

An aerial photograph of a tropical coastline. On the left, a narrow strip of golden sand beach is bordered by lush green vegetation. The ocean is a vibrant turquoise, with white foam from breaking waves visible near the shore. In the upper right corner, a skydiver is seen in mid-air, suspended by a large, multi-colored parachute (yellow, blue, and white) against a clear blue sky.

Skydive the Beach

AND BEYOND

Annual General Meeting
4 November 2016

PRESENTERS



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CHAIRMAN



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AGENDA

- ① Chairman's Address
- ② FY16 Review
- ③ Strategy
- ④ FY17 Highlights to date
- ⑤ Outlook and Summary

1. Chairman's Address

**SKYDIVE THE BEACH
ANNUAL GENERAL MEETING
4 NOVEMBER 2016
CHAIRMAN'S ADDRESS**

Ladies and Gentlemen –

Thank you for attending this 2nd Annual General Meeting of Skydive the Beach. We do appreciate your support.

I am Deputy Chair and am standing in for Bill Beerworth as Chair for this AGM, who is recovering from surgery and unable to be here.

The Skydive journey since this time last year has continued to be both remarkable and exciting:

- The year ended June 2016 saw the achievement of \$58.5m in revenue and \$13.5m EBITDA, both metrics up substantially on last year and achieved the market outlook,
- We continued the payment of a dividend of \$0.01 per share,
- subsequent to year end, we raised an additional \$15m by way of a share placement and acquired **Wanaka Skydive** and some associated assets, another of New Zealand's leading tandem skydiving operators based 1 hour from Queenstown,
- Just recently we raised a further \$19.6m through a placement and rights issue to acquire **Raging Thunder** and some associated assets, a diversified Cairns based adventure tourism business operating white water rafting, hot air ballooning and reef tours with associated activities.
- Skydive now operates 18 tandem skydiving drop zones in Australia and 3 in New Zealand, has a total fleet of 29 aircraft and a considerable number of other key assets such as parachute rigs, rafts, hot air balloons, boats, etc, supporting our core business and diversification into other adventure activities,
- As we look forward to 2017, we continue to focus on our operational, acquisition and diversification objectives.

The Executive Directors and indeed, the entire management team have performed admirably throughout the year, but we were very saddened by the unfortunate accident that befell COO, Tim Radford, who is continuing his recovery from a very serious, but unrelated accident.

We have been well supported in our journey by a group of very dedicated professionals including RSM Australia, Bird & Bird and Veritas Securities and I thank them on behalf of the company.

Above all, we are most grateful to our shareholders for their strong support.

The foundations are in place for a highly successful FY2017.

