

YEAR ENDED 30 JUNE 2024



# Annual Report

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This annual report is a review of SkyCity Entertainment Group Limited (**SkyCity** or the **company**) and, together with its subsidiaries, the **Group**) and its subsidiary companies' performance for the financial year ended 30 June 2024. Where appropriate, information is also provided in relation to the Group's activities after 30 June 2024.

This annual report has been prepared in accordance with the NZX Listing Rules, NZX Corporate Governance Code (1 April 2023 Edition), New Zealand Companies Act 1993 and New Zealand Financial Markets Conduct Act 2013 and, although SkyCity is not required to comply with ASX Listing Rule 4.10 (which requires entities to include certain prescribed information in their annual reports) as it has a 'Foreign Exempt Listing' status on the Australian Securities Exchange (ASX), substantially reflects the ASX Listing Rules and Corporate Governance Principles and Recommendations (Fourth Edition) of the ASX Corporate Governance Council.

This annual report has also been prepared with due consideration of the International Integrated Reporting Council's International Integrated Reporting Framework. Integrated reporting applies principles and concepts that are focused on bringing greater cohesion and efficiency to the reporting process and adopting 'integrated thinking' as a way of breaking down internal silos and reducing duplication.

In line with this integrated approach, this annual report also includes SkyCity's first climate-related disclosures as required by the Aotearoa New Zealand Climate Standards released by the External Reporting Board in December 2022. For ease of reference, a climate-related disclosure reference index based on the Aotearoa New Zealand Climate Standards is included on pages 172 - 175 of this annual report.

The financial statements included in this annual report have been prepared in accordance with the International Financial Reporting Standards.

This annual report also includes non-GAAP financial measures (underlying financial information) which have not been prepared in accordance with International Financial

Reporting Standards. Our objective in providing this underlying financial information is to provide data that is useful to the investment community in understanding the underlying operations of the SkyCity Group – the intention being to provide information which is representative of SkyCity's underlying performance (as a potential indicator of future performance), can be compared across years and can assist with comparison between publicly listed casino companies in New Zealand and Australia. Further details of SkyCity's underlying financial information are provided on pages 169 - 170 of this annual report.

The non-financial information in this annual report has been informed by the principles and disclosures of the Global Reporting Initiative's (GRI) Sustainability Reporting Standards. A GRI reference index based on the GRI Sustainability Reporting Standards is included on page 171 of this annual report.

Unless otherwise stated, all dollar amounts in this annual report are expressed in New Zealand dollars. Certain totals, subtotals and percentages stated in this annual report may not agree throughout due to rounding.

An electronic copy of this annual report is available in the Investor Centre section of the company's website at [www.skycityentertainmentgroup.com](http://www.skycityentertainmentgroup.com).

If you have any feedback and/or questions in relation to SkyCity's sustainability framework and/or reporting, please contact SkyCity at [sustainability@skycity.co.nz](mailto:sustainability@skycity.co.nz).

**This annual report is dated 22 August 2024 and is signed on behalf of the SkyCity Board by:**

Julian Cook  
Chair of the  
SkyCity Board

Chad Barton  
Chair of the  
Audit Committee



Eos by SkyCity,  
SkyCity Adelaide

### 2024 HYBRID ANNUAL MEETING

The 2024 SkyCity Annual Meeting will be held at the SkyCity Theatre, Level 3, SkyCity Auckland, Corner of Wellesley and Hobson Streets, Auckland, and online on 31 October 2024 commencing at 11.00am (New Zealand time).

Instructions and further details on how shareholders can participate in the Annual Meeting will be included in the Notice of Meeting to security holders.

### NZX LISTING STATUS

SkyCity Entertainment Group Limited has been designated as 'Non-Standard' by the NZX Limited due to certain restrictions in the company's constitution. See page 109 of this annual report for further details.



# REPORT

## from the Chair

We remain committed to ensuring that we provide safe and responsible experiences and environments for our people and customers and will continue to focus on, and invest in, the ongoing improvement of our business.

Julian Cook  
Chair of the  
SkyCity Board



### INTRODUCTION

The 2024 financial year can be marked as one of considerable upheaval, challenge and change for SkyCity, culminating in some significant internal and external developments.

These include the Department of Internal Affairs (DIA) launching regulatory action against our New Zealand casinos in relation to historical breaches of both responsible gaming and anti-money laundering obligations, the departure of our previous Chief Executive Officer, the resignation of our Chief Financial Officer, the buy-back of the Auckland car park concession, and the appointment of a new Chief Executive Officer and recently a new Chief Financial Officer.

This year, we reached settlements on both the DIA actions, as well as the action already underway by the Australian Transaction Reports and Analysis Centre (AUSTRAC) regarding SkyCity Adelaide Pty Limited (SkyCity Adelaide).

On a positive note, in recent weeks, we have celebrated the official opening of our new 5-star hotel in Auckland, Horizon by SkyCity, a key milestone towards the completion of the New Zealand International Convention Centre (NZICC).

These developments are set against the backdrop of weak trading conditions, resulting in the suspension of dividends until at least the end of the 2025 financial year, and a drop in our share price to around \$1.60 at the date of this annual report.

We are acutely aware that our financial results and share price performance are not welcome developments for shareholders. However, these must be seen in the context of the need to address shortcomings. It is clear that historically SkyCity's focus, resources and investment have fallen short of what was required of the business in meeting our regulatory obligations.

In short, SkyCity has failed to meet the standards expected of us, and we are rightly being held to account for them. We acknowledge and genuinely apologise for these failings, and as a Board and Executive we are wholly committed to meeting our obligations, caring for our people, customers and communities, and delivering appropriate returns. The settlement of the DIA actions in New Zealand, strengthened management team with a new Chief Executive Officer and Chief Financial Officer now in place, the opening of Horizon by SkyCity, and a comprehensive Transformation Programme are all key parts of improving SkyCity's performance. The opening of the NZICC and regulation of online casinos in New Zealand will also provide significant opportunities for the Group.

### RISK MANAGEMENT AND REGULATORY COMPLIANCE – A PRIORITY FOCUS

Necessarily, risk management and regulatory compliance are priority focus areas for the Board, Executive, and our 4,500-strong team across Australia and New Zealand.

In 2021, we embarked on a programme to strengthen how we manage risk and compliance across the SkyCity Group. We have made significant progress to date, including:

- completing a full refresh of the SkyCity Board, including the recruitment of directors with specialist risk expertise;
- creation of a dedicated Board Risk and Compliance Committee to oversee anti-money laundering and countering financing of terrorism (AML/CFT), host responsibility, risk management and other compliance obligations;
- appointment of a Group Chief Risk Officer and moving the AML/CFT and host responsibility teams' reporting lines directly to this position;
- adoption of a three lines of accountability framework across SkyCity;
- significant enhancement and investment in our internal AML/CFT and host responsibility resourcing and capability, processes and systems;
- increasing capacity in our financial crime, risk and compliance and host responsibility teams, with 113 employees as at 30 June 2024; and

- reducing risk and complexity by changing the way we operate to reflect our lower risk tolerance, including limiting the ways in which customers can transact with us.

The DIA actions highlight deficiencies in SkyCity's AML/CFT risk assessment and programme in New Zealand dating back to 2014 (which were not fully remediated until July 2021), and SkyCity has admitted breaches of its AML/CFT obligations over the period from 2018 to 2023. These breaches are characterised in the pleadings as being "systemic deficiencies" and "long-term non-compliance". We acknowledge the timespan and depth of these breaches. Whilst good progress has been made in our uplift activities since 2021, it is incumbent on us to fully interrogate and understand our failings.

Since commencing in 2023, our Chief Risk Officer has significantly improved the capability and capacity of the teams in the risk area. A key part of this work has been undertaking a comprehensive exercise to develop a clear understanding of the historical shortcomings and causes, particularly focused on our New Zealand operations. At a high level, these can be summarised as insufficient importance placed on compliance within the business, lack of investment in systems and people to support this, and a lack of capability and expertise in these areas at all levels of the business.

This makes for uncomfortable reading, but our regulators, shareholders, customers and wider stakeholders need to have confidence that we fully understand the nature of the issues which need to be fixed, that our culture will put compliance ahead of short term profits, and that there is focus and determination to ensure we achieve our objectives.

Led by our Chief Risk Officer, we have now developed a multi-year Transformation Programme which will embed improved practices through all parts of the business. Significant additional resource has been allocated to this programme, and given its importance we established a Board Transformation Sub-Committee in June 2024 to oversee and monitor its progress. A new General Manager Transformation role has also been created to lead a dedicated Project Management Office to support successful delivery.

An important part of our Transformation Programme is the deployment of facial recognition technology – now embedded across our casinos with ongoing enhancements – and the implementation of mandatory carded play across our casinos.

