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ExperienceCo.TM
LIMITED

FAMILY ADVENTURE ACQUISITION AND ENTITLEMENT OFFER

SEPTEMBER 2021

[EXPERIENCECO.COM](https://experienceco.com)

 Treetops
Adventure

**NEXT
LEVEL**



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- ✓ **Strategic reset complete, strong foundation for future growth**
- ✓ **Transformational acquisition in the domestic leisure and recreation market with attractive financials and growth potential**
- ✓ **EXP portfolio quality improved by complimenting existing international and domestic tourism market exposures**

EXECUTIVE SUMMARY

A transformational acquisition to improve portfolio quality by increasing exposure to domestic leisure and recreation markets

Acquisition of Trees Adventure

- Trees Adventure ("TA") is Australia's leading operator¹ of aerial adventure experiences, offering treetop rope courses, net parks, canopy tours and ziplining tracks
- Total consideration of up to \$46.9 million, 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
 - \$8.9 million of initial consideration payable in the form of EXP shares issued to TA shareholders at the issue price of \$0.33 per share (the Issue Price under the Entitlement Offer)
- Initial consideration of \$40.4 million for the TA business is equivalent to ~5.5 x FY21 Pro Forma EBITDA²

Transaction rationale

- Highly compelling acquisition opportunity:
 - ✓ **Strategic alignment:** represents the continued execution of EXP'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
 - ✓ **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, 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

- Fully underwritten³ 1 for 3.33 accelerated non renounceable entitlement offer of approximately \$55.0 million at an issue price of \$0.33 per share ("Entitlement Offer" or "Equity Raising")
- Proceeds from the Entitlement Offer will be used to fund the purchase of TA (including deferred components), associated transaction costs and working capital

Notes

1. Based on number of sites and active visitors
2. See slide 17 for detailed information on basis of preparation of FY21 Pro Forma EBITDA
3. Refer to the Appendix titled "Summary of Underwriting Agreement" for a summary of the key terms and conditions of the underwriting arrangements

TREES ADVENTURE

Australia's largest treetop and zipline eco-adventure company operating across 14 locations

Business overview

- Trees Adventure ("TA") is Australia's leading operator¹ of ziplining and rope obstacle courses in tree canopies
 - Founded in 2007 by Nicolas Dansin and Marc Flaster, TA opened its first park in Belgrave, Victoria in 2010
- In addition to the operation of its adventure parks, TA offers visitors to its parks a range of alternative experiences, including the world's longest rollercoaster zip line, vertical challenges, net parks and party rooms
- TA builds all of its adventure parks and is Australia's only integrated builder-operator of tree climbing infrastructure
- TA brings a strong safety culture and its own patented belay system²
- Operations across 5 states (VIC, NSW, QLD, WA, and TAS) and 14 adventure parks, with two additional parks under development scheduled to open during FY22
- Over 400,000 people visited their sites in FY21
- Customer strategy focused on leisure activities, and also hosting events such as birthdays, school trips, family holidays and corporate events
- TA has a strong track record of successfully acquiring and developing new sites
- Launch of new brand strategy during FY22 to have three operating brands



Notes

1. Based on number of sites and active visitors
2. Zip line fastening system





EXPERIENCE CO OVERVIEW

EXPERIENCE CO BACKGROUND

Strong fundamentals following a strategic repositioning of the business provide a solid platform for long term growth

OVERVIEW

- Experience Co (ASX:EXP) is one of Australia and New Zealand's leading adventure experience companies
- Market leadership position in Tandem Skydiving Experiences across 17 locations in Australia and New Zealand
- Market leading Great Barrier Reef cruise operator out of Cairns and Port Douglas including Dreamtime Dive & Snorkel, the regions only indigenous reef experience
- Recently acquired leading nature-based experiences Wild Bush Luxury, with the completion of the acquisition of the Maria Island Wilderness Walk imminent

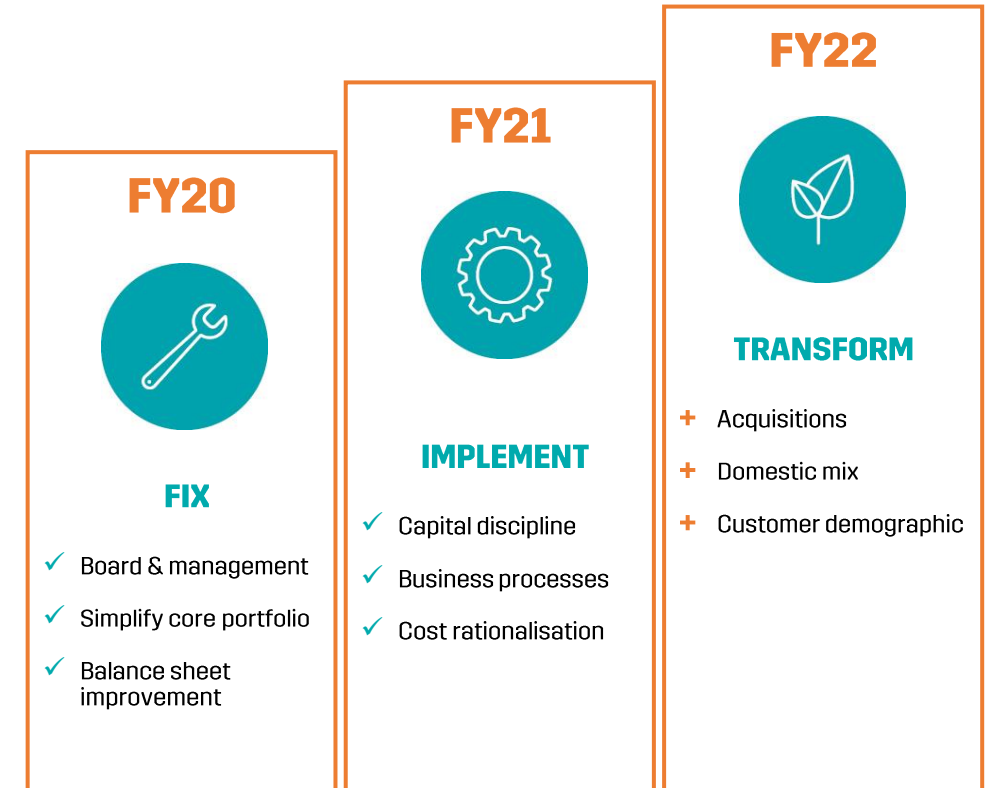
BOARD

- Bob East, Chair (ex-Mantra ; Chair of Cettire & Australian Venue Company)
- Anthony Boucaut, Founder
- Michelle Cox, NED (Director Tourism Tasmania, ex STA Travel)
- Neil Cathie, NED (Chair of Coventry and Middendorp Electric and ex-CFO Reece Plumbing)

MANAGEMENT

- CEO John O'Sullivan (ex-Tourism Australia and Fox Sports)
- CFO Owen Kemp (ex-Gateway Lifestyle and EY)
- Chief Revenue Officer Kathryn O'Brien (ex-Hamilton Island Enterprises and Accor Hotels)

STRATEGIC REPOSITIONING



EXPERIENCE CO FINANCIAL OVERVIEW

Despite COVID-19 challenges, the earnings potential of EXP has been enhanced by business simplification and capital discipline

KEY FINANCIALS - CONTINUING OPERATIONS

\$ million	FY19	FY20	FY21
REVENUE	130.0	87.4	44.4
EBITDA ¹	16.3	5.2	6.4
PROFIT / (LOSS)	5.4	(39.7)	(4.8)
UNDERLYING EBITDA ²	24.4	9.2	6.8
NTA PER SHARE (CENTS) ³	16.7	11.8	11.5
NET DEBT ³	29.4	9.0	2.8

COMMENTARY

- FY20 and FY21 have been significantly impacted by the COVID-19 pandemic
- Despite challenging trading conditions, the business has been reset with the divestment and business simplification process complete
- Earnings potential of the business has been enhanced
 - Pre pandemic underlying EBITDA of \$24.4 million (excluding uplift from AASB 16)
 - Approximately \$6 million of annualised cost reductions achieved in FY20 and FY21 as compared to fixed costs in FY19
 - Achieved further efficiencies via renegotiation of key distribution agreements and introduction of pricing disciplines
- Focus on cost control and capital discipline has ensured protection of the balance sheet
- Assets sold during business simplification of business will not prohibit future growth capacity as demand returns

Notes

1. EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ("AAS"). EBITDA represents the profit under AAS adjusted for impairment, interest, income taxes, depreciation and amortisation
2. Underlying EBITDA is a financial measure not prescribed by AAS and represents EBITDA adjusted for restructure and other costs, net gains and losses on the sale of assets. Refer to Note 2 to the full year FY21 financial statements for reconciliation between statutory and underlying. Underlying EBITDA presented above includes \$1.6m in FY21 (FY20: \$1.9 million) for the net uplift from the application of AASB 16 Leases
3. As at 30 June for the relevant period

EXPERIENCE CO TRADING UPDATE & OUTLOOK

Experience Co is well positioned to capitalise on the reopening of key leisure and recreation markets heading into the peak summer period