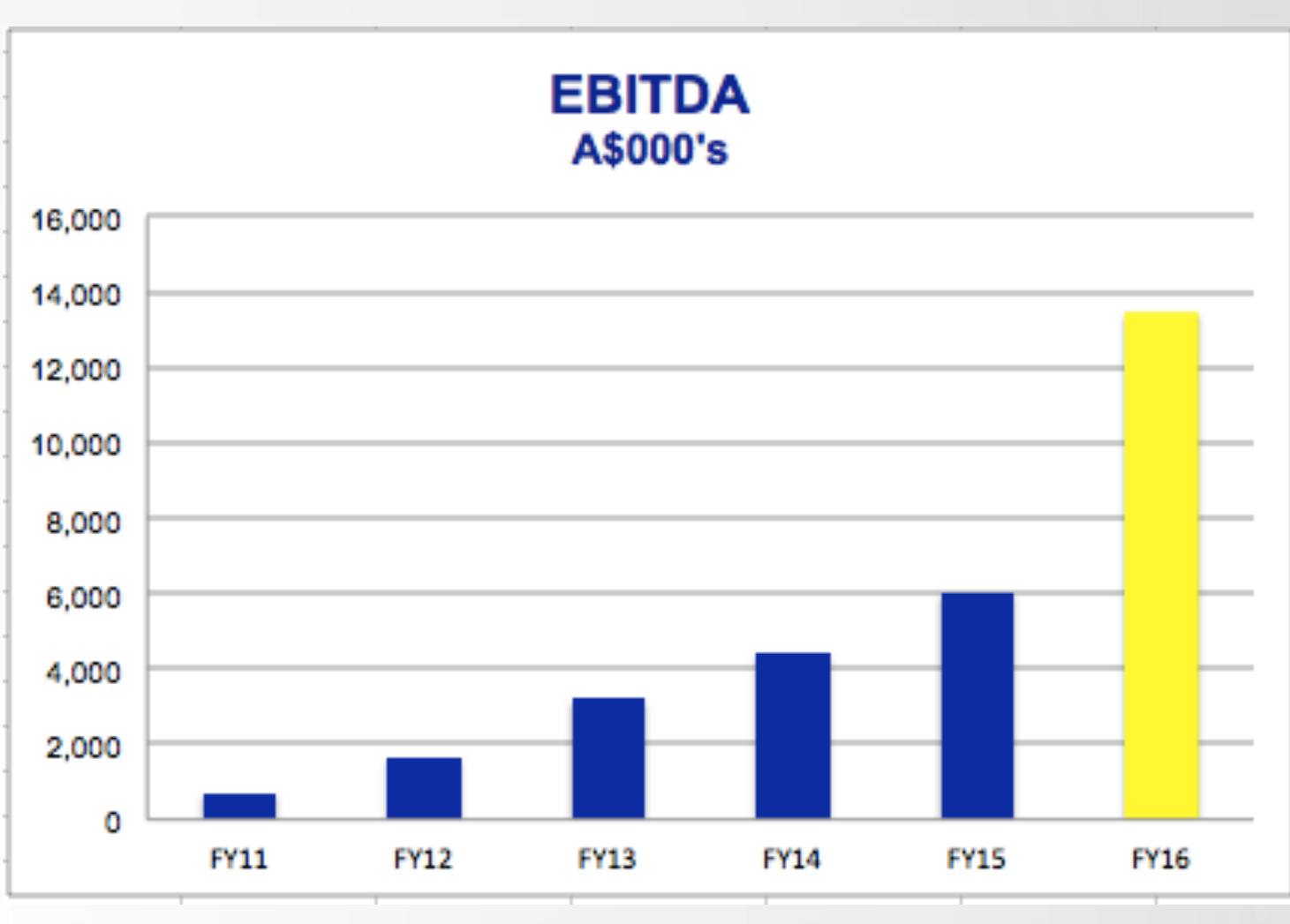
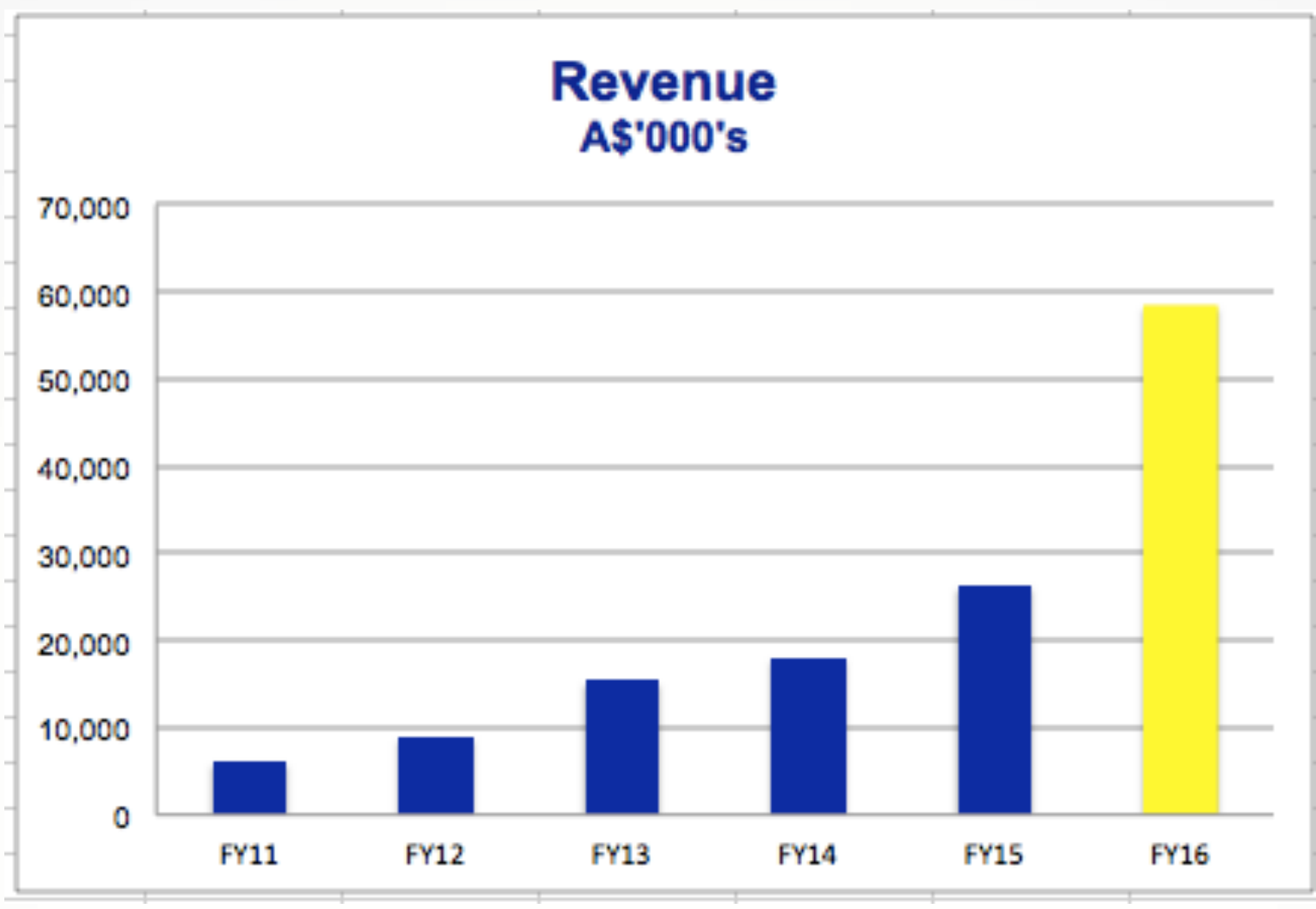