Mandatory carded play will be deployed across our New Zealand casinos by mid-2025, and at the SkyCity Adelaide casino by early 2026. This will take our customer care to a new level, allowing both SkyCity and customers to monitor length of play in real time, and when they need to take a break. If a customer plays for too long, their card will be disabled.

While an important and exciting development, the technological challenges to deliver carded play are significant and require material financial investment – both in terms of capital and workforce resource. We are committed, however, to implementing carded play as it will significantly increase our visibility and control of play, and simplify many parts of our current AML/CFT and host responsibility operations.

Our primary objective over the coming years is to ensure we have strongly performing risk management systems, a culture which prioritises compliance with our obligations and customer care, and a business which is seen as a good corporate citizen, worthy of retaining its casino licences.

We have made good progress, but we have work to do. We are wholly committed to meeting the expectations required of us and building back trust, and we have the plans, people and necessary investment to achieve this.

Full details on our Transformation Programme are set out on pages 8 and 9 of this annual report.

### RESOLUTION OF REGULATORY MATTERS

As noted above, we have made good progress this year in addressing regulatory matters, with the

Metita,  
SkyCity Auckland





primary outstanding matter being Consumer and Business Services' (CBS) independent review in Adelaide.

In May this year, we reached an agreement with the DIA to resolve the civil penalty proceedings commenced in February 2024 for historical non-compliance with New Zealand AML/CFT laws. That agreement, including a joint recommendation for a civil pecuniary penalty of \$4.16 million, remains subject to the New Zealand High Court's approval at a hearing set down in September 2024.

In June 2024, the Australian Federal Court approved our agreement with AUSTRAC to resolve the civil penalty proceedings commenced in December 2022 for historical non-compliance with Australian AML/CFT laws. The A\$67 million civil penalty payment was paid by SkyCity in July 2024.

In July 2024, SkyCity reached an agreement with the Secretary for Internal Affairs to resolve the application to temporarily suspend SkyCity's New Zealand casino operator's licence for historic non-compliance with our host responsibility obligations. As part of this agreement, SkyCity will close its Auckland gaming areas for a five-day consecutive period in September 2024.

As part of our current and ongoing focus on regulatory compliance and risk management, we have developed a Building a Better Business Programme to deliver clear progress in Adelaide. Earlier this year, it became apparent that there was a marked lack of progress in our remediation programme in Adelaide. Since that time, there have been a number of Executive changes, including the appointment of a new Interim Chief Operating Officer Australia in early April 2024. Performance has now improved, and we are hopeful of having our new programme approved by our regulator, CBS, shortly.

SkyCity continues to engage with CBS and the South Australian Liquor and Gambling Commissioner in relation to the independent review in Adelaide, which was recently recommenced in June 2024 following the resolution of the AUSTRAC civil penalty proceedings, and to work towards resolving this matter expeditiously if possible.

## REFRESH OF BOARD AND EXECUTIVE TEAM

Over a three-year period, the SkyCity Board has now been completely refreshed with the appointment of Donna Cooper as a non-executive director in September 2023 and following the departure of long-serving director Sue Suckling in October 2023. Donna has extensive experience in the financial services industry, most recently as Chief Executive of TSB Bank, where she led an extensive organisational transformation with a focus on AML/CFT, compliance and culture.

Last year, we indicated we would seek to add a seventh director to the Board. However, given the high level of activity over the last year, we will wait for business operations to further stabilise before making any appointment.

There have also been some significant changes to the SkyCity Executive team over the period, including, in March 2024, the departure of the former Chief Executive Officer and the announcement of the Chief Financial Officer's intention to step down from the role.

Chief Operating Officer New Zealand, Callum Mallett, stepped up as Interim Chief Executive Officer between March and July 2024, while I took on an Executive Chair role and duties, with a core focus on debt refinancing, capital structure and resolving our regulatory matters.

SkyCity's new Chief Executive Officer, Jason Walbridge, officially started in July 2024, while Peter Fredricson joined SkyCity in August 2024 as the new Chief Financial Officer. Jason and Peter collectively bring new energy and a wealth of experience to the SkyCity team at this critical point in our Transformation Programme, and we are delighted to have expertise of this calibre on board. Both are fully aware of and share the Board's vision and commitment to the transformation required of us.

## OPERATIONAL PERFORMANCE

The challenging economic environment continued to impact customer spend over the 2024 financial year, although visitation numbers across SkyCity remained strong.

For the 12-months ended 30 June 2024, underlying Group EBITDA was \$277.8 million (net of corporate costs) - down 8.0% on the previous financial year, a reflection of both the difficult economic environment, as well as the significant investment required for our Transformation Programme. Underlying Group NPAT was \$123.2 million (down 7.2%), largely driven by lower operating earnings. Reported Group EBITDA was \$138.2 million and reported Group NPAT was \$(143.3) million.

Underlying EBITDA for the New Zealand operations was \$271.9 million - down 6.5% from the prior comparable period, primarily due to lower levels of consumer spend impacting revenue across all divisions as well as an increased cost base. Pleasingly, in January 2024, the long term concession granted over the SkyCity Auckland car parks was successfully terminated, with full control of the car park operations regained from MPF Parking NZ Limited, resulting in the addition of approximately \$6.2 million of EBITDA.

Included in the New Zealand reported result is a tax adjustment impacting the New Zealand deferred tax liability by \$129.6 million related to a change in New Zealand tax legislation in March 2024.

SkyCity Adelaide's performance was again significantly impacted by the ongoing regulatory matters and focus, affecting visitation and resulting in significant operating costs. Despite this, SkyCity Adelaide's underlying EBITDA of \$39.6 million was up 9.8% from the prior comparable period.

Included in the Adelaide reported result is an impairment charge of A\$86.2 million, being the impact of the annual impairment review of the Adelaide cash generating unit (pursuant to accounting standard NZ IAS 36). There was also an increase in the provision for regulatory penalties

and associated legal costs of \$31.3 million relating to the AUSTRAC civil penalty proceedings.

SkyCity Online Casino's EBITDA (attributable to SkyCity) of \$3.6 million was down 67% from \$10.7 million in the prior comparable period, largely due to a decline in returning customers and spend per customer. EBITDA was also impacted by a reduction in the equity accounted earnings of the Group's investment in Gaming Innovation Group Inc (divested in FY24 and subsequently settled in July 2024) and the additional overhead costs associated with building a New Zealand-based online operation ahead of potential industry regulation in New Zealand.

Good progress was made over the period on the NZICC and hotel project with the opening of the new 303-room 5-star hotel, Horizon by SkyCity, on 1 August 2024. Based on the contractor's latest programme, we currently expect the NZICC to open in 2025. We continue to field strong interest from offshore organisations for conference bookings.

## CAPITAL STRUCTURE

As at 30 June 2024, gross debt was \$602.2 million, lease liabilities were \$121.4 million, cash at hand was \$60.5 million and net debt was \$663.1 million. SkyCity continues to have significant funding headroom in its debt facilities with \$252.5 million of undrawn facilities at 30 June 2024. Our current leverage ratio of net debt to EBITDA is 2.3 times, well within the company's banking covenants and consistent with its BBB- credit rating from S&P Global Ratings with "Stable" outlook, which was reconfirmed in June 2024.

In August 2024, SkyCity successfully refinanced significant tranches of its debt funding which were due to mature in 2025 and 2026. As a result, US\$150.0 million of United States private placement debt has been negotiated with a maturity in 2031 due to favourable demand and pricing, while \$217.5 million of the company's syndicated bank debt facility (which was due to mature in 2025 and 2026) has been extended by three and four years respectively. See further details in the financial statements included in this annual report.

In May 2024, the SkyCity Board determined to suspend the FY24 final dividend and both dividends for the 2025 financial year. Whilst disappointing for our shareholders, it was prudent to take this action to maintain a robust level of funding headroom given the impact on cashflows from a likely reduction in our earnings in FY25, capital expenditure and payment of regulatory fines. The Board currently expects, subject to satisfactory trading performance and market conditions, to resume paying dividends in the 2026 financial year.

Throughout the year, the SkyCity Board has determined that the business should target a more conservative capital structure and, as such, has introduced a target capital structure in line with BBB (flat) metrics. We are committed to achieving this over the medium term. Increased earnings from growth opportunities within the business, such as the new Horizon by SkyCity hotel, NZICC

and online gaming, combined with the reduced level of capital expenditure as the NZICC nears completion, support achieving this objective.

## FY25 OUTLOOK

The financial year ahead continues to reflect a challenging economic environment, particularly in Auckland. Our financial performance will also be impacted by several one-off items, including pre-opening operational costs for the NZICC, preparing for online gaming regulation in New Zealand, ongoing risk and compliance uplift activities, and the ongoing implementation of our Transformation Programme.

