



30 September 2021

EXPERIENCE CO LIMITED ANNOUNCES TRANSFORMATIONAL ACQUISITION OF TREES ADVENTURE, LAUNCHES \$55.0 MILLION EQUITY RAISING

Leading Australian and New Zealand adventure tourism company, Experience Co ('EXP' or 'Experience Co') today announces the acquisition of Australia's leading operator¹ of zip-lining and rope obstacle courses in tree canopies, Trees Adventure ('TA'). The transformational acquisition provides increased exposure to the domestic leisure market with attractive financials and growth potential and complements Experience Co's existing portfolio exposure to international and domestic tourism. The acquisition of TA continues Experience Co's strategic reset and provides it with a strong foundation for future growth.

Highlights

- Experience Co has entered into a binding agreement to purchase TA.
- The acquisition of TA accelerates Experience Co's COVID-19 recovery, improving the long-term quality of the EXP portfolio via increased exposure to domestic leisure markets, combined with near term tailwinds for the reopening of key metro leisure markets.
- Under the agreement Experience Co will acquire 100% of the shares in TA for a total consideration of up to \$46.9 million, consisting of initial consideration of \$40.4 million and potential deferred payments of up to \$6.5 million payable over the period to three years from completion.
- The acquisition of TA is conditional on:
 - Receipt of change of control consents from TA and its landlords/licensors; and
 - The underwriting agreement executed with the underwriters in connection with the Entitlement Offer to fund the acquisition of TA not being terminated.
- Initial consideration of \$40.4 million for the TA business is equivalent to ~5.5x FY21 Pro Forma EBITDA².
- To fund the acquisition of TA:
 - Experience Co is raising \$55.0 million via a fully underwritten 1 for 3.33 pro-rated accelerated non-renounceable entitlement offer at \$0.33 per share ('Entitlement Offer'); and
 - TA shareholders will be issued 26.9 million fully paid ordinary shares in EXP at an issue price of \$0.33 per share (equivalent to the Issue Price under the Entitlement Offer). The TA shareholders have agreed for these shares to be subject to escrow until the period following the release of half year results to 31 December 2022.
- The TA Management team led by co-founders Nicolas Dansin and Marc Flaster will remain with the business and Nicolas will join the EXP Executive Leadership Team as General Manager, Treetops Adventure. Under their employment agreements, Nicolas and his team are incentivised to grow the TA business over a 3-year period post completion.

¹ Based on number of sites and active visitors.

² The basis of preparation of the FY21 Pro Forma is the FY21 actual aggregated financial information, with the pro forma assumption of the full year contribution of Next Level, Sunshine Plaza (opened by TA in December 2020). This pro forma adjustment for the full year contribution of Next Level, Sunshine Plaza takes into consideration financial performance since site opening, seasonality and operational improvements implemented to date. No adjustment has been made for the impact of COVID-19 on the FY20, FY21 or FY21 Pro Forma.



- Major TA investor, PGA Group will join the EXP share registry via its participation in the transaction, electing to take 30% of its consideration in EXP shares.
- The TA transaction is expected to be completed on or before 30 November 2021.

About Trees Adventure

Founded in 2007 by Nicolas Dansin and Marc Flaster, TA is Australia's leading operator³ of ziplining and rope obstacle courses in tree canopies. TA currently operates 14 adventure parks across 5 states (VIC, NSW, QLD, WA, and TAS), with two additional parks under development scheduled to open during FY22. The business operates the well renowned brands: Trees Adventure, Treetops, Next Level High Ropes Adventure Park and Hollybank Wilderness Adventures.

The TA businesses can be found at <https://treesadventure.com.au/>, <https://treetops.com.au>, <https://nextlevelpark.com.au> and <https://hollybankadventures.com.au>.

Strategic Rationale

Transformational acquisition of TA improves Experience Co's overall quality of earnings and provides new growth opportunities in addition to:

- **Strategic alignment:** represents the continued execution of Experience Co's stated strategy, building on the recent acquisitions of premium adventure experiences (Wild Bush Luxury and Maria Island Walk).
- **Attractive financial outcome:** strong EBITDA to cash conversion.
- **Improved customer diversification:** TA's customer base consists of families, school children, nature enthusiasts and thrill seekers in local markets.
- **Exposure to domestic leisure market:** TA has a national footprint with 14 sites across 5 states and access to key leisure markets.
- **Resilient earnings profile:** local customer base reduces exposure to interstate and international travel markets, well positioned for near term easing of COVID-19 restrictions.
- **Growth potential:** large and growing addressable market, with significant opportunity for new site expansion and acquisitions.

Equity Raising Details:

Experience Co has launched a fully underwritten 1 for 3.33 accelerated non renounceable entitlement offer to raise approximately \$55.0 million to partially fund the acquisition.

The Entitlement Offer is underwritten by Ord Minnett Limited and E&P Corporate Advisory Pty Ltd at an offer price of \$0.330 per new share, which represents:

- 8.3% discount to the last close price of \$0.360 per share on 29 September 2021;
- 8.5% discount to 15-day VWAP of \$0.361 per share on 29 September 2021; and
- 6.5% discount to TERP⁴ of \$0.353.

³ Based on number of sites and active visitors.

⁴ TERP is the theoretical price at which EXP shares trade immediately after the ex date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which EXP shares trade on the ASX immediately after the ex date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of the EXP share price as traded on ASX on Wednesday 29 September 2021 being the last trading day prior to the announcement of the Entitlement Offer



Investor Presentation

For further information on the TA acquisition, please see EXP's Investor Presentation in a separate ASX Announcement made today.

CEO John O'Sullivan said, "The acquisition of TA continues the strategic reset of the Experience Co business that we commenced with the release of our Strategic Review in November 2019. With its market leading position, strong brand and growing customer base we are very excited about how this acquisition enhances the Experience Co group".

He continued "I am delighted that Nicolas Dansin and Marc Flaster and the TA Management Team will join Experience Co as part of this transaction. They have built a great business over the last 14 years and we look forward to assisting Nicolas, Marc and the team continue this journey as part of Experience Co".

Nicolas Dansin, added "This is an exciting next step for the TA team which will provide us with the opportunity to explore new ideas and concepts and take our experiences to the next level. We have grown the company to more than 350 employees in 14 locations across Australia which receive over 400,000 visits per year. This more than confirms our experiences resonate with local adrenaline seekers. We will continue to focus on growing that opportunity and taking a leadership role in terms of innovation, safety and design".

Management Conference Call

Investors are invited to join a live conference call hosted by Experience Co CEO, John O'Sullivan and CFO, Owen Kemp, on Thursday, 30 September 2021 at 11:00am Australian Eastern Standard Time (AEST). To register for the webcast, please follow this link:

<https://services.choruscall.com.au/webcast/experienceco-fvqc3ocx.html>

This announcement has been approved by the EXP Board.

Contact Information

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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.