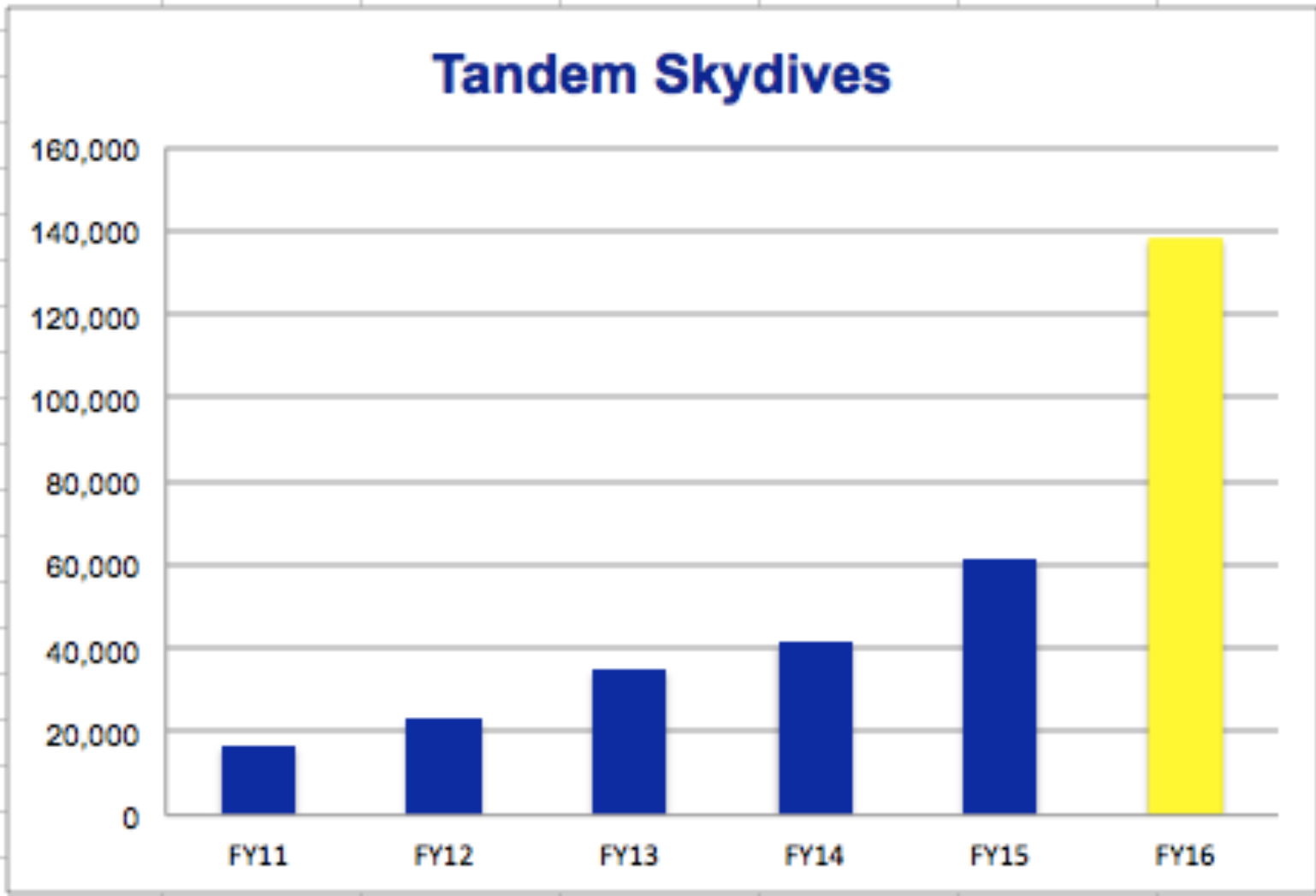
John F Diddams
Deputy Chairman