RECENT TRADING

- The emergence of the Delta strain has significantly impacted trading in NZ, Qld, NSW and Victorian markets since late June
- Skydive Australia's NSW and Victorian drop zones have had limited activity in July and August, with our largest Australian site Wollongong closed since late June
- Skydive NZ continues to experience low volumes in the absence of international visitation
- GBR Experiences recorded its highest monthly volume post COVID in July 2021, despite the Sydney market being closed. August and September months have seen volumes decline on July levels, as Queensland border restrictions revert the business to being solely reliant on intrastate volume
- Premium Adventure forward bookings remain at record highs, however month to month trading results are subject to interstate border restrictions in key source markets of Victoria and NSW
- Overall, domestic demand continues to be robust, and we are continuing to observe a fast snap-back as and when lockdowns and restrictions are eased

OUTLOOK

- Major metropolitan lockdowns to significantly impact trading in Q1, our seasonal low trading period
- Delta strain has rapidly shifted COVID strategy to vaccination with Australia and New Zealand on track for vaccination levels which are expected to lead to improved trading conditions from late 2021
- Optimistic for demand to return swiftly ahead of peak Summer trading period and into 2022
- Business well positioned to capitalise on pent up demand as key markets re-open; potential to supplement organic growth with value accretive domestic based acquisitions through FY22 should opportunities arise
- Not expecting meaningful international travel in FY22
- Due to continued short term uncertainty EXP is not providing earnings guidance for FY22



ACQUISITION OVERVIEW

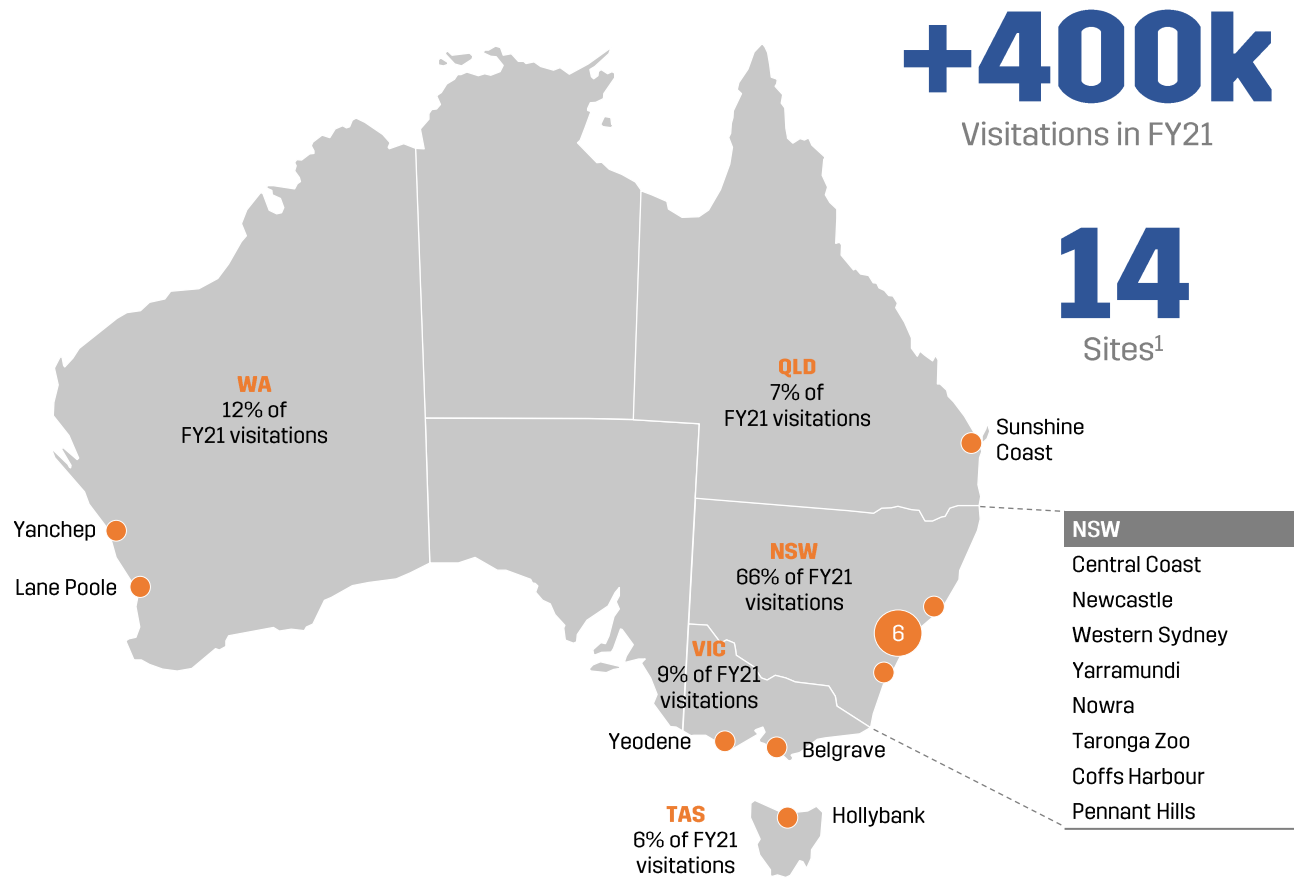
TREES ADVENTURE SITE PORTFOLIO

TA is the market leader with a national footprint and a geographically diversified portfolio

Key features

- ✓ Close proximity to large metro population and/or tourist destination
- ✓ Attractive landscape, accessible location. Complementary to natural and built environment
- ✓ Infrastructure, including natural environment and tree size & density, through to car parking, utilities
- ✓ High quality customer experience can be delivered safely and consistent with brand leadership position
- ✓ Long term lease and/or exclusivity to create long term asset

Site locations



Notes

1. As at September 2021, an additional two sites under development due to be opened prior to 30 June 2022

TREES ADVENTURE TEAM

Experienced leadership team, with an established track record



Nic Dansin

Co-Founder & CEO

- 19 years' experience
- Co-founded Trees Adventure in 2007
- Bachelor of Sports Management
- Outdoor Rock Climbing Instructor
- IRATA Level 1



Marc Flaster

Co-Founder & CFO

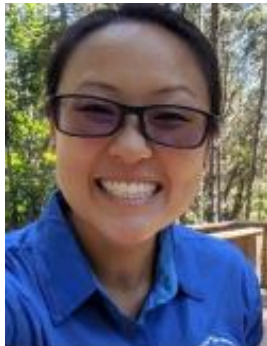
- 35 years' experience
- Co-founded Trees Adventure in 2007
- Master of Business Management



Sophie Brun

Operations Manager

- 14 years' experience
- Working at Trees Adventure since 2013
- Bachelor of Sports & Administration
- Park Manager of the year in 2011 (Signal de Bougy Park in Switzerland)



Bec Williams

Marketing Manager

- 10 years' experience
- Working at Trees Adventure since 2010
- Diploma in Business
- Bachelor of Outdoor Recreation



Ashton Williams

Equipment Manager

- 12 years' experience
- Working at Trees Adventure since 2010
- Bachelor of Outdoor Recreation Management
- IRATA Level 1; Bornack Level 3 Certified; Advanced rigger



Tim Mulligan

Construction Manager

- 14 years' experience
- Working at Trees Adventure since 2013
- IRATA Level 1; Advanced rigger
- More than 20 parks built around the world (Switzerland, USA, Portugal and Australia)

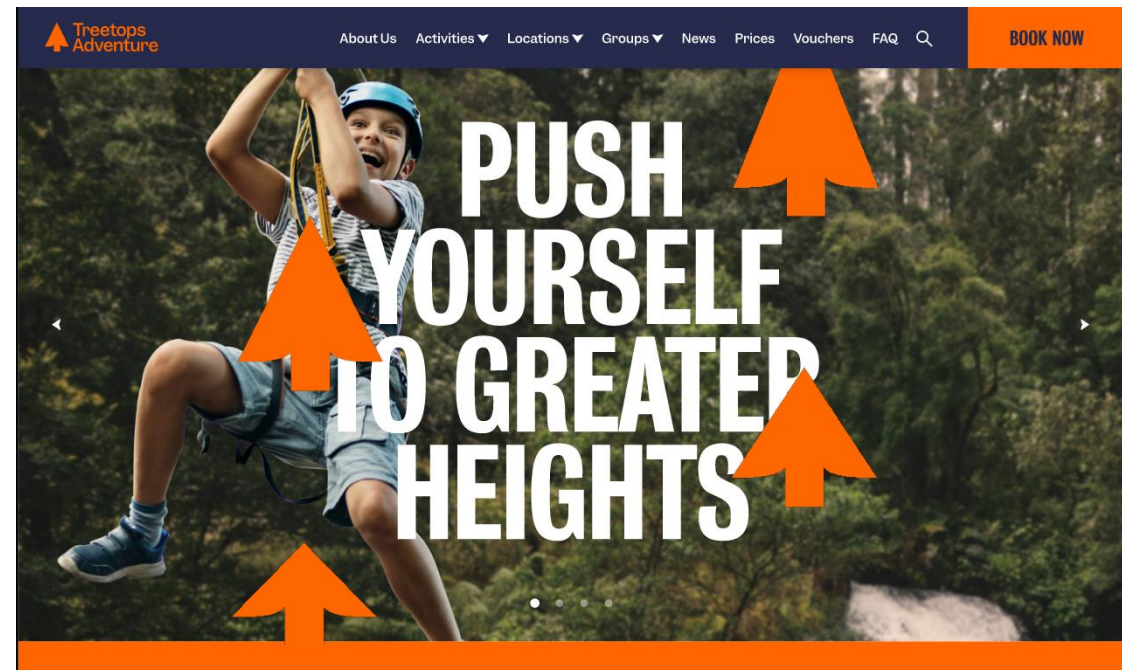
TREES ADVENTURE STRATEGY & BUSINESS MODEL

Proven strategy and business model focused on the domestic family leisure market

Business Model

- Market leadership position in Australia, with the existing portfolio well positioned for the pandemic recovery and the desire for nature-based experiences
- Purpose led strategy 'Inspiring people to live life more adventurously'
- Build, own and operate leading eco-friendly destinations, with unique experiences inspiring people to challenge themselves, stay active and connect with nature
- Organic growth opportunity from new experience products, as well as business initiatives including the soon to be released rebranding to Treetops Adventure, which will include a new website, improved brand recognition and pricing review opportunities
- Track record of developing new sites and product, and site formats to meet consumer preferences in the local market
- Disciplined business model with strong cash flow conversion
- Established management team strongly aligned with EXP strategy