The Board confirms the previous FY25 earnings guidance provided to the market on 18 July 2024 of underlying Group EBITDA of between \$245 million and \$265 million and the suspension of dividend payments for FY25. This guidance assumes that core stay-in-business capital expenditure will be in the range of \$60 - \$70 million in FY25 and NZICC construction capital expenditure will be approximately \$70 million.

Despite the challenges behind us and the work that is still to be done, there is a great deal to look forward to and be excited about over the next 12 months.

We remain one of New Zealand and Australia's largest tourism, hospitality and entertainment groups, with four hotels, four casino properties, one online casino, and over 30 restaurants and bars across our precincts. The opening of the new Horizon by SkyCity hotel brings our total number of hotel rooms in the Auckland precinct to nearly 1,000.

Collectively, we host more than 7 million visitors every year, and employ more than 4,500 people – a number that is set to increase to more than 5,000 with the opening of the NZICC, which is also expected to bring in a further 33,000 new international visitors every year.

Our annual contribution to the New Zealand and Adelaide economies is around \$1 billion (including capital invested) and, since opening in 1996, SkyCity has contributed more than \$77.4 million to local community groups, organisations, events and initiatives through the SkyCity New Zealand Community Trusts.

None of this would happen without the dedication, commitment and pride of our employees, Executive and Board, and I would like to extend a heartfelt thanks to them, our customers and other stakeholders for their continued support.

There is much to be excited about at SkyCity as we work hard to deliver an industry-leading, safe entertainment destination that delivers great outcomes for our people, customers, regulators, shareholders, communities and local economies.



Julian Cook  
Chair of the SkyCity Board

Horizon by SkyCity,  
SkyCity Auckland





# Our Transformation PROGRAMME





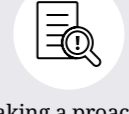


Our Transformation Programme is a comprehensive, multi-year programme designed to deliver the best outcomes for our customers and communities by driving long term growth, deepening our regulatory relationships, and fostering a culture of care for our customers and communities.

The key pillars of our Transformation Programme are designed to position SkyCity for sustained success as we progress towards achieving the desired outcomes.

The SkyCity Board and Executive team are committed to the delivery of this multi-year programme of work and are confident that the steps taken will deliver immediate benefits.

Further information on our plans and progress against the pillars can be found throughout this annual report.

PILLARS	COMPLETE: FY2024
<b>GOVERNANCE – BOARD &amp; MANAGEMENT</b>	<ul style="list-style-type: none"> <li>Strengthened Board capability</li> <li>Increased risk capability and visibility</li> <li>Transformation Programme established</li> <li>Strengthened Executive team capability</li> <li>Set clear 'tone from the top'</li> </ul>
<b>CULTURE</b>	<ul style="list-style-type: none"> <li>New Chief People and Culture Officer appointed</li> <li>Enhanced management and leadership development programmes</li> <li>Short and long term incentives linked to risk and compliance outcomes</li> </ul>
<b>RISK &amp; COMPLIANCE MANAGEMENT</b>	<ul style="list-style-type: none"> <li>Chief Risk Officer role created and appointed</li> <li>Risk Operating Model defined which encompasses key compliance-focused roles</li> <li>Increased risk and compliance capability and capacity</li> <li>New Enterprise Risk Management Framework approved by the Board</li> </ul>
<b>CONDUCT</b>	<ul style="list-style-type: none"> <li>Staff Code of Conduct refreshed</li> <li>Established clear expectations for staff conduct through the introduction of a refreshed Anti-Bribery and Corruption Policy and Conflict Management Policy</li> </ul>
<b>RE-ESTABLISHING TRUST</b>	<ul style="list-style-type: none"> <li>Progression towards resolving outstanding regulatory matters</li> <li>Increased regulatory interactions</li> <li>External commitment to do what is rightly expected of us</li> </ul>
<b>EXECUTIONAL ENABLEMENT</b>	<ul style="list-style-type: none"> <li>Continued to strengthen host responsibility capabilities, including increased use of technology (such as facial recognition)</li> <li>Foundations for delivering mandatory carded play</li> <li>Reduced risk and improved regulatory relationships via the Building a Better Business Programme</li> <li>Online gaming work programme established</li> </ul>

UNDERWAY: 2025-2026	OUTCOMES
<ul style="list-style-type: none"> <li>Established Board Transformation Sub-Committee</li> <li>Enhanced reporting, monitoring and oversight</li> <li>Deliberate focus on outside in thinking through stakeholder and SME insights and engagements</li> </ul>	 <p>Always doing the right thing, and maintain our social licence to operate</p>
<ul style="list-style-type: none"> <li>Establish and commence cultural shift programme</li> <li>Continue strengthening leadership and management capabilities</li> <li>Establish consequence management framework</li> </ul>	 <p>Strengthening governance, oversight and accountability</p>
<ul style="list-style-type: none"> <li>Continued delivery against the risk transformation roadmap</li> <li>Refreshed Risk Appetite Statement and Risk Profile</li> <li>Embedding three lines of accountability</li> </ul>	 <p>Taking a proactive approach to risk management</p>
<ul style="list-style-type: none"> <li>Embedding Code of Conduct and related policies</li> <li>Enhanced Board visibility of customer insights and complaints</li> </ul>	 <p>Building a more customer focused, transparent culture</p>
<ul style="list-style-type: none"> <li>Sustained and proactive regulator engagement</li> <li>Establish and embed Regulatory Relationship Charter and Engagement Policy</li> <li>Continue to deliver on our commitments</li> <li>Remain committed to strengthening our social licence to operate</li> </ul>	 <p>Delivering on our commitments, consistently and to the highest standard</p>
<ul style="list-style-type: none"> <li>Stronger programme delivery practices established</li> <li>Complete Board strategy review and refreshed priorities to align to the strategy</li> <li>Deliver Transformation and Remediation Programme outcomes across the Group</li> </ul>	



# MESSAGE

from the Chief Executive Officer

Just six weeks into my role as Chief Executive Officer of SkyCity and I am already filled with an immense sense of pride in the business, particularly for the people that make up its heart.

It is a great privilege to be appointed to this role – I do not take it for granted and I fully understand the responsibility that comes with it.

I have spent the past 23 years working offshore in the global gaming industry, and I am excited to be back in New Zealand with my family and working for SkyCity – an iconic brand and business with enormous potential to deliver positive outcomes for a wide range of stakeholders, including our shareholders, customers, staff, suppliers, and the communities that we operate in.

SkyCity operates in complex regulatory environments which have seen significant changes in the last few years. This is particularly pertinent for our operations in New Zealand and Australia, but is consistent with what is occurring around the world.

These global insights and perspectives will be invaluable in contributing to the transformation of SkyCity's operations as we continue to respond to industry changes, and as part of the Transformation Programme that the SkyCity Board Chair has outlined in the Chair's Report.

Our Transformation Programme is a long term programme of work that will take time, effort and investment, but it is imperative if we are to retain our casino licences and, just as importantly, maintain our social licence to operate.

We will do this by ensuring that we have robust, continuously improving risk management systems, and a compliance culture that looks after our customers and meets our regulatory obligations whilst ensuring the safety and wellbeing of our people. By getting this right, we can ensure we continue to support our local communities and deliver appropriate returns to our shareholders.

It is clear that good progress has already been made over the last 12 months, but I am under no illusion that we still have work to do. I am heartened by the commitment of our Board, Executive and wider team to meeting these obligations and building back trust with all of our key stakeholders, including our regulators.

To that end, in my first few weeks, I visited all of our SkyCity properties and met with as many of our people and stakeholders as was possible. I remain impressed by the energy of our team, the pride in the work they do and their appetite to meet

the challenges ahead. I have also enjoyed seeing firsthand the quality and diversity of our assets, and experiencing what we deliver for customers.

These experiences have fully reinforced for me that SkyCity already has a great deal of value in its people and properties, and I am relishing the opportunity to build on these solid foundations.

I am genuinely excited about SkyCity and its future, not least of which are the immense positives that will flow from the newly opened Horizon by SkyCity hotel, the NZICC when it opens next year, and the opportunities presented by online gaming as regulation allows.

I am genuinely thrilled to be here and I am certainly not overawed by the upcoming opportunities and challenges for the business. I look forward to reporting on the progress we have made at our upcoming annual meeting.

Thank you for your ongoing support.



