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28 October 2020

EXPERIENCE CO LIMITED (ASX: EXP) TRADING UPDATE AND OUTLOOK

Experience Co Limited (ASX: EXP) today released its Annual General Meeting presentation which includes an update on trading and outlook for the remainder of the financial year.

Key Highlights

- **Group trading improving through Q1 FY21** with Group revenue from continuing operations of $8.0 million for the year to date, or 25% of prior corresponding period and trading conditions improving by the month as the Group heads into the peak seasonal period
- **Underlying EBITDA and operating cash flow profitable for Q1 FY21**, with Jobkeeper, and other COVID-19 support measures, along with targeted tourism grant support from the Queensland Tourism Icons Program and NZ's Strategic Tourism Asset Protection Plan funding, being key drivers.
- **Net debt at 27 October 2020 further reduced to circa $5.0 million**, as asset divestment continues to be patiently progressed and operating cash inflow for Q1 FY21 better than expected
- **Pontoon funding of $3 million** from Queensland Government's Growing Tourism Infrastructure Fund for the $6.7 million project due for commissioning in early 2022
- **Near term catalysts are State level,** particularly the easing of Queensland border restrictions and Victoria's path out of lockdown heading into the peak summer period. The Trans-Tasman bubble and other international arrangements are encouraging signs, however, the Group is unlikely to see significant upside to trading from international markets prior to the end of FY21.

Chief Executive Officer, John O'Sullivan, said: "We are pleased with the trading momentum in the first quarter following the significant challenges experienced in FY20 and the continuing impact of the pandemic on tourism trading conditions in Australia and New Zealand."

John continued, "Now more than ever it is important that the Group remains committed to long term shareholder value, and we are pleased to have continued to reduce net debt to below $5 million without impacting the post recovery earnings potential of the business.

This platform allows us to focus on deploying capital for the longer term – and we are delighted to have secured a grant of $3 million from the Queensland Government under the 'Growing Tourism Infrastructure Fund 2020/21' for the construction of a new pontoon on the Great Barrier Reef at a total cost of $6.7 million. Due for commissioning in early 2022, the new pontoon will have an economic life of at least 15 years. This project is the first new pontoon built out of Cairns in over a decade and enables the Group to position itself for the return of international travel."

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With demonstrated capital discipline and stringent cost management, the Group is encouraged by Q1 FY21 trading performance and cash flow and is refocusing its efforts on value accretive growth opportunities, including acquisitions, as a key part of the strategic landscape to position the business for the long term.

This announcement has been approved by the Directors of EXP.

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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.

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