Aligning under one unified brand



TREES ADVENTURES FINANCIALS

Strong financial fundamentals leave TA well-positioned for earnings uplift upon reopening

Trees Adventure Pro Forma Earnings¹

\$ million	FY20	FY21	FY21 Pro Forma ²
REVENUE	9.3	14.8	15.6
EBITDA ³	3.6	6.6	7.3
NO. OF SITES	13	14	14

- Business model is built around a highly variable cost structure, including casual labour and turnover based rentals
- Strong EBITDA to cash conversion and low capital intensity
 - Maintenance capex less than \$1 million per annum in FY20 and FY21
- FY20 earnings impacted by COVID-19 closure of operations from March 2020 and the preceding Australian bushfires
- FY21, while adversely impacted by COVID-19, highlighted TA's resilience to changing market conditions, demonstrated by the strong uplift in EBITDA
- Trading post reopening in 2020 demonstrated a swift return in customer volumes and profitability as sites opened and a low exposure to interstate border restrictions

>95%

Direct bookings⁴

>85%

Local/self drive⁴

FY22

2

New Sites opening

Estimated full year EBITDA contribution
~\$1.0 million⁵

Notes

1. The basis of preparation of the FY20 and FY21 financial information above is the aggregation of historical financial performance of Trees Adventure and the sites acquired in the acquisition of Treetop Adventure Group acquired in March 2020 as if those sites were owned for the full period of FY20 and FY21
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.
3. EBITDA is a financial measure not prescribed by AAS and represents earnings before interest, tax, depreciation and amortisation. EBITDA, unless otherwise stated, is presented including the estimated impact of AASB 16 Leases, consistent with EXP disclosures. The amount of lease cost excluded from EBITDA above is \$0.6 million in FY20, \$0.9m in FY21 and \$1.0m in the FY21 Pro Forma
4. Pre-pandemic % of visitations
5. Estimated aggregate full year EBITDA contribution from two sites, Ku-ring-gai and Daintree, scheduled to be opened in FY22. Ku-ring-gai is scheduled to be opened in late 2021 and the estimated full year EBITDA contribution is based on historical performance and trends for the first full year of operation of similar sites in the Sydney region. TA acquired the business assets of Daintree (a site that formerly operated as Jungle Surfing), and the estimated full year contribution is based on historical performance and trends for the site, and TA's operating plan including an overhaul of site design, including operational and safety equipment and procedures.

TREES ADVENTURES OUTLOOK AND VALUATION METHODOLOGY

Impact of COVID-19 and growth trajectory of business factored into valuation approach

FY22 Outlook

- In Q1 FY22 TA has been impacted by lockdowns in NSW and Victoria.
- Anticipated that the Greater Sydney and surrounding sites will reopen in late October in line with NSW Government's reopening plan ahead of Completion
- Delta impact in Q1 FY22 means full year EBITDA will not be evident on an annual basis until calendar 2022
- Trading performance expected to rebound swiftly on reopening, consistent with 2020 experience. Well positioned to benefit from NSW reopening in near term
- With highly variable cost structure, monthly operating losses in Q1 FY22 have been less than \$150,000 per month
- NSW reopening in October 2021 will be key in returning to cash generation

Valuation methodology

- Historical and near-term earnings multiples impacted by COVID-19
- Initial consideration of \$40.4 million for the TA business is equivalent to ~5.5 x FY21 Pro Forma EBITDA¹

Notes

1. Initial consideration includes ~\$0.5 million in relation to the Daintree site for which earnings are not included in FY21 Pro Forma. On a pre AASB 16 Leases basis the FY21 Pro Forma EBITDA multiple is approximately 6.3 x. See slide 17 for detailed information regarding the basis of preparation for FY21 Pro Forma EBITDA.

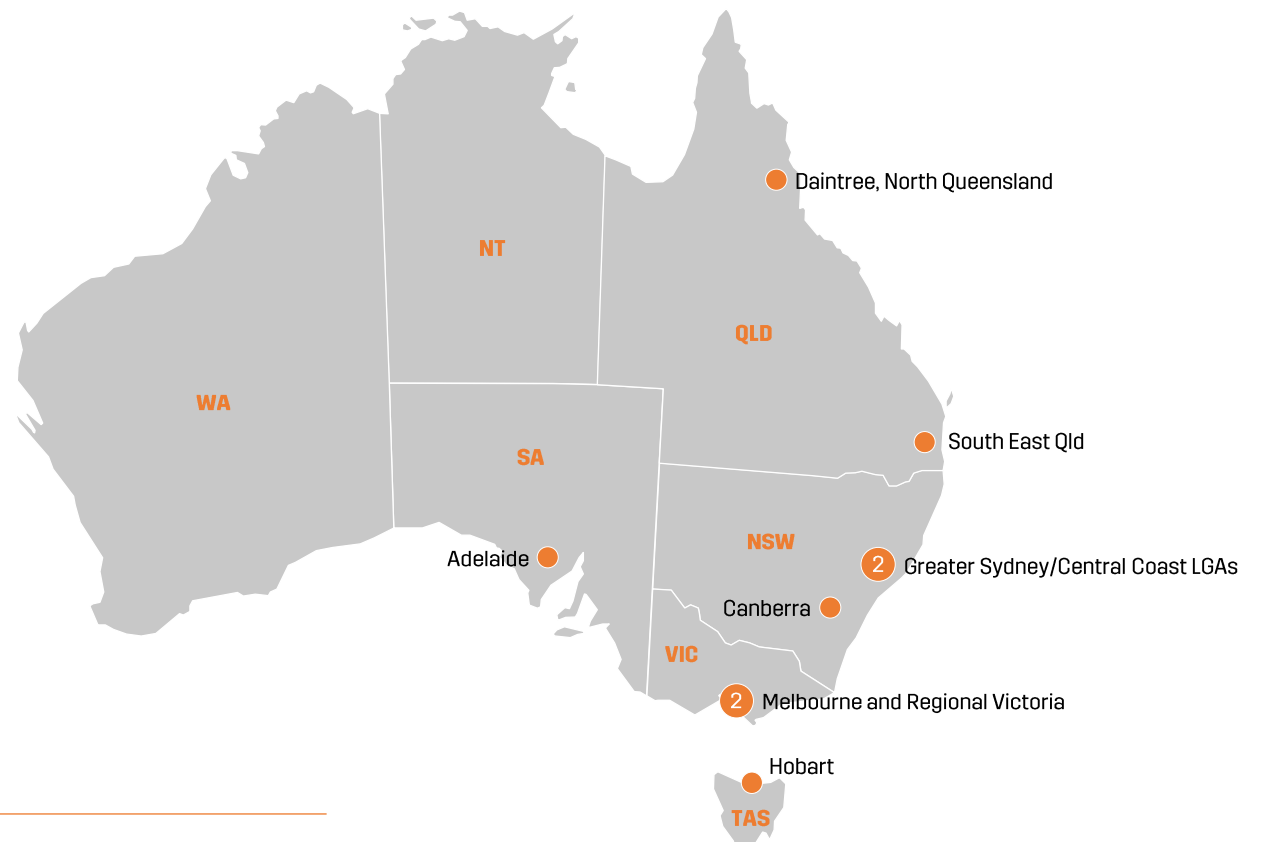
TREES ADVENTURE ORGANIC GROWTH PIPELINE

TA has identified additional locations within Australia which are expected to be key drivers for future growth

Site Expansion Potential

- ✓ TA has identified 10 sites in Australia for possible site expansion within three to five years
- ✓ Heads of Agreements entered into for 4 of these sites
- ✓ New site capex estimated to be in the range of \$0.5 million - \$1.2 million dependent on the site specifications and economics
- ✓ New site EBITDA estimated to be in the range of \$0.3 million to \$0.8 million per site for the first full year of operation dependent on size, volume and pricing
- ✓ Two sites expected to be opened within the FY22 period and another two sites completed by the end of FY23
- ✓ Transaction structure includes up to \$6.5m of deferred consideration tied to growth pipeline of TA payable upon successful completion, opening and operation within agreed time parameters

Site locations



TRANSACTION RATIONALE





















Transformational acquisition to improve overall quality of earnings and provide new growth opportunities