Jason Walbridge  
Chief Executive Officer



# YEAR in Review

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## JULY

- Enhanced our facial recognition technology to monitor repeat withdrawals and multiple declined transactions at the SkyCity Auckland ATM machines for potential indicators of problem gambling
- Introduced PatronScan (automated ID scanners and verification) across our New Zealand casinos

## AUGUST

- FY23 full year result announced with reported NPAT of \$8.0 million and underlying NPAT of \$138.8 million

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## JANUARY

- SkyCity Auckland car parks return to SkyCity's control following termination of the Auckland Car Park Concession Agreement with MPF Parking NZ Limited

## FEBRUARY

- FY24 interim result announced with reported NPAT of \$22.5 million and underlying NPAT of \$66.5 million
- SkyCity Adelaide Pty Limited (SkyCity Adelaide) and AUSTRAC inform the Federal Court of their agreement to resolve the civil penalty proceedings commenced by AUSTRAC in December 2022 for non-compliance with Australian AML/CFT laws
- The DIA files civil penalty proceedings against SkyCity Casino Management Limited (SCML) for non-compliance with New Zealand AML/CFT laws

## SEPTEMBER

- Application made by the Department of Internal Affairs (DIA) to temporarily suspend SkyCity's New Zealand casino operator's licence
- Final dividend of 6 cents per share paid to shareholders
- Donna Cooper appointed as a non-executive director to the SkyCity Board

## OCTOBER

- Rolled out facial recognition technology to the SkyCity Hamilton ATM machines
- Metita, a new Pacific inspired eatery, opens in the SkyCity Auckland precinct in conjunction with award-winning chef Michael Meredith
- Sue Suckling retires as a non-executive director from the SkyCity Board

## MARCH

- Interim dividend of 5.25 cents per share paid to shareholders
- SkyCity Auckland Limited and the Ngāti Whātua Ōrākei Trust sign a Kōtuitanga (memorandum of understanding) formalising their strategic partnership

## APRIL

- Jason Walbridge appointed as new Chief Executive Officer

## MAY

- SCML and the DIA inform the High Court of their agreement to resolve the civil penalty proceedings commenced by the DIA in February 2024

## JUNE

- The Federal Court approves the agreement reached by SkyCity Adelaide and AUSTRAC to resolve the civil penalty proceedings commenced by AUSTRAC
- Independent review into SkyCity Adelaide recommences
- SkyCity sells its shareholding in Gaming Innovation Group Inc

# MEANINGFUL Partnerships

We proudly partnered with local organisations and charities, supported some of our greatest local sports teams and sporting events, and helped raise awareness for a range of other organisations and initiatives.

## NEW ZEALAND



Leukaemia & Blood Cancer New Zealand



Northern Mystics



Variety – The Children's Charity



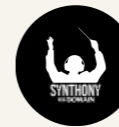
NZ Breakers



NZ International Comedy Festival



Catalytic Foundation (Silver Supporter)



Synthony in the Domain



Auckland Thoroughbred Racing



Tennis NZ Davis Cup New Zealand vs Turkey



Winter Pride



Waikato Thoroughbred Racing



SkyCity Stampede



Northern Districts Cricket



Chiefs Manawa



World Choir Games (Bronze Level)



ASB Classic Tennis Tournament



Auckland Cricket

## AUSTRALIA



Sammy D Foundation



Adelaide Festival Centre



Australian Masters Games



Kickstart for Kids



Breakthrough Mental Health Research Foundation



HAS Foundation

## LIGHTING UP FOR A GOOD CAUSE

Throughout the year, SkyCity lights the Sky Tower, one of New Zealand's most recognisable landmarks, to show support for organisations and special events, including charities and community initiatives, that SkyCity supports financially or to mark national holidays, milestones, other celebrations or significant events, or as a symbol of respect or solidarity.

The SkyCity Adelaide and SkyCity Hamilton buildings are also lit up throughout the year to show support.

## LEUKAEMIA & BLOOD CANCER NEW ZEALAND

Each year, SkyCity supports fundraising efforts for Leukaemia & Blood Cancer New Zealand – the national charity dedicated to supporting patients and their families living with blood cancers and related blood conditions – via the annual Firefighter Sky Tower Stair Challenge and Step Up Challenge. Through both of these events, SkyCity has helped Leukaemia & Blood Cancer New Zealand raise \$2.2 million over the last financial year and in excess of \$18.8 million over the partnership period.

In the Firefighter Sky Tower Stair Challenge, firefighters from communities across New Zealand join forces to raise money, with each participant climbing the 1,103 steps of the Sky Tower wearing 25 kilograms of gear. A record \$1.9 million was raised through this event over the last financial year, bringing the total raised to over \$15.7 million during the 20-year partnership with SkyCity for this event.

In the Step Up Challenge, teams, organisations and individuals come together to climb the Sky Tower. \$324,000 was raised over the last financial year through this event, with over \$3.1 million raised over the 10-year partnership with SkyCity for this event.

## VARIETY – THE CHILDREN'S CHARITY

SkyCity supports Variety – The Children's Charity, a charity focused on improving the wellbeing of children and young people, through the delivery of Variety Bingo in Auckland.

Working with Variety – The Children's Charity, SkyCity has helped to raise more than \$150,000 over the last financial year and in excess of \$5.5 million over the 24-year partnership.



# OUR BUSINESS in Numbers

As at 30 June 2024

**4,512** staff      **4** properties across New Zealand and Australia      **1** online casino

## GAMING

**4** licences      **3,382** electronic gaming machines      **269** table games      **380** automated table games

## HOSPITALITY

**19** restaurants      **12** bars

## CONVENTIONS

**1,250** m<sup>2</sup> of SkyCity convention space

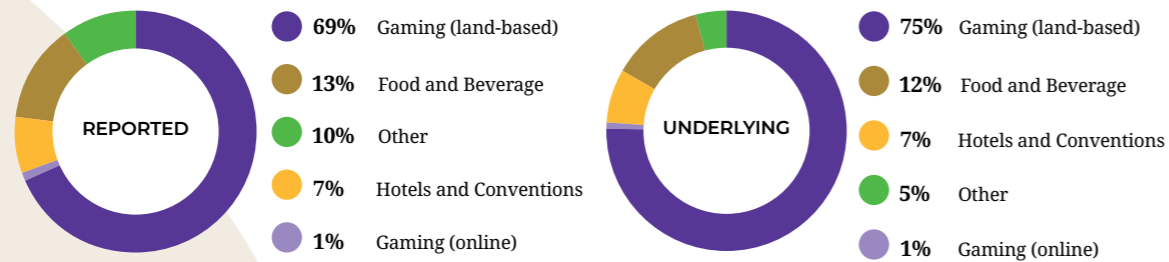
## HOTELS<sup>^</sup>

**755** hotel rooms

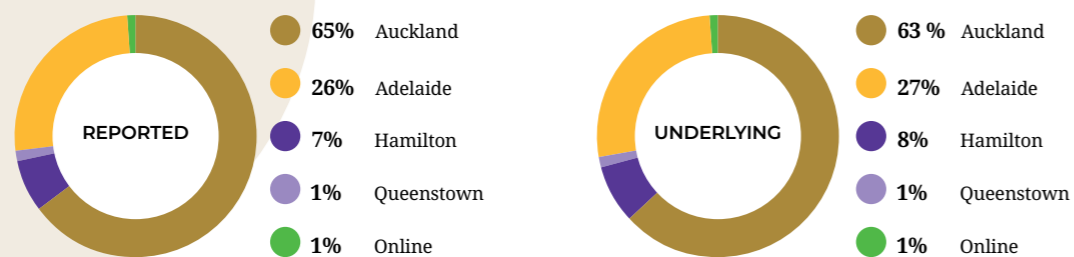
## SKY TOWER

**328** metres tall

## FY24 REVENUE BY BUSINESS ACTIVITY



## FY24 REVENUE BY PROPERTY



# FY24 OUTPUTS and Financial Results

FY24 revenue and annual visitation

## GAMING

**\$638.3** million including online (reported)      **\$727.8** million\* including online (underlying)      **2.5** million\*\* visits from loyalty card members to our land-based casinos

## HOSPITALITY

**\$119.2** million      **4.3** million restaurant/bar covers

## HOTELS

**\$59.8** million      **231,222** rooms occupied

## CONVENTIONS

**\$9.0** million including out catering      **106,331** conference delegates

## SKY TOWER

**\$19.8** million      **487,804** visits

## CONTRIBUTIONS

**\$142.8** million in taxes to Governments including GST, income tax, and gaming tax and duties      **\$320.4** million in remuneration and benefits to staff

**\$39.8** million in dividends declared for shareholders in relation to the FY24 period

**\$10.1** million in community contributions, levies and sponsorships

**\$260.3** million to suppliers

**\$293.3** million of capital invested

**\$34.4** million in interest paid to lenders

\* Includes gaming GST.

\*\* Calculated by reference to customers who used their SkyCity customer loyalty card to game, where one visit records a customer's patronage on a day irrespective of how many times they used their card on that day.

<sup>^</sup> The 303-room Horizon by SkyCity hotel was opened on 1 August 2024.





# FY24 OUTCOMES and Impacts

Our sustainability vision recognises that to be a sustainable business we must be a responsible business.

