, largely driven by weather impacted days up ~30% on the prior period. Revenue has declined in line with the reduction in volume.

Adventure Experiences

The challenging trading conditions in Far North Queensland discussed in our FY19 results announcement, have continued. Revenue for Q1 FY20 is down by approximately 21% on the prior period, with market conditions driving a decrease in volume of over 10% in passengers across our reef based products, adverse movements in passenger and product mix, and the impact of the discontinuation of a key GBR customer contract from April 2019.

These trends are expected to continue through the remainder of 1H20.

Strategic Review

The current trading performance underlines the urgent necessity for the strategic review of all assets and operations of the Company currently being undertaken by our new CEO. Completion of this review is the Board's immediate priority in order to properly identify and appropriately address significant underlying issues. Pleasingly, management renewal is largely complete and a refresh of the Board announced. An update on the outcome of the strategic review will be provided at the Company's Annual General Meeting (AGM) on 20 November 2019.

FY20 Outlook

We are confident that under new leadership and completion of the strategic review which aims to rationalise operations and reduce costs, the current decline in trading performance can be addressed. Our balance sheet remains sound with net assets of \$130.9m at the end of Q1. However, if current trading conditions continue, we expect a decline in year on year earnings. The Company will be in a position to provide a further update at the AGM when it presents the outcome of the strategic review. We expect the remainder of FY20 will be a period of re-setting the business for improved performance in FY21.

Investors:

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About Experience Co Limited (ASX: EXP)

Experience Co Limited (EXP) is an adventure tourism and leisure company (previously known as Skydive the Beach Group Limited, ASX:SKB). Founded in 1999 in Wollongong, Australia the Group has grown to a diversified adventure tourism business, that includes skydiving, diving and snorkelling, white water rafting, hot air ballooning and helicopter tours. The Group's operations are located primarily on Australia's eastern seaboard from the Great Ocean Road in Victoria, to Tropical North Queensland's Port Douglas, complimented by a skydiving operation in New Zealand located in the world-renowned Queenstown region.