✓	Strategic alignment	<ul style="list-style-type: none">• Strong fit with EXP's existing experience offering• Market leadership position in the aerial adventure category• Continuing Founder, Management and TA shareholder alignment
✓	Attractive financial outcome	<ul style="list-style-type: none">• Proven business model, with strong cash conversion• Local leisure and recreation consumer target market well-positioned for earnings uplift on reopening• Economies of scale from planned site expansion
✓	Improved customer diversification	<ul style="list-style-type: none">• Domestic, local leisure and recreation consumer base• Activities appealing to consumer segments including family, school children, nature enthusiasts and thrill seekers• Direct to consumer bookings represent over 95% of volume, no reliance on third party distribution channels
✓	Exposure to key domestic leisure markets	<ul style="list-style-type: none">• TA has a national footprint and operates 14 sites across 5 states• Site locations complementary to EXP's current operating footprint• Reweights EXP portfolio to key Australian metro, self drive markets reducing exposure to specific market conditions
✓	Resilient earnings profile	<ul style="list-style-type: none">• Local centric customer base not reliant on interstate and international travel• Well positioned for easing of COVID-19 restrictions in short to medium term, with favourable tailwinds for outdoor, nature-based activities• Proven swift rebound in demand following previous COVID-19 lockdowns
✓	Growth potential	<ul style="list-style-type: none">• Large and growing addressable market• Significant opportunity for growth via acquisition and development• TA founders and management have identified a pipeline of new site expansion opportunities

ACQUISITION ACCELERATES COVID-19 RECOVERY STRATEGY

Acquisition improves the long-term quality of EXP portfolio via increased exposure to domestic leisure markets, combined with near term tailwinds for the reopening of key metro leisure markets

DEMAND OUTLOOK BY MARKET VERTICAL¹

Event	Localised lockdowns easing	Interstate borders openings	International tourism markets commence ²	International tourism pre pandemic levels
Anticipated timing	Q2 FY22	Q3 FY22	Q1 FY23	~ FY24 to FY25
Trees Adventure				
Skydive Australia				
Skydive New Zealand				
GBR Experiences				
Premium Adventure				

Notes

1. Activity levels compared against pre-COVID activity levels are an estimate only and provided for illustrative purposes
2. Meaningful international travel is not expected in FY22

FY22 STRATEGY

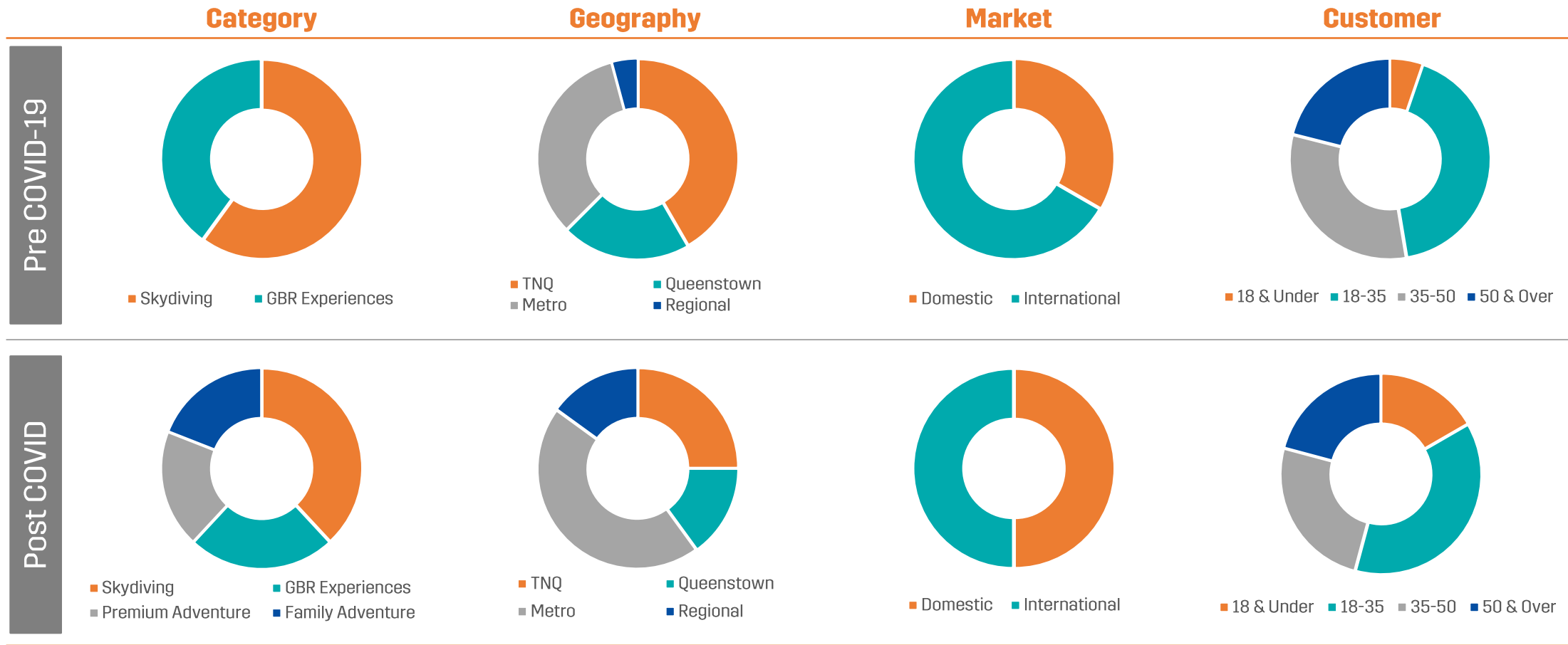
- Continue to grow market leadership positions in Skydiving and GBR Experiences via new product development
- Ensure operations are positioned to flex as demand improves
- Maintain well capitalised balance sheet
- Increase exposure to domestic tourism and leisure markets while maintaining medium term exposure to international market recovery
- Continue participation in eligible Federal and State Government industry support and growth programmes
- Continue to develop and maintain more direct relationship with customer

KEY ACTIONS

- Acquisition and integration of Trees Adventure
- Continued integration of Wild Bush Luxury and Maria Island Walk
- Balance sheet strength provides flexibility to execute organic and acquisition growth opportunities
- Further investment in customer facing technology

PORTFOLIO COMPOSITION

The acquisition of TA provides portfolio diversification and increases localisation of earnings



Notes

- Portfolio composition is based on EXP estimates of revenue composition based on historical information and estimates and is presented as an illustrative estimate only

TRANSACTION STRUCTURE AND CONSIDERATION

100% acquisition of TA for up to \$46.9m on a cash and debt free basis

Purchase price	<ul style="list-style-type: none">Initial transaction consideration of \$40.4m, structured as follows:<ul style="list-style-type: none">\$31.5m cash consideration\$8.9m EXP scrip consideration issued to TA shareholders at an issue price of \$0.33 per share (equivalent to the Issue Price under the Entitlement Offer)<ul style="list-style-type: none">share consideration subject to an escrow period until the period following the release of half year results to 31 December 2022Up to \$6.5m deferred cash consideration, structured as follows:<ul style="list-style-type: none">\$3.5m cash consideration contingent on the completion of an additional site in Ku Ring Gai (expected in FY22), less the amount of capex spent by EXP to complete the development capped at \$700,000Up to \$1.0m cash consideration for each additional TA site opened within three years of Completion, up to a maximum of \$3.0m (i.e. 3 sites)¹
Conditions	<ul style="list-style-type: none">The acquisition is conditional on:<ul style="list-style-type: none">receipt of change of control consents from TA and its landlords/licensorsthe underwriting agreement² executed with the underwriters in connection with this Offer not being terminated
Other	<ul style="list-style-type: none">EXP may terminate the acquisition agreement in the event of a material adverse change to the TA business between signing and completion having a projected revenue impact of at least \$2.5 million in FY22 or FY23

Notes

1. EXP retains approval rights to future acquisitions and development opportunities, such approval not to be unreasonably withheld
2. Refer to the Appendix titled "Summary of Underwriting Agreement" for a summary of the key terms and conditions of the underwriting arrangements



EQUITY RAISING

EQUITY RAISING DETAILS

Fully underwritten¹ accelerated non-renounceable entitlement offer

Offer structure	<ul style="list-style-type: none">• A fully underwritten¹ 1 for 3.33 accelerated non renounceable entitlement offer of approximately \$55.0 million• The Entitlement Offer represents 30.0% of total EXP shares currently on issue• Record date for Entitlement Offer is 4 October 2021 at 7:00pm (AEST)• Entitlement Offer will comprise an accelerated Institutional Entitlement Offer and a Retail Entitlement Offer
Offer price	<ul style="list-style-type: none">• The offer price per New Share has been set at \$0.33 ("Issue Price"), which represents<ul style="list-style-type: none">• 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• 6.5% discount to TERP² of \$0.353
Use of proceeds	<ul style="list-style-type: none">• Proceeds from the Entitlement Offer will be used to fund the purchase of TA (including deferred components), associated transaction costs and working capital to facilitate EXP's growth strategy
Ranking	<ul style="list-style-type: none">• New Shares will rank equally with existing EXP shares from allotment
Underwriting	<ul style="list-style-type: none">• The Entitlement Offer is fully underwritten¹ by E&P Corporate Advisory Pty Ltd and Ord Minnett Limited
Director participation	<ul style="list-style-type: none">• Members of the Board and key management personnel who are existing shareholders will participate in the offer