## OUR CUSTOMERS

**907** customers identified within our casino properties in breach of their exclusion orders or common law barrings  
 FY23 - 1,087

We welcomed more than **7 million** visitors to our SkyCity precincts

**1,412** exclusion orders and common law barrings issued across our casino properties  
 FY23 - 1,288

## OUR COMMUNITY

Since establishing the first SkyCity Auckland Community Trust in 1996, SkyCity has awarded more than 5,230 grants totalling \$77.4 million to various community groups and organisations in New Zealand, large and small, through the SkyCity New Zealand Community Trusts.

**\$4.6 million** paid to the SkyCity Community Trusts  
 FY23 - \$4.5 million

**\$5.9 million** in grants approved by the SkyCity Community Trusts to 130 community organisations  
 FY23 - over \$5.3 million to 122 community organisations

Over **\$550 million** paid to suppliers of goods and services including capital expenditure  
 FY23 - over \$540 million

**\$63.5 million** paid in gaming taxes and problem gaming levies  
 FY23 - \$52.2million

## OUR ENVIRONMENT

**15,288 tonnes CO<sub>2</sub>e** total carbon footprint  
 FY23 - 17,107 tonnes CO<sub>2</sub>e

Over **187 tonnes** of food waste from our Auckland kitchens was commercially composted, with over 1,450 tonnes composted since the programme began in April 2017  
 FY23 - over 202 tonnes

See pages 52 - 81 of this annual report for details of our sustainability activities and achievements over the financial year ended 30 June 2024.

SkyBar, SkyCity Auckland



# Creating Memorable EXPERIENCES

We are exceptionally proud that our businesses have again been recognised for their excellence over the past financial year.

## NEW ZEALAND

- Cassia awarded two hats, and Masu by Nic Watt and Depot awarded one hat each, at the 2023 Cuisine Good Food Awards
- SkyBar awarded Best New Opening at the 2024 Remix Lifestyle Awards
- Sky Tower awarded a 2024 Tripadvisor Travellers' Choice Award and named the #1 attraction in Auckland for travellers to visit by Tripadvisor
- Metita named winner of the Hospitality Award at the 2024 Interior Awards
- Cassia, Depot and Masu by Nic Watt named in the 2023 Viva Top 50 Restaurants list, with Depot also being named the winner of the Best of New Zealand category
- Cassia, Depot, Federal Delicatessen, Andy's Burgers and Bar and SkyBar named in the 2024 Auckland Iconic Eats Awards
- Qualmark Gold status for the Sky Tower
- 5 Star Qualmark Gold status for The Grand by SkyCity
- 4.5 Star Qualmark Gold status for SkyCity Hotel

## AUSTRALIA

- Eos by SkyCity:
  - › winner of the Best Hotel Room Service Award at the 2023 Wotif Uniquely Aussie Awards
  - › joint winner of the Meetings & Events Venue - Accommodation & Specialist Division category at the 2023 AHA/SA Hotel Industry Awards for Excellence
- Events at SkyCity:
  - › Caterer of the Year and winner of the Function/Convention Centre Caterer category at the 2023 Restaurant & Catering Awards for Excellence in South Australia
  - › Caterer of the Year and winner of the Function/Convention Centre Caterer category at the 2023 Restaurant & Catering National Awards for Excellence
- Sōl Rooftop named winner of the Hotel Bar category at the 2023 Hotel Management Awards for Hotel & Accommodation Excellence



A Qualmark Gold Award recognises the best sustainable tourism businesses in New Zealand

# PARTNERSHIP with Tangata Whenua

SkyCity has been on a journey to embrace te ao Māori guided by Ngāti Whātua Ōrākei (NWŌ), the tangata whenua (people of the land) of Tāmaki and the Waitemātā and their rohe in Auckland. This collaboration has included NWŌ's involvement with the SkyCity New Zealand Community Trusts, a mentorship initiative with SkyCity's Māori employee resource group and cultural guidance and advice more generally over many years.

In March 2024, SkyCity formalised its strategic partnership with NWŌ through the signing of a Kōtuitanga (memorandum of understanding) which builds on the existing relationship and embodies our shared commitment to sustaining our relationship with Māori, particularly with NWŌ, grounded in the principles of connection, respect, and inclusion.

The Kōtuitanga aims to provide a practical structure to enable the existing relationship with NWŌ to flourish and grow, record areas of ongoing cooperation and opportunity, and establish a platform for identifying desired outcomes.

Signing of the Kōtuitanga at the Ngāti Whātua Ōrākei Marae





# FY24 PERFORMANCE Highlights

## REVENUE

### REPORTED

**\$928.5 million** ▲ 0.3%

FY23 - \$926.2 million

### UNDERLYING

**\$959.6 million** ▲ 0.3%

FY23 - \$957.1 million (restated)\*

## EBITDA

### REPORTED

**\$138.2 million** ▼ -16.7%

FY23 - \$165.9 million

### UNDERLYING

**\$277.8 million** ▼ -8.0%

FY23 - \$301.8 million (restated)\*

## NPAT

### REPORTED

**-\$143.3 million** ▼ -1,897.4%

FY23 - \$8.0 million

### UNDERLYING

**\$123.2 million** ▼ -7.2%

FY23 - \$132.8 million (restated)\*

## EARNINGS PER SHARE

### REPORTED

**-18.9 cents/share** ▼ -1,896.0%

FY23 - 1.1 cents per share

### UNDERLYING

**16.2 cents per share** ▼ -7.3%

FY23 - 17.5 cents per share (restated)\*

## DIVIDENDS PER SHARE

**5.25 cents per share (declared)** ▼ -6.75 cps

FY23 - 12.0 cents per share (declared)

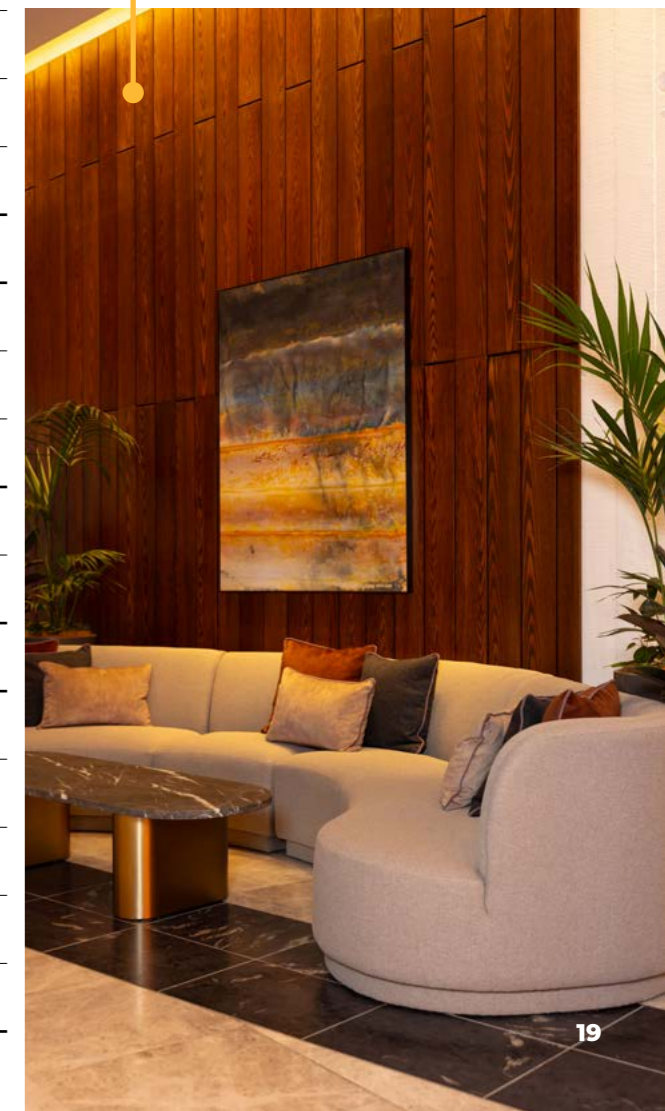
\* The FY23 underlying results were restated to remove International Business normalisation.

\*\* The FY21 reported and underlying results were restated for the impact of the IFRS Interpretations Committee's decision on accounting for software as a service.