2. FY16 Review

OPERATIONAL HIGHLIGHTS – FY16

- ⦿ **Successful completion of first full financial year as a publicly listed company** achieving the goals as set out in the company's prospectus, continuing to deliver on the key strategic priorities of acquisitions, diversification, start-ups and efficiencies.
- ⦿ **2 capital raises, raising a total of \$35m**, significantly oversubscribed with strong investor support from prominent Australian Institutional investment funds
- ⦿ **Deployment of capital achieved in FY16 through acquisition and enhancement of NZone Skydive**
- ⦿ **Further deployment of capital achieved through the impending acquisition of Skydive Wanaka** on 1 July 2016
- ⦿ **Growth delivered organically and through acquisition:** tandem jumps up more than 126% (YoY) FY16 vs FY15
- ⦿ **Final dividend of 1cps**, 100% franked, in line with prospectus guidance

FINANCIAL HIGHLIGHTS – STRONG GROWTH IN FY16 ACHIEVED



- ⦿ **Tandems** up 126% from 61,069 to 138,215
- ⦿ **Revenues** up 122% from A\$26.3m to A\$58.5m
- ⦿ **EBITDA** up 123% from A\$6.0m to A\$13.5m

3. Strategy

FOUR KEY STRATEGIC PRIORITIES DRIVING FUTURE GROWTH

Acquisitions ✓



Efficiencies ✓

**Skydive
the Beach**

AND BEYOND

✓ Diversification



Further Start ups



STRATEGIC ACTIVITIES IN FY16

- ⦿ **NZone Skydive acquisition completed 30 October 2015**
 - Purchase price \$11.7m (4.3x EBITDA 2014)
 - Significant operational efficiencies delivered and natural diversification into an international market
- ⦿ **Upgrade to aircraft fleet:** continued the company's strategy to obtain larger, more fuel efficient aircraft to assist in the increase of processing rates
- ⦿ **Upgrade to aircraft engines** continued the company's strategy to update the exhausted engines in the existing fleet with faster, more modern and more fuel efficient engines to increase processing rates and reduce maintenance hours
- ⦿ **MOU signed for Skydive Wanaka acquisition** (acquisition completed 1 July 2016)

4. FY17 Highlights to date

ACQUISITION OF SKYDIVE WANAKA



Wanaka deal completed July 2016

FY16 Revenue NZ\$6.5m

FY16 normalised EBITDA NZ\$2.3m



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ACQUISITION OF PERFORMANCE AVIATION