Notes

1. Refer to the Appendix titled "Summary of Underwriting Agreement" for a summary of the key terms and conditions of the underwriting arrangements
2. 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

SOURCES AND USES AND KEY METRICS

Proceeds used to fund the acquisition, associated transaction costs and working capital to fund near term growth opportunities

Sources and Uses

Sources	\$m ¹	Uses	\$m ¹
Scrip issued to TA vendors	\$8.9	Trees Adventure purchase price (including deferred consideration)	\$46.9
Entitlement Offer proceeds	\$55.0	Transaction costs	\$3.2
		Working capital for growth ²	\$13.8
Total	\$63.9	Total	\$63.9

Notes

1. \$ million, amounts rounded to one decimal place
2. Working capital is being raised to fund near term growth initiatives consistent with EXP's strategy

TIMETABLE

Indicative timetable¹

Event	Date
Trading halt and announcement of the Entitlement Offer	30 September 2021
Institutional Entitlement Offer opens and closes	30 September 2021 and 1 October 2021
Trading resumes on an ex Entitlement Offer basis	4 October 2021
Entitlement Offer Record Date	4 October 2021
Retail Entitlement Offer opens	7 October 2021
Settlement of the Institutional Entitlement Offer	11 October 2021
Securities Allotted under the Institutional Entitlement Offer	12 October 2021
Retail Entitlement Offer closes	19 October 2021
Announcement of results of Retail Entitlement Offer	20 October 2021
Settlement of Retail Entitlement Offer and Shortfall	25 October 2021
Allotment of New Securities Allotted under the Retail Entitlement Offer and Shortfall	26 October 2021

Notes

1. Dates and times are indicative only and subject to change without notice. EXP reserves the right to alter the dates in this presentation at its discretion and without notice, subject to the ASX Listing Rules and Corporations Act 2001 (Cth)

PRO FORMA BALANCE SHEET

As at 30 June 2021

\$ million	EXP Audited 30 June 2021	Trading, working capital and investment ^{1,2,3}	Acquisition & Offer ^{2,3}	Proforma EXP
Cash and cash equivalents	13.3	(7.2)	20.3	26.4
Trade and other receivables	1.8	-	0.2	2.1
Property plant and equipment	64.8	0.8	7.8	73.4
Right of use assets	11.7	-	-	11.7
Intangible assets	1.3	4.6	41.2	47.1
Deferred tax assets	9.0	-	-	9.0
Other assets	14.7	0.0	0.5	15.2
Total assets	116.6	(1.8)	70.1	184.9
Trade and other payables	5.2	-	0.8	6.0
Borrowings	7.9	-	-	7.9
Lease liabilities	20.4	-	-	20.4
Contract liabilities	5.7	2.3	1.6	9.7
Deferred consideration	-	0.9	6.5	7.4
Other liabilities	3.5	0.1	0.4	4.1
Total liabilities	42.7	3.3	9.4	55.4
EQUITY	74.0	(5.1)	60.7	129.5

Notes

1. This adjustment is indicative only and subject to actual financial results as at the Offer Date
2. All acquisition accounting recognised in Intangibles is indicative only, and actual amounts will be determined following Completion of each respective acquisition and a purchase price allocation exercise in accordance with AASB 3 Business Combinations
3. The Pro Forma balance sheet does not include AASB 16 Leases right of use assets or lease liabilities for the Acquisition, or the acquisition of Wild Bush Luxury or the Maria Island Walk

COMMENTARY

- The Pro Forma Balance Sheet includes a cash balance of \$26.4 million, reflecting a prudent level of liquidity reserves to fund the deferred consideration and to mitigate risk of ongoing COVID-19 uncertainty impacting future growth prospects during the recovery period

BASIS OF PREPARATION

- Pro Forma Balance Sheet is based on the EXP audited statement of financial position as at 30 June 2021, adjusted for the assumed impact of:

1. **Trading, working capital and investment:** being the pro forma impact of the estimated change in cash flow from 30 June 2021 to the Offer Date

This pro forma includes the impact of Q1 FY22 trading, continued pontoon project capex, completion of Wild Bush Luxury in July 2021 and for the imminent Maria Island Walk completion)

2. **Acquisition and Offer:** being the aggregate impact of the Completion of the Acquisition and Offer as contemplated



APPENDIX

KEY RISKS

Acquisition specific risks (risks specific to the Acquisition that is the purpose for raising capital pursuant to this Entitlement Offer)

Integration risk	If the acquisition of TA completes, the EXP Group will offer additional adventure tourism activities including, but not limited to, the following: treetop rope courses, net parks, canopy tours, and zip lining tracks. Some of these activities, although forming part of the adventure tourism industry, have not been previously offered by the EXP Group. There is no guarantee that the EXP Group will be able to promptly or effectively integrate the activities which are offered by the businesses the subject of the acquisition into its current business. There is a risk that the integration of these new adventure tourism activities may be more complex than currently anticipated, involve unexpected challenges or issues, or may prove unsuccessful. Further, TA is dependent upon the experience and ongoing involvement of its key personnel, including its co-founders, and staff generally. There can be no assurance given that there will be no detrimental impact on the EXP Group if one or more of these personnel cease their engagement with TA following completion of the acquisition. While every effort is made to retain key personnel, and to recruit new personnel as the need arises, the loss of any key personnel may adversely affect the success of the integration of TA. If all or any of these things occur, the attention of management is likely to be diverted by an increasing focus on attending to such integration. These consequences may adversely affect the EXP Group's financial and operating performance.
Due diligence risk	EXP undertook financial, operational, safety and legal due diligence in respect of the acquisition of TA and was provided with the opportunity to review information provided on behalf of the vendors and TA. Not all relevant information was available, and information that was available may not have been provided. In respect of the material provided, EXP cannot verify with certainty the accuracy, reliability or completeness of that information. Further, although the transaction documents in respect of the acquisition provide some protection for the EXP Group in respect of representations and warranties regarding the due diligence information provided, there is no assurance that the EXP can recover any or all of its losses in the event that those representations or warranties are found to be incorrect. There can also be no certainty that the due diligence conducted was conclusive, and that all material issues and risks in respect of the acquisition have been identified or properly considered.
Completion risk	There can be no guarantee that the conditions precedent to the completion of the acquisition will be met or otherwise waived. For example, in light of the change of control of TA, there are certain consents required from landlords in respect of the key sites from which the TA business is operated and other counterparties prior to completion of the acquisition. Such approvals may be withheld or delayed.
Underwriting risk	The acquisition is funded by this Entitlement Offer. EXP entered into an underwriting agreement with the Underwriters in respect of the Entitlement Offer on 30 September 2021. The Underwriting Agreement contains representations, warranties, undertakings and indemnities in favour of the Underwriters. If certain conditions are not satisfied, or certain events occur, the Underwriters may terminate the Underwriting Agreement. If the Underwriting Agreement were to be terminated, there is a risk that EXP may not raise sufficient funds from this Entitlement Offer to complete the acquisition. In that event, the EXP Group would need to consider other funding options or may not be able complete the acquisition. If such an event occurred and the EXP Group proceeded with capital raising by way of other forms of equity financing to complete the acquisition, this may be dilutive to shareholders. Alternatively, if debt financing was pursued, this may result in restrictions being placed on the way the EXP Group can execute its operational and business strategies. Key terms of the Underwriting Agreement, including the material termination events, are set out in the Appendix titled 'Summary of Underwriting Agreement'.
Regulatory risk	The adventure tourism activities that the EXP Group will offer if the acquisition completes are subject to extensive and diverse regulations. Any new acquisition by any company in Australia also requires consideration of issues arising from the application of general competition law. The relevant regulatory regimes are complex and are subject to change (or change in their interpretation). Such changes may adversely affect the profitability of the EXP Group offering these new adventure tourism activities or the ability of the EXP group to complete or retain the acquisition.

KEY RISKS (continued)

Acquisition specific risks (risks specific to the Acquisition that is the purpose for raising capital pursuant to this Entitlement Offer)

Impact of COVID-19 on TA

TA's business has also been impacted significantly as a result of government restrictions imposed in response to the COVID-19 pandemic, particularly the closure of a number of venues that TA operates, border closures and lockdowns and restricted operating conditions in those venues as restrictions ease. The effect of such restrictions may continue for a prolonged period of time even as they begin to ease, such that TA operates under limited revenue conditions in the near to medium term before its operating environment recovers to pre-COVID levels. EXP is unable to estimate when such recovery may be achieved.

Retention of key management

There can be no guarantee that the EXP Group will be able to retain the services of key management personnel within the TA Business. Whilst every effort has been made to retain the co-founders and key management personnel for a period of up to 3 years following completion there is no guarantee that this will occur.

Revenue risk

There can be no guarantee that the EXP Group will be able to achieve the revenue or profits from the businesses the subject of the acquisition within the currently proposed timelines, or within the proposed budget. In particular, if there are delays in satisfying the conditions precedent to the acquisition, this will delay the timing for completion of the acquisition, and consequently the timing for EXP Group to commence earning revenue from the TA business.