# 5 YEAR FINANCIAL Performance History

	REPORTED					UNDERLYING				
	2024 \$'000	2023 \$'000	2022 \$'000	2021** \$'000 RESTATED	2020 \$'000	2024 \$'000	2023* \$'000 RESTATED	2022 \$'000	2021** \$'000 RESTATED	2020 \$'000
Revenue	928,543	926,180	638,995	951,879	1,125,077	959,580	957,096	631,495	822,467	779,530
EBITDA	138,157	165,899	96,936	313,929	348,291	277,809	301,820	137,932	248,577	200,716
Depreciation and amortisation	(92,021)	(90,672)	(94,660)	(88,450)	(86,560)	(92,021)	(90,672)	(94,660)	(88,450)	(86,559)
EBIT	46,136	75,227	2,276	225,479	261,731	185,788	211,148	43,272	160,127	114,157
Net interest expense	(15,996)	(23,492)	(35,044)	(32,455)	(28,613)	(15,996)	(28,126)	(35,044)	(32,454)	(21,107)
Profit/(Loss) before tax	30,140	51,735	(32,768)	193,024	233,118	169,792	183,022	8,228	127,673	93,050
Tax (expense)/benefit	(173,488)	(43,760)	(827)	(37,191)	2,152	(46,605)	(50,236)	1,469	(37,649)	(26,798)
Profit/(Loss) after tax	(143,348)	7,975	(33,595)	155,833	235,270	123,187	132,786	9,697	90,024	66,252
Basic earnings per share (cents)	(18.9)	1.1	(4.4)	20.6	35.4	16.2	17.5	1.3	11.9	10.0
Operating cash inflow	203,574	280,097	91,121	284,785	120,166					
<b>Funds employed</b>										
Equity	1,303,861	1,530,197	1,571,274	1,637,084	1,434,607					
Non-current liabilities	970,905	985,764	903,547	880,323	669,825					
	2,274,766	2,515,961	2,474,821	2,517,407	2,104,432					
<b>Comprises</b>										
Current assets	189,189	318,542	325,967	279,557	218,971					
Current liabilities	(506,270)	(347,537)	(268,881)	(269,554)	(684,890)					
Working capital	(317,081)	(28,995)	57,086	10,003	(465,919)					
Non-current assets	2,591,847	2,544,956	2,417,735	2,507,404	2,570,351					
	2,274,766	2,515,961	2,474,821	2,517,407	2,104,432					
<b>Statistics</b>										
Dividends per share declared (cents)	5.25	12.0	0.0	7.0	10.0					
Debt gearing ratio (debt to debt plus equity)	2.6x	1.6x	4.6x	2.3x	2.7x					
Interest cover (times)	6.7x	10.1x	3.8x	6.2x	4.5x					
Equity to total assets	46.9%	53.4%	57.3%	58.7%	51.4%					

Horizon by SkyCity, SkyCity Auckland





# Our STRATEGY

Our integrated business strategy supports the long term value proposition for attractive sustainable shareholder returns, generated through earnings growth with diversification, efficient capital allocation and long term sustainability.

## PURPOSE

We are trusted to create vibrant places for gaming, entertainment and hospitality in New Zealand and Australia



**Operational excellence at our core**

Sustainable operations



**Complete major projects and optimise portfolio**

Create vibrant places



**Pursue the omnichannel opportunity**

Responsible growth

## IMPLEMENTATION PRINCIPLES



**Commitment to responsibility**



**Stakeholder value creation**



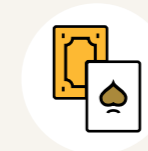
**Always doing the right thing**

## FINANCIAL AND CAPITAL SETTINGS TO DELIVER OBJECTIVES

## OUR CURRENT STRATEGIC PRIORITIES



Continuous improvement in operational performance and efficiency



Monetise omnichannel to consolidate New Zealand leadership position in gaming



Reliable and consistent free cash flow generation and capital distribution



Protect and enhance social licence to operate



Successful completion and integration of major capital projects



Delivering on our commitments, consistently and to the highest standard

Our integrated business strategy, underpinned by our commitment to delivering our Transformation Programme, supports the long term value proposition for attractive sustainable shareholder returns, generated through earnings growth with diversification, efficient capital allocation and long term sustainability.

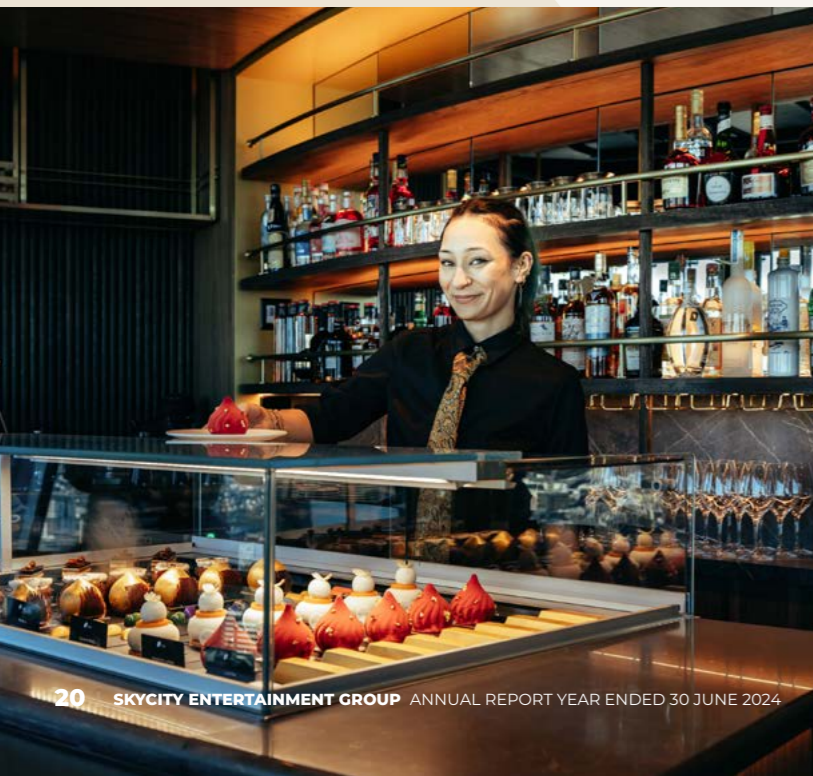
Our three strategic pillars are premised on financial and capital settings and guided by three key implementation principles:

- **Commitment to responsibility** - emphasising our commitment to sustainable business practices, including responsible hosting and gambling;
- **Stakeholder value creation** – recognising that the organisation depends on stakeholders to create value, and in turn the organisation can create (or destroy) value for others. This principle emphasises the importance of these dependencies with employees, suppliers, customers, investors, the government/regulators, the community, and the environment; and

- **Always doing the right thing** in operating our business and maintaining our social licence to operate. SkyCity remains focused on navigating uncertainty in the current operating environment whilst ensuring the Group remains financially resilient to sustain earnings growth and shareholder value.

SkyCity's capital allocation framework underpins the Group's strategic objectives by prioritising the key sources and uses of capital for the current operating environment, and aligned with investor expectations, for key financial settings.

The Grand by SkyCity, SkyCity Auckland





# About SKYCITY

SkyCity is New Zealand's largest tourism, leisure and entertainment company and is listed on the New Zealand and Australian stock exchanges.



SkyCity operates integrated entertainment complexes in New Zealand (Auckland, Hamilton and Queenstown) and in Adelaide, South Australia – each featuring casino gaming facilities and premium restaurants and bars, which appeal to both domestic and international visitors alike.

SkyCity also offers premium hotel accommodation in Auckland and Adelaide.

In addition to its land-based casino operations, the SkyCity Online Casino (based out of Malta) offers New Zealanders an online gaming experience.

**4 properties**  
across New Zealand and Australia

**4 hotels**

**1 online casino**

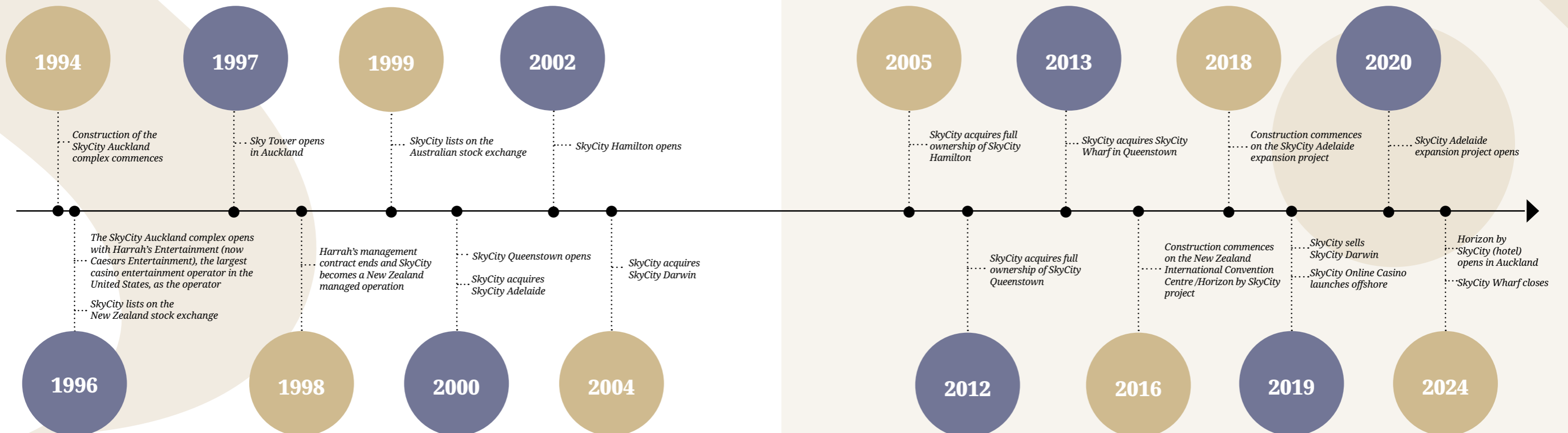
**\$1,277.0 million\***  
in net assets

**\$1,895.8 million\***  
in property assets

**\$1.1 billion\*\***  
total market capitalisation

**NZX/ASX listed\*\*\***

## OUR HISTORY at a Glance



**15,570 shareholders\*\***

\* As at 30 June 2024. | \*\* As at 1 August 2024.  
\*\*\* SkyCity has a 'Foreign Exempt Listing' status on the ASX.