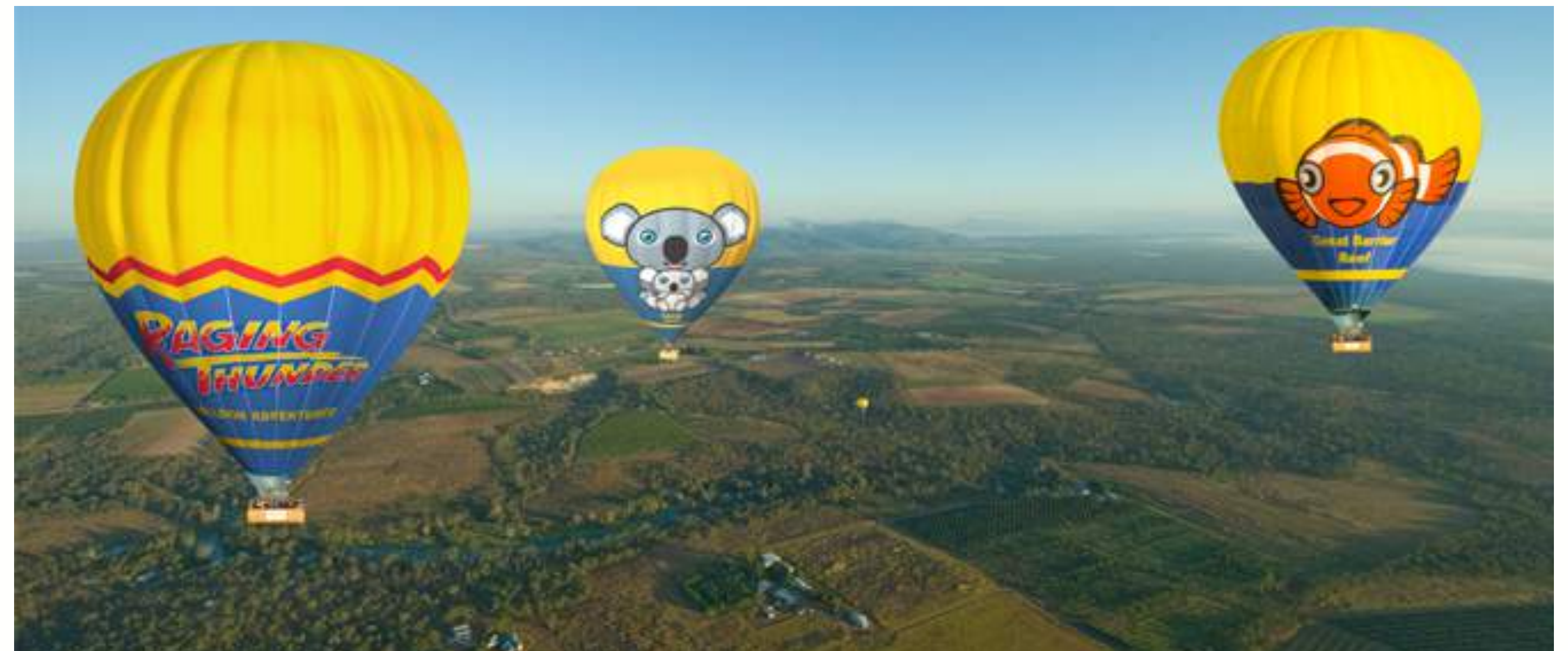


**Performance
Aviation deal
completed October 2016**
FY16 Revenue NZ\$1.1m
FY16 normalised EBITDA A\$370k

ACQUISITION OF RAGING THUNDER ADVENTURES



**RT deal completed
October 2016**
FY16 Revenue A\$14.6m
FY16 normalised
EBITDA A\$3.0m



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ACQUISITIONS STRONG STRATEGIC FIT WITH SKB

- ⦿ **Executes on SKB's growth strategies**
 - Adds established growth businesses to SKB's market leading position
 - Continues SKB's international operational footprint
 - Creates a diversified portfolio of assets
 - Safeguards the business
- ⦿ **Increases expertise and skills** across the business as well as asset optimisation
- ⦿ **Synergies** – economies of scale with expected cost savings
- ⦿ All acquisitions **EBITDA accretive for SKB** in first year

5. Outlook and Summary

EXPECTED FINANCIAL IMPACT AND FY17 GUIDANCE

- ⦿ SKB are pleased to announce that results and KPI's for the first quarter in FY17 are in line with management expectations and ahead of the same period last year
- ⦿ Acquisitions made in FY16 are EBITDA accretive from date of completion
- ⦿ Strong business momentum is expected to continue in FY17
- ⦿ SKB has made the decision to not release guidance for FY17, and will reconsider their position after the half year report is produced. Post 31 December 2016 SKB would have had 3 months of Raging Thunder Adventures trade and it is anticipated that the company will be in a better position to provide the market guidance.

SUMMARY

- ⦿ Leading Australian multi-faceted adventure tourism company
- ⦿ Premium aircraft fleet
- ⦿ International network with premium locations
- ⦿ Attractive industry with long-term growth
- ⦿ Strong leadership team

Although the SKB journey appeared to start in March of 2015, the business was actually first conceptualised by a guy and a girl in the back of a bus travelling through Mexico in the summer of 1996. As history suggests, it ended up with a dropzone opening up in Wollongong, NSW in 1999. Since this time we have been introduced to and indeed met some wonderful people and fantastic supporters of the business, and we would like to take this opportunity to thank not only that guy and girl (who are still with us today), but also our families, our friends, our investors, our business partners and most importantly the people that help make SKB the ultimate customer experience it is today ... the SKB crew.

Bowie & Ant and the rest of the SKB Board of Directors

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Further information

www.skydive.com.au

also:

www.nzoneskydive.co.nz

www.skydivewanaka.co.nz

www.ragingthunder.com.au