KEY RISKS (continued)

EXP specific risks (risks specific to the EXP Group's business and the industry which it operates)

Safety	<p>EXP Group operates adventure experiences, including Skydiving, Great Barrier Reef Cruises, Multi-day Walks and Wildlife Camps, in various parts of Australia and New Zealand. These activities carry inherent risks and may be deemed to be high risk in nature due to the extremities of the experiences. Whilst EXP has a major focus on safety there can be no guarantee that injuries or fatalities will not occur.</p>
COVID-19 impact	<p>The ongoing COVID-19 pandemic has had a significant impact on the Australian and global economy and the ability of individuals, businesses, and governments to operate. Across Australia and the world, travel, trade, business, working arrangements and consumption have been materially impacted by the pandemic. In addition, events relating to COVID-19 have resulted in significant volatility across financial, commodity and other markets, including in the prices of securities trading on the ASX (including the price of EXP securities) and on other foreign securities exchanges.</p> <p>As EXP Group is a diversified tourism business operating in key tourist destinations across Australia and New Zealand, its operating and financial performance is dependent on the health of the tourism and travel industry generally. The events relating to the COVID-19 pandemic have resulted in unprecedented restrictions on domestic and international travel which has caused significant disruption to the tourism industry, including a decline in demand for tourism services (such as hotels, accommodation and tourism activities) and an increase in travel cancellation rates and the cancellation of associated tourism services, including the activities provided by the EXP Group. These restrictions have been imposed by domestic and international governments and regulatory authorities, and/or implemented as a matter of best practice during a health crisis.</p> <p>In response to the restrictions, the EXP Group has had to suspend certain operations, as necessary, in Australia and New Zealand. For example, for the year ended 30 June 2021, interstate border restrictions impacted EXP's GBR Experiences business with the Queensland border closed to the key markets of Sydney and Melbourne, including the key school holiday periods and the all-important late December to mid-January peak period.</p> <p>Since 30 June 2021, the Delta COVID-19 strain has had a significant impact on key operating locations and domestic source markets, in particular with lockdowns in the Auckland, Sydney, Melbourne and South East Queensland metropolitan regions. For example, Skydive Australia's NSW and Victorian drop zones have had limited activity in July 2021 and August 2021, with EXP Group's largest Australian skydiving site, Wollongong, being closed since late June 2021. While some of its operations have since recommenced, there is no guarantee that the EXP Group will not, from time to time, have to suspend its operations in some or all of the locations in which it operates in response to the ever evolving and uncertain circumstances of the COVID-19 pandemic.</p> <p>There is considerable uncertainty as to the duration and further impact of the COVID-19 pandemic including, but not limited to, in relation to government, regulatory or health authority actions, work stoppages, lockdowns, quarantines, travel restrictions, the velocity and efficacy of vaccine implementation strategies domestically and globally and the impact on regional and global economies.</p> <p>While the EXP Group is well positioned to sustain an extended period of hibernation, there is a risk that if the spread of COVID-19 continues and/or actions taken to combat COVID-19 persist (including the continuation of Government mandated lockdowns), the EXP Group's operational and financial performance could deteriorate significantly. There is no certainty that demand for the EXP Group's services will normalise to pre-COVID-19 levels or how long such normalisation might take.</p>
Customer risk	<p>The previous success of the EXP Group has been built around the growth rate of international visitation to Australia and New Zealand. Due to COVID-19 and the border policies of the Australian and New Zealand Governments the customer profile of EXPs business has now changed materially to a more domestic based consumer. With this customer change comes risk due to the seasonality of their consumption meaning that traditional shoulder periods are now longer in duration.</p>
Reputation risk	<p>The success of the EXP Group is dependent on it maintaining a positive reputation. Unforeseen issues or events and any associated negative publicity (for example, due to a safety incident) which place the reputation of the EXP Group at risk may impact on future earnings and its growth prospects. Investors should be aware that the activities undertaken and offered by the EXP Group (including those acquisitions undertaken by the businesses the subject of the acquisition) are inherently risky and any adverse event and any associated negative publicity may impact the EXP Group's reputation.</p>

KEY RISKS (continued)

EXP specific risks (risks specific to the EXP Group's business and the industry which it operates)

Competition and sensitivity	<p>Other entities in Australia, New Zealand and around the world offer adventure tourism products or services similar to the EXP Group and may try to compete with the EXP Group. For example, in relation to the businesses the subject of the acquisition, EXP is aware that there are a number of competitor businesses operating in the market in which those businesses operate.</p> <p>The EXP Group has no influence or control over the activities or actions of its competitors whose activities or actions may positively or negatively impact the operating and financial performance of the EXP Group. Competitors may have significant additional experience and/or resources to offer competing products, which may have an adverse impact on the EXP Group's financial position or prospects. The EXP Group cannot guarantee that a competitor will not reduce the EXP Group's market share or margins through competitive businesses or strategies.</p> <p>EXP's financial performance is sensitive to a number of variables, which may arise (both positive and negative) as a result of the competitive environment.</p>
Funding	<p>The EXP Group may in future require additional funding to assist with its growth strategy. The ability of the EXP Group to effectively implement and expand its business plan over time may depend, in part, on its ability to raise additional funds as required. EXP and the Directors give no assurance that in the future any equity or debt funding will be available to EXP; be available to it on acceptable terms; and/or be able to refinance any existing debt facilities on reasonable terms (as required).</p>
Financing	<p>The EXP Group amended and extended its financing arrangements with the National Australia Bank in the year ended 30 June 2021 in response to the impact of COVID-19. This included an extension of the facility to 31 August 2022 and previous covenants being replaced with a minimum cash requirement of \$6 million. To the extent that the EXP Group's operational and/or financial position deteriorates, EXP Group may breach the covenants and requirements under its existing financing arrangements, which may result in its financiers requiring their loans to be repaid immediately. If this were to occur, there is no assurance that it will be able to obtain further financial accommodation, which may have a material adverse effect on the EXP Group's future financial performance and position. Further, any additional deterioration in the economic or business environment may impact the EXP Group and this may also result in financiers requiring their loans to be repaid.</p>
Weather	<p>The ability of the EXP Group to provide its recreation, adventure and tourism services is, in many cases, weather dependent. Outdoor recreation, adventure and tourism activities, including those undertaken by the businesses the subject of the acquisition and, for example, the EXP's skydiving business, can be adversely affected by poor weather conditions such as strong winds, rainfall, low cloud or a combination of these meteorological events. Although every effort is made to continue business activities, the safety of customers is of paramount importance and cancellation or postponement of activities may affect revenue and profitability.</p>
Reliance on Board members and key personnel	<p>The EXP Group is dependent upon the experience of its Directors, key personnel and staff generally. The responsibility of overseeing the day-to-day operations and the strategic management of the EXP Group depends substantially on the Directors of EXP, its senior management and key personnel. There can be no assurance given that there will be no detrimental impact on the EXP Group if one or more of these personnel (including, without limitation, those people engaged in the businesses the subject of the acquisition) cease their employment or engagement with the EXP Group.</p> <p>While every effort is made to retain key personnel, and to recruit new personnel as the need arises, the loss of any key personnel may adversely affect the EXP Group's development plans, earnings or growth prospects and/or cause disruption to the conduct of the EXP Group's business.</p>
Equipment	<p>The EXP Group's business has significant reliance on equipment including specialised equipment. For example, its skydiving business relies on aircraft, parachutes and associated parachute equipment, vehicles and systems necessary for tandem skydiving. Many aspects of the activities conducted by the businesses the subject of the acquisition also rely on the availability of specialised equipment. EXP may incur significant expenditure on equipment and systems management upgrades and maintenance from time to time. The EXP Group's equipment and systems are an essential part of the successful running of its day-to-day business and, as such, any interruption in their operations could impair the ability of the EXP Group to service its customers.</p> <p>Maintenance, repair, backup and restoration procedures are in place. However, a natural disaster or other unforeseen event that results in a loss of use of, or access to, the EXP Group's equipment or systems, the loss or corruption of data or the inability of the EXP Group to service its customers could have a material negative impact on the EXP Group's operational and financial performance.</p>

KEY RISKS (continued)

EXP specific risks (risks specific to the EXP Group's business and the industry which it operates)