# AUCKLAND

<b>PROPERTY</b>	<b>SKYCITY AUCKLAND, NEW ZEALAND</b>
<b>PROPERTY MANAGER</b>	Callum Mallett, Chief Operating Officer New Zealand
<b>OPENED</b>	1996
<b>CASINO VENUE LICENCE</b>	Runs until 2048*
<b>FACILITIES</b>	<ul style="list-style-type: none"> <li>• Casino</li> <li>• Hotels</li> <li>• Food and beverage</li> <li>• Entertainment and attractions</li> <li>• Conventions</li> <li>• Day spa</li> <li>• Car parking</li> <li>• Sky Tower</li> <li>• Theatre</li> <li>• Telecommunications and broadcasting facilities</li> <li>• Office/retail space</li> </ul>
<b>LICENSED GAMING PRODUCT</b>	<ul style="list-style-type: none"> <li>• 1,877 electronic gaming machines **</li> <li>• 150 table games **</li> <li>• 240 automated table games ***</li> </ul>
<b>WORKFORCE</b>	~ 2,900 staff
<b>FY24 REVENUE</b>	\$549.3 million^ (reported) \$608.3 million (underlying)

\* The casino venue licence can be renewed for a further period of 15 years pursuant to sections 134–138 of the New Zealand Gambling Act 2003.

\*\* This allowance may be alternatively utilised to enable automated table game terminals.

\*\*\* This allowance may be alternatively utilised to enable table games.

^ Excludes New Zealand International Convention Centre fire income and liquidated damages received.

Horizon by SkyCity, SkyCity Auckland

SkyCity Auckland is the flagship property of the SkyCity Entertainment Group, featuring a world-class casino, three hotels – The Grand by SkyCity, SkyCity Hotel, and the newly opened Horizon by SkyCity - over 16 bars and restaurants, a 700-seat theatre and the iconic Sky Tower. Located in the heart of Auckland’s CBD, the SkyCity Auckland precinct occupies ~295,000sqm of gross floor area across the majority of three city blocks (~3.5 hectares).

The casino features the latest electronic gaming machines and automated table games, an array of table games, and luxurious VIP gaming facilities. EIGHT is an exclusive area reserved for VIP table game players and PLATINUM and VIP BLACK are exclusive areas reserved for VIP gaming machines players.

The SkyCity Auckland precinct features some of the city’s best eateries, including award-winning restaurants Masu by Nic Watt, The Sugar Club, Huami, Depot, Federal Delicatessen, Cassia, and Metita. The Grill returned to the precinct in August 2024 at a new location within the Horizon by SkyCity hotel.

SkyCity is currently investing around \$750 million within the SkyCity Auckland precinct to develop the New Zealand International Convention Centre (NZICC), an adjacent laneway, over 1,250 additional car parking spaces, and the new 303 room, 5-star, Horizon by SkyCity hotel. The full development was originally expected to be completed in 2019 – however, due to delays by the contractor and the significant fire that broke out at the NZICC construction site in October 2019, the NZICC is now expected to be completed in 2025. When open, the NZICC will be New Zealand’s largest convention centre, enabling New Zealand to attract major international conferences as well as having capability for sporting events, theatre and musical performances. Planning is well underway to operationalise the NZICC, with a strong emphasis on delivering an exceptional customer experience, ensuring it becomes a centre of excellence for Auckland and New Zealand.

### FY24 PERFORMANCE

Visitation to the Auckland site was stable against the prior period, with over 4.5 million people visiting the precinct and continued recovery in international tourism visitation. Gaming machine revenue of \$285 million was 7% down from FY23, reflecting the challenging economic environment and resulting impact on customer spend levels and increased host responsibility initiatives.

Table game revenue grew 5% to \$146.5 million due to improved labour availability, which enabled

increased opening hours versus the prior period. Premium table game revenue of \$25.0 million in FY24 was up 64%, driven by a higher than expected win rate of 2.61% against a theoretical win rate of around 1.8%. Total gaming revenue of \$456.5 million was 1% below revenue in FY23.

Food and beverage revenue of \$67.6 million was up 24% year on year and benefited from a well-received refresh of customer offerings, including Metita and SkyBar, and the increased availability of staff.

Growth in hotel revenue from higher occupancy (around 85%) was partly offset by a lower room rate due to a highly competitive market. Sky Tower revenue benefited from the uplift in tourism visitation and a revised pricing strategy. Total non-gaming revenue of \$151.8 million was therefore up 22.5% on FY23 despite the weaker market.

Total expenses of \$312.3 million was up 14.4% due to greater staff numbers, increased labour costs and general inflation.

Total EBITDA for the Auckland site of \$237.0 million in FY24 was 5.8% higher than in FY23 and a good outcome given the weaker macroeconomic conditions, highlighting the resilient nature of SkyCity’s flagship property. The EBITDA margin of 39% reflects a more sustainable cost base and a change in revenue mix with a greater weighting to non-gaming revenue.



Horizon by SkyCity, SkyCity Auckland





# ADELAIDE

<b>PROPERTY</b>	<b>SKYCITY ADELAIDE, AUSTRALIA</b>
<b>PROPERTY MANAGER</b>	Avril Baynes, Interim Chief Operating Officer Australia
<b>OPENED</b>	2000
<b>CASINO VENUE LICENCE</b>	Runs until 2085*
<b>FACILITIES</b>	<ul style="list-style-type: none"> <li>• Casino</li> <li>• Hotel</li> <li>• Food and beverage</li> <li>• Entertainment</li> <li>• Conventions</li> <li>• Car parking</li> <li>• Wellness centre</li> </ul>
<b>LICENSED GAMING PRODUCT</b>	<ul style="list-style-type: none"> <li>• 1,080 electronic gaming machines (allowance for 1,500)</li> <li>• 84 table games (allowance for 200)**</li> <li>• 140 automated table games</li> </ul>
<b>WORKFORCE</b>	~ 1,300 staff
<b>FY24 REVENUE</b>	A\$219.2 million (reported) A\$234.7 million (underlying)

\* The Approved Licensing Agreement between the Minister for Business Services and Consumers and SkyCity Adelaide Pty Limited provides SkyCity Adelaide with exclusive rights to provide casino gaming (except for interactive gambling) in South Australia until 30 June 2035.

\*\* This allowance may be alternatively utilised to enable automated table game terminals.

Located in and around the historic Railway Station building on the banks of the River Torrens, SkyCity Adelaide is South Australia's only casino destination on the Festival Plaza forecourt adjacent to the Adelaide Festival Centre and Adelaide Convention Centre and near the Adelaide Oval.

SkyCity Adelaide is a world-class integrated entertainment hub featuring a 120-room luxury hotel – Eos by SkyCity, a wellness centre with a day spa, pool, sauna and gym, VIP gaming facilities, a function and conference facility for up to 650 guests, bars and restaurants.

The SkyCity Adelaide precinct is home to award-winning eateries, Madame Hanoi, The Kitchen, The Guardsman, iTL, the immersive rooftop destination Sól Rooftop, and The District at SkyCity - Australia's

Sól Rooftop, SkyCity Adelaide



first fully functional microbrewery within a casino (operated in partnership with Pirate Life). Sól Rooftop was awarded best Hotel Bar at the 2023 Hotel Management Awards for Hotel & Accommodation Excellence.

Eos by SkyCity is Adelaide's most luxurious hotel. Since opening in December 2020, Eos by SkyCity has won a number of prestigious awards, including being named as the Best New Tourism Business at the South Australian Tourism Awards, Best Deluxe Hotel in South Australia at the Australian Hotels Association SA Awards for Excellence, and Best New Hotel at the Hotel Management Awards for Hotel and Accommodation Excellence.

