



28 May 2020

EXPERIENCE CO LIMITED (ASX: EXP) COVID-19 UPDATE

Experience Co Limited (ASX: EXP) today issues the following market update in relation to the impact of COVID-19 ('coronavirus') on its operations.

- **Operations have recommenced in New Zealand** at our Queenstown Drop Zone. A number of Australian based Drop Zones are targeted to resume operations during June in line with the easing of Government regulations on social distancing and domestic travel restrictions. The health and safety of our employees and customers remains paramount and EXP has implemented best practice hygiene measures to ensure their health and safety.
- **Experiences to be activated on a breakeven basis** continuing with management's approach to stringently manage cashflow through the near term. This will be staged by experience over coming months in line with relevant jurisdictional lifting of restrictions.
- **Australia and New Zealand government job subsidy programmes triggered** with the Australian Jobkeeper and New Zealand Wage subsidy programmes implemented for 360 eligible employees in Australia and 78 employees in New Zealand. These subsidies have assisted EXP in supporting our employees during this challenging period.
- **Business well positioned to sustain an extended period of hibernation with \$10 million cash as at 30 April 2020** and an additional \$15 million undrawn capacity on the NAB debt facility. Assuming operations are suspended and no material changes in market conditions, the Group is anticipating the minimum monthly net cash outflow to average approximately \$1 million per month to 30 September 2020.
- **Facility Agreement Waivers** in place waiving covenant testing for the 30 June 2020 testing period and deferring asset finance lease instalments (approximately \$1.5 million) until 30 September 2020.
- **Lease cost relief** with the co-operation of our landlords and applying the spirit of the Code of Conduct for commercial leases. Monthly lease expenses through a combination of waivers and deferrals have been significantly reduced, including 100% rent relief for Ports North and fees and charges in our Great Barrier Reef business until 31 December 2020.
- **Continuation of our strategy for business simplification**, with the divestment of Hunter Valley and Byron Bay Ballooning businesses well progressed and other surplus asset sales processes ongoing.
- **Good headway made on business process projects** including implementing a new reservations system for the Skydiving business and process improvements across corporate functions.
- **Senior Executives and Board Members have taken a 30% reduction** in remuneration until 30 June 2020.

EXP acknowledges the support of all key stakeholders in these challenging circumstances for our industry. This includes employees, customers, suppliers, financiers and investors, amongst many others.





CEO, John O'Sullivan said "what is key is that EXP continues to comply with emerging government and regulatory operating guidelines to ensure the health and safety of our employees and customers. At the time of suspending operations we noted that we were not in a position to forecast with any level of certainty the duration nor recovery profile from this pandemic. This remains the case and our continued strategy is to minimise short-term cash outflows."

John O'Sullivan added "the EXP team has been working extremely hard to design and implement COVID-19 operational processes and procedures since the Australian and New Zealand Government regulations came into effect. We are cautiously excited about recommencing our operations all the while recognising that the emergence is likely to be protracted and will require a sustained level of resilience across the business. Our goal remains to maintain a viable business and balance sheet, positioning EXP for when conditions improve."

This announcement has been authorised by the EXP Board.

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About Experience Co Limited (ASX: EXP)

Experience Co Limited (EXP) is an adventure tourism and leisure company. Founded in 1999 in Wollongong, Australia the Group has grown to a diversified adventure tourism business with core activities that include skydiving in Australia and New Zealand and Great Barrier Reef tour, and diving and snorkeling experiences. 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 the skydiving operation in New Zealand located in the world-renowned Queenstown region.