Relationship with suppliers and lessors	<p>The EXP Group contracts with third parties to provide certain goods and services including hangars, runways and some aircraft, and leases of all of its existing skydiving drop zone sites and some of the proposed locations for the activities conducted by the businesses the subject of the acquisition. The ongoing relationship management with its suppliers is important to the ongoing success of the EXP Group's business. Failure to maintain such relationships with its suppliers and certifiers in the future may lead to termination of any of the supply contracts or lease agreements and provide opportunities for competitors to gain an advantage, and may have other adverse effects such as lessening the ability of the EXP Group to service its customers which may, in turn, have an adverse effect on the EXP Group's earnings and growth prospects.</p>
Government, regulatory and legal risk	<p>The adventure tourism activities that the EXP Group offers are subject to extensive and diverse regulations. As a result, the EXP Group is subject to a range of regulatory controls imposed by governmental and regulatory authorities in Australia and New Zealand. The relevant regulatory regimes are complex and are subject to change over time, depending on changes in the laws and the policies of the governmental and regulatory authorities and/or a change in their interpretation. For example, in Australia its Skydiving Aircraft fleet must be maintained in accordance with CASA regulations and in NZ the Skydiving business must operate in accordance with CAA regulations. The EXP Group is exposed to the risk that such changes to the applicable laws and/or the interpretation of those laws may have a negative effect on EXP, its profitability, investments and/or returns to shareholders, or the risks associated with non-compliance with these laws (including reporting or other legal obligations). Any non-compliance may result in financial penalties being levied against the EXP Group.</p> <p>Changes in government, fiscal, monetary environmental, taxation, regulatory policies and other laws more generally may also affect the business of the EXP Group. Changes to such policies and laws could impact on the industry generally and have an adverse impact on the financial position, performance, assets and operations of the EXP Group.</p>
Permits	<p>The EXP Group relies upon permits from a variety of regulators. For example, the EXP Group's GBR Experiences business operations rely upon the ability of their vessels and vehicles to access permitted areas of the Great Barrier Reef and Daintree Rainforest from time to time. Some of EXP's Subsidiaries operate under permitted conditions by authorities such as the Great Barrier Reef Marine Park Authority (GBRMPA). These permits are issued to EXP for a term of operation which are required to be renewed from time to time. The EXP Group endeavours to meet all GBRMPA operational requirements and standard approvals. There is no guarantee that each of these businesses will continue to have their permits to operate renewed. GBRMPA may issue changes to the approvals and standards from time to time and the resultant changes may require the installation of additional equipment, modifications, additional costs and time to resolve or comply. If any of these circumstances arise, it could impact on the EXP Group's proposed future sales of GBR Experiences and related products and would negatively impact future revenue generation.</p> <p>Further, as the acquisition will involve the EXP Group offering new adventure tourism activities such as aerial adventures in natural environments, there may be additional Government and/or council permits from different regulators that will need to be maintained, and the conditions of such permits complied with.</p>
Environmental considerations	<p>The EXP Group's operations at various tourist destination sites (for example, the Great Barrier Reef) are subject to environmental considerations, such as permit requirements and environmental regulations. The EXP Group holds relevant and valid permits under regulatory bodies such as the Great Barrier Reef Marine Park Authority and Queensland Parks and Wildlife Service, and carries out its activities within the guidelines prescribed by such regulators. Compliance with existing environmental regulations and new regulations are monitored annually. This process includes procedures to be followed should an incident adversely impact the environment.</p> <p>There is a risk that the environmental regulations to which the EXP Group is subject to may be updated and/or expanded, as regulatory authorities are often considering legislative and regulatory proposals concerning environmental laws, policies and regulation (particularly in light of the rise of concern for climate change and environmental conservation).</p> <p>Permits held by the EXP Group may be revoked or expire with no assurance that the EXP Group will, in the future, be granted with a new permit or any continuation of the permits which it currently holds. In the event, any of the EXP Group's operations result in an incident adversely impacting the environment this could result in significant costs and/or reputational damage.</p> <p>Such circumstances would have an adverse impact on the EXP Group's operations at the relevant sites and may therefore negatively impact the EXP Group's financial performance.</p>

KEY RISKS (continued)

EXP specific risks (risks specific to the EXP Group's business and the industry which it operates)

Growth management	<p>The EXP Group's success is dependent upon the successful management and execution of its business and growth strategy. To manage its growth effectively, EXP will need to maintain efficient control and supervision of its operations and financial systems and continue to expand, train and manage its employees and secure new appropriately skilled employees. Further, the EXP Group will need to keep abreast of new and developing technology.</p> <p>In particular, EXP's growth strategy depends upon its ability to continue to maintain and grow generic earnings as well as identify and make suitable acquisitions that are revenue and profit accretive. There is a risk that EXP may not be able to execute its growth strategies. While the Directors are of the view that there are plans in place to ensure the risks associated with executing EXP's business and growth strategies are mitigated, if these risks are not managed effectively this may adversely impact upon EXP's financial performance and investor returns.</p>
Taxation	<p>Changes in tax law, or changes in the way taxation laws are interpreted may impact the tax liabilities of the EXP Group or the tax treatment of a Shareholder's investment. In particular, both the level and basis of taxation may change. In addition, an investment in the New Shares involves tax considerations which may differ for each Shareholder. Each prospective Shareholder is encouraged to seek professional tax advice in connection with any investment in EXP.</p>
Dividend risk	<p>There is no certainty that EXP will pay dividends in the future.</p>
Insurance	<p>The operation of the EXP Group's business involves hazards and inherent risks that could result in the EXP Group incurring losses or liabilities that could arise from its operations. The EXP Group has, and intends to maintain, adequate insurance coverage in respect of these hazards and risks. For example, the EXP Group's parachuting operations at each of its Australian drop zones are covered by public liability insurance provided to all members of the Australian Parachute Federation (APF) as part of membership fees paid by the EXP Group to the APF. The public liability insurance provided with membership of the APF responds in relation to negligent damage caused to any third party person or property whilst participating in parachuting activity under the auspices of APF.</p> <p>If the EXP Group incurs losses or liabilities which are not covered by any of its insurance policies or which exceed the limit of its insurance, the funds available for working capital and/or revenue growth opportunities may be reduced.</p> <p>EXP has, and intends to maintain, insurance of its assets and operations in accordance with industry practice through its own insurance policies. However, the occurrence of an event that is not covered or fully covered by these insurance policies could have a material adverse effect on the business, financial condition and results of EXP.</p>
Litigation, claim and disputes	<p>In the ordinary course of its business, the EXP Group may be subject to the risk of claims, litigation and/or other disputes with its employees, consultants, lessors, regulators, customers and other third parties. Proceedings are time consuming and may result in significant costs, adverse monetary judgments and/or damage to the EXP Group's reputation, which may have an adverse effect on the financial performance of the EXP Group. There can be no assurance as to the outcome of any claim, litigation and other dispute, and the adverse determination of any material litigation could have a materially adverse effect on the EXP Group's reputation and business, as well as its operating and financial performance.</p>
Acquisition, divestment and investment risk	<p>From time to time, the EXP Group evaluates acquisition and divestment opportunities (e.g. EXP's recent business simplification strategy included the divestment of various surplus assets). There can be no assurance that the EXP Group will identify suitable acquisition or divestment opportunities or other projects at acceptable prices, or successfully execute those opportunities.</p> <p>In addition, the EXP Group's past and future acquisitions and divestments may subject it to unanticipated risks and liabilities, or may disrupt its operations. Acquisitions and divestments may not deliver projected benefits or value, resulting in interruptions to the achievement of business strategy. Due diligence undertaken in making acquisitions and divestments may not have identified all liabilities and risks associated with the relevant business. This may divert management's attention and resources from the EXP Group's day to day operations.</p>

KEY RISKS (continued)

General risks (general risks associated with an investment in EXP)

Income and capital risk	An investment in EXP is speculative in nature and the capital contributed, and the returns projected, are not guaranteed by EXP, its Directors, officers or any other person. The speculative nature of the investment poses a risk and the capital may not be returned.
Liquidity risk	There is no guarantee that EXP's ordinary shares will trade at a particular price or a particular volume. There is no guarantee that there will be an ongoing liquid market for EXP's ordinary shares. Accordingly there is a risk that, should the market for shares become illiquid, shareholders will be unable to realise their investment in EXP.
Dilution risk	EXP may need to raise additional funds, through a further capital raising or debt facility, at some time in the future after the conclusion of this Entitlement Offer. Any such further capital raising is likely to have the effect of diluting the interests of shareholders. Additionally, in the event that a shareholder does not participate in the Retail Entitlement Offer at all, or to the maximum amount of its Entitlement, it is likely to see its shareholding in EXP diluted.
Accounting standards may change	Accounting standards may change. This may affect the reported earnings of EXP and its financial position from time to time. EXP will continue to assess and disclose, when known, the impact of adopting new accounting standards in its periodic financial reporting.
General economic risks	<p>The performance of EXP, in common with other companies, is subject to general economic conditions, movements in interest and inflation rates, prevailing global commodity prices and currency exchange rates that may have an adverse effect on EXP's activities, as well as its ability to fund those activities. Further, share market conditions may affect the value of EXP's quoted securities regardless of EXP's operating performance. Share market conditions can be affected by many market factors such as:</p> <ul style="list-style-type: none">• General economic outlook;• Interest rates and inflation rates;• Currency fluctuations; and• Changes in investor sentiment. <p>No assurance can be given that the New Shares will trade at or above the Issue Price, and none of EXP, its Board, the Underwriters or any other person guarantees the market performance of the New Shares. Further, share market conditions may affect the value of EXP's quoted securities regardless of EXP's operating performance.</p>

INTERNATIONAL OFFER RESTRICTIONS

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

HONG KONG

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

NEW ZEALAND

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

SINGAPORE

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

SUMMARY OF UNDERWRITING AGREEMENT

EXP has entered into an underwriting agreement with E&P Corporate Advisory Pty Ltd ACN 137 980 520 and Ord Minnett Limited ACN 002 733 048 (together, the “Joint Lead Managers” and each a “Joint Lead Manager”) pursuant to which the Joint Lead Managers have been appointed as joint lead managers, bookrunners and underwriters of this Entitlement Offer (“Underwriting Agreement”).

The Underwriting Agreement contains representations, warranties and indemnities in favour of the Joint Lead Managers.

Each Joint Lead Manager may terminate its obligations under the Underwriting Agreement on the occurrence of certain termination events, including, but not limited to, where:

- EXP ceases to be admitted to the official list of ASX or its shares are suspended from trading on, or cease to be quoted on ASX or it is announced by ASX or EXP that such an event will occur;
- EXP or a subsidiary which represents 5% or more of the consolidated assets or earnings of the EXP Group is insolvent or there is an act or omission, or a circumstance arises, which is likely to result in EXP or such a subsidiary becoming insolvent;
- EXP withdraws all or any part of this Entitlement Offer;
- there is an event or occurrence which makes it illegal for the Joint Lead Managers to satisfy a material obligation of the Underwriting Agreement or to market, promote or settle this Entitlement Offer;
- EXP is unable to issue or prevented from issuing New Shares by virtue of the ASX Listing Rules, applicable laws, a governmental agency or an order of a court of competent jurisdiction;
- a director or the chief executive officer or chief financial officer is charged with an indictable offence or fraudulent conduct, any director is disqualified under the Corporations Act from managing a corporation, or any regulatory body commences any public action against EXP, or any director or the chief executive officer or chief financial officer, or public announces that it intends to take any such action;
- there is a change (or a prospective change is announced) in the chief executive officer, chief financial officer or chairman of EXP, other than one which has already been disclosed to ASX or to the Joint Lead Managers before the date of the Underwriting Agreement;
- except as disclosed in the offer documents for this Entitlement Offer, there is an alteration to EXP's capital structure without the prior consent of the Joint Lead Managers (such consent to be unreasonably withheld or delayed) or as otherwise provided in the Underwriting Agreement;
- the S&P/ASX 300 Index falls to a level which is 12.5% or more below the level of that index on the close of trading on the business day before the date of the Underwriting Agreement and closes at or below that level on any two consecutive business days after the date of the Underwriting Agreement and on or before the business day immediately prior to the retail settlement date or at the close of trading on the business day immediately prior to the institutional settlement date or retail settlement date;

•EXP makes a public statement or notifies a Joint Lead Manager to the effect that it does not intend to proceed with the acquisition of TA or the acquisition agreement is:

- terminated, rescinded, avoided, withdrawn or repudiated or rendered void, voidable, invalid, illegal or otherwise unenforceable, or is otherwise unable to be completed in accordance with its terms;
- breached in circumstances where the breach has or would be likely to have (in the opinion of the Joint Lead Managers, acting reasonably) a material adverse effect on EXP or TA;
- amended in a material respect without the consent of the Joint Lead Managers (such consent not to be unreasonably withheld or delayed);

•a condition to completion of the acquisition agreement becomes, in the reasonable opinion of a Joint Lead Manager, incapable of satisfaction by the time required for its satisfaction;

•certain ASIC orders or determinations are issued or applied for, or certain investigations are commenced by ASIC or other government agencies in relation to this presentation or certain other documents issued in connection with this Entitlement Offer;

•in the opinion of the Joint Lead Managers (acting reasonably), EXP becomes required to give, or gives, in respect of the cleansing notice issued in connection with this Entitlement Offer which is defective, a notice in accordance with subsection 708AA(10) of the Corporations Act;

•any material licence, lease, permit, concession, tenement, authorisation or concession of the EXP group (“Authorisation”) is, or is likely to be, invalid, revoked or unenforceable, including as a result of the introduction of new legislation in the relevant jurisdiction or any Authorisation is breached or not complied with in a material respect;

•a certificate which is required to be furnished by EXP under the Underwriting Agreement is not furnished when required or if unfurnished is untrue, incorrect or misleading or deceptive in any material respect (including by omission);

•unconditional approval (or conditional approval, provided such condition would not have a material adverse effect on the success or settlement of this Entitlement Offer) by ASX for official quotation of the New Shares is refused or is not granted by the time required to issue the relevant New Shares in accordance with the timetable for this Entitlement Offer or, if granted, is modified (in a manner which would have a material adverse effect on the success or settlement of this Entitlement Offer) or withdrawn;

•any event specified in the timetable for this Entitlement Offer is delayed without the prior consent of the Joint Lead Managers (such consent not to be unreasonably withheld or delayed), provided that if the variation in the timetable is more than 1 business day in the period up to and including the institutional settlement date or more than 2 business days in the period after the institutional settlement date, the Joint Lead Managers may refuse to consent to a variation of the timetable in their absolute discretion.

SUMMARY OF UNDERWRITING AGREEMENT (CONTINUED)

In addition, each Joint Lead Manager may terminate its obligations under the Underwriting Agreement if any of the following events has had, or is likely to have, a material adverse effect on the financial position or performance, shareholders' equity, profits, losses, results, condition, operations or prospects of EXP or the EXP group, the success or outcome of this Entitlement Offer, the willingness of investors to subscribe for New Shares or the ability of the Joint Lead Managers to market, promote or effect settlement of this Entitlement Offer, or has given rise to or could reasonably be expected to give rise to a contravention by, or a liability of the Joint Lead Managers under any applicable law or regulation:

- EXP fails to perform or observe any of its obligations under the Underwriting Agreement;
- any of the documents required to be provided under the due diligence process outline prepared in connection with this Entitlement Offer having been withdrawn or materially varied without the prior written consent of the Joint Lead Managers (such consent not to be unreasonably withheld or delayed);
- the due diligence report or the information provided by or on behalf of EXP to the Joint Lead Managers in connection with the due diligence conducted in relation to this Entitlement Offer, the offer documents for this Entitlement Offer or this Entitlement Offer is false, misleading or deceptively or likely to mislead or deceive (including by omission);
- a representation or warranty made or given by EXP under the Underwriting Agreement is breached or proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive;
- legal proceedings against EXP, any other EXP group member or against any director of EXP or any other EXP group member in that capacity is commenced or any regulatory body commences any enquiry or public action against an EXP group member;
- EXP or any of its directors or officers engages in misleading or deceptive conduct or activity in connection with this Entitlement Offer;
- a new circumstance arises which is a matter adverse to investors in New Shares and which would have been required by the Corporations Act to be included in the cleansing notice issued in connection with this Entitlement Offer had the new circumstance arisen before the cleansing notice was given to ASX;
- EXP commits a breach of the Corporations Act, ASX Listing Rules, the constitution, or other applicable laws;
- there is an adverse change, or an event occurs that is likely to give rise to an adverse change, in the business, assets, liabilities, financial position or performance, operations, management, outlook or prospects of EXP or the EXP group (in so far as the position in relation to any entity in the EXP group affects the overall position of EXP);
- any expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective financial statements, information or data) in an offer document for this Entitlement Offer or in public information is or becomes incapable of being met or, in the reasonable opinion of either of the Joint Lead Managers, unlikely to be met in the projected timeframe;
- any statement in an offer document for this Entitlement Offer is or becomes false, misleading or deceptive or likely to mislead or deceive or any offer document for this Entitlement Offer does not contain all information required to comply with all applicable laws;
- EXP issues an offer document for this Entitlement Offer without the prior approval of the Joint Lead Managers (such approval not to be unreasonably withheld) or varies or withdraws an existing offer document for this Entitlement Offer without the prior approval of the Joint Lead Managers (such approval not to be unreasonably withheld);

•there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or prospective law or any new regulation is made under any law, or a governmental agency or the Reserve Bank of Australia adopts a policy, or there is an official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a governmental agency that such a law or regulation will be introduced or policy adopted (as the case may be) (other than a law or policy that has been announced before the date of the Underwriting Agreement), any of which does or is likely to prohibit or regulate this Entitlement Offer or adversely affects the EXP group;

•any of the following occurs:

- a general moratorium on commercial banking activities in Australia, New Zealand, the United States, Singapore, the United Kingdom, China or Hong Kong (the "Specified Jurisdictions") is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
- trading in all securitised quoted or listed on the ASX, the London Stock Exchange, the New York Stock Exchange or the Shanghai Stock Exchange, is suspended or limited in a material respect; or
- the occurrence of any other adverse change or disruption to financial, political or economic conditions, in a Specified Jurisdiction, or any change or development involving such a prospective adverse change in any of those conditions;

•major hostilities not existing at the date of the Underwriting Agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of the Specified Jurisdictions, or a national emergency is declared by any of those countries, or a major terrorist act is perpetrated anywhere in the world;

•an event specified in paragraphs (a) to (h) of subsection 652C(1) of the Corporations Act as if references to 'the target' were replaced by references to 'EXP' occurs during the offer period for this Entitlement Offer, other than as contemplated by the Underwriting Agreement or pursuant to this Entitlement Offer, in a manner described in any documents lodged by EXP with ASX on or before the date of the Underwriting Agreement, EXP issuing securities pursuant to the exercise or conversion of any security on issue as at the date of the Underwriting Agreement, any employee incentive scheme in operation as at the date of the Underwriting Agreement, the acquisition of TA, any distribution reinvestment plan, or as permitted in writing by the Joint Lead Managers.

If a Joint Lead Manager terminates its obligations under the Underwriting Agreement, it will not be obliged to perform any of its obligations that remain to be performed. Termination of the Underwriting Agreement by one or both Joint Lead Managers could have an adverse impact on the amount of proceeds raised under this Entitlement Offer.

THANK YOU

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