Events @ SkyCity was awarded the coveted Caterer of the Year at the 2023 Restaurant & Catering National Awards for Excellence and was also awarded Best Meetings & Events Venue at the 2023 AHA – SA Hotel Industry Awards for Excellence.

### FY24 PERFORMANCE

The Adelaide property experienced an 11% increase in EBITDA to A\$36.5 million despite the market and macroeconomic pressures, which was a pleasing result.

Adelaide's total gaming revenue in FY24 was A\$170.9 million, 5% lower than the A\$179.7 million reported in FY23. This reflected a 1% reduction in electronic gaming machine revenue over the year, with a weaker first half offset by an increase in SkyCity's market share of a growing South Australian market in the second half. This reflected a focus of management on marketing to both local and inter-state players and improved visitation driven by notable events in Adelaide, including the AFL Gather Round and LIV Golf.

Local table game revenue of A\$58.8 million was 16% down from the prior year. In the second half of the year, the business stabilised at a lower base following several operational changes, including reduced table game opening hours and the introduction of daily cash limits. Premium table game revenue saw a healthy 39% uplift to A\$12.3 million from inter-state visitation and an actual win rate of 1.63% compared to a theoretical win rate of 1.35%.

Total non-gaming revenue decreased 2% to A\$63.8 million due to a reduction in both hotel and other non-gaming revenue. This reflects pressure on room rates and a softer leisure market, with occupancy in the hotel of 73.5% being ahead of the market but down year on year.



Eos by SkyCity, SkyCity Adelaide

Management focus led to a 6.8% reduction in expenses driven by a range of cost take-out initiatives, including reduced VIP table game opening hours, a 95 FTE reduction across the property, improved utility pricing and targeted marketing spend.

During FY24, SkyCity sought special leave from the Australian High Court to appeal an earlier Court of Appeal decision regarding the interpretation of relevant provisions in the Adelaide Casino Duty Agreement with the Treasurer of South Australia which determine the treatment of loyalty points converted to gaming machine play for the purpose of calculating casino duty at the SkyCity Adelaide casino. These proceedings remain ongoing.

Chandelier Bar, SkyCity Adelaide





# HAMILTON



S

<b>PROPERTY</b>	<b>SKYCITY HAMILTON, NEW ZEALAND</b>
<b>PROPERTY MANAGER</b>	Michelle Baillie, General Manager Hamilton
<b>OPENED</b>	2002 Increased ownership from 70% to 100% in 2005
<b>CASINO VENUE LICENCE</b>	Runs until 2027*
<b>FACILITIES</b>	<ul style="list-style-type: none"> <li>• Casino</li> <li>• Food and beverage</li> <li>• Entertainment</li> <li>• Conventions</li> <li>• Car parking</li> <li>• Tenpin bowling</li> </ul>
<b>LICENSED GAMING PRODUCT</b>	<ul style="list-style-type: none"> <li>• 339 electronic gaming machines**</li> <li>• 23 table games**</li> </ul>
<b>WORKFORCE</b>	~320 staff
<b>FY24 REVENUE</b>	\$65.0 million (reported) \$73.4 million (underlying)

Amuse Bar & Kitchen, SkyCity Hamilton

\* The casino venue licence can be renewed for a further period of 15 years pursuant to sections 134–138 of the New Zealand Gambling Act 2003.  
\*\* This allowance may be alternatively utilised to enable automated table game terminals.



Bowl and Social, SkyCity Hamilton

Situated within Hamilton’s historic Chief Post Office, a venue designed to maximise its superb riverside location on the banks of the Waikato River, SkyCity Hamilton features a casino, bars and restaurants, a conference centre and Hamilton’s only tenpin bowling alley – Bowl and Social.

### FY24 PERFORMANCE

In FY24, Hamilton’s performance was impacted by the weaker macroeconomic environment with the biggest revenue generator, electronic gaming machines, reporting revenue of \$52.6 million, down 3% from FY23. Local table game revenue of \$11.6 million was more resilient with a similar result to last year, reflecting a stronger second half of the year and increased table game opening hours. The gaming revenue performance reflected a stabilisation of the economic environment in the second half of the year after a difficult first half.

The SkyCity Hamilton precinct is home to some of Hamilton’s favourite eating and drinking destinations right in the heart of Hamilton’s CBD, including The Local Taphouse and Eat Burger.

Non-gaming revenue of \$8.9 million was 5% down from FY23 with the trend in the first half of the year continuing into the second half. The opening of new food and beverage offerings (Shanghai, Palate, and Amuse Bar & Kitchen) have been well-received by customers, but spend per customer remains lower year on year.

Over the last financial year, SkyCity has continued to invest in its core casino and hospitality businesses with a range of improvements across the SkyCity Hamilton property, including the refurbishment of the casino bar and restaurant - reopening as Amuse Bar & Kitchen in September 2023, and the opening of a second restaurant tenancy, Palate, by awarded Chef Mat McLean in February 2024 joining Shanghai Chinese restaurant.

Despite a strong management focus on costs, labour inflation and general cost pressures led to a reduction in EBITDA margin from 47.0% in FY23 to 44.3% in FY24. In the context of the wider industry, this still represents healthy margins and was the driver behind the Hamilton property reporting EBITDA of \$32.5 million.

Product and layout optimisation within the casino remains a key focus to ensure SkyCity Hamilton maintains its market leader position and to manage high demand for electronic gaming machines, particularly at peak times.





# QUEENSTOWN

PROPERTY	SKYCITY QUEENSTOWN, NEW ZEALAND
<b>PROPERTY MANAGER</b>	Jono Browne, General Manager Queenstown
<b>OPENED</b>	2000 Increased ownership from 60% to 100% in 2012
<b>CASINO VENUE LICENCE</b>	Runs until 2025*
<b>FACILITIES</b>	<ul style="list-style-type: none"> <li>• Casino</li> <li>• Food and beverage</li> <li>• Entertainment</li> <li>• Conventions</li> </ul>
<b>LICENSED GAMING PRODUCT</b>	<ul style="list-style-type: none"> <li>• 86 electronic gaming machines**</li> <li>• 12 table games**</li> </ul>
<b>WORKFORCE</b>	~ 60 staff
<b>FY24 REVENUE</b>	\$12.0 million (reported) \$13.6 million (underlying)

\* The casino venue licence can be renewed for a further period of 15 years pursuant to sections 134–138 of the New Zealand Gambling Act 2003.

\*\* This allowance may be alternatively utilised to enable automated table game terminals.

SkyCity Queenstown is centrally nestled in the heart of New Zealand's stunning tourism capital.

SkyCity had operated two casinos in the Queenstown region up until the SkyCity Wharf casino venue licence was relinquished and cancelled in March 2024 – the SkyCity Wharf casino having been closed since March 2020 following the first COVID-19 lockdown in New Zealand.

Management is currently in the process of renewing the SkyCity Queenstown casino venue licence (required to be submitted by December 2024).

SkyCity Queenstown continued to operate uninterrupted through FY24, benefiting from the ongoing and gradual return of international tourism, whilst still being supported solidly by the domestic market.

## FY24 PERFORMANCE

Staffing challenges from the outset of the financial year restricted performance in Queenstown in the first half for a short period, but with accommodation options in place facilitating a full staffing complement, as well as the expansion of operating hours, business continuity improved in the second half.

Gaming revenue of \$12.1 million was 3% higher in FY24 than the previous year, reflecting a much stronger second half of the year when gaming revenue was up 44% year on year as improved table game play was partly offset by a reduction in electronic gaming machine revenue. Additional staffing contributed to a better second half for non-gaming revenue which was up 8.2% on last year.

EBITDA for Queenstown was \$2.5 million, down from \$4.0 million from FY23, with higher costs more than offsetting the 4% increase in total revenues. Excluding costs associated with the relinquishment of the SkyCity Wharf casino venue licence and property lease, EBITDA in FY24 was in line with that reported in FY23.

SkyCity's sale of the land at 633 Frankton Road, Queenstown, is now unconditional and expected to settle in the second half of the 2025 financial year.

# ONLINE

PROPERTY	SKYCITY ONLINE CASINO, MALTA
<b>PROPERTY MANAGER</b>	Steve Salmon, Managing Director - SkyCity Malta
<b>LAUNCHED</b>	2019
<b>FACILITIES</b>	Online casino
<b>GAMING PRODUCT</b>	Over 3,000 online games
<b>FY24 REVENUE</b>	\$9.3 million (reported) \$9.3 million (underlying)

The SkyCity Online Casino provides New Zealanders with an offshore online casino platform, featuring over 3,000 online games, ever increasing personalisation, a mobile first user experience and continually enhanced player safety features and tools.

The SkyCity Online Casino is operated out of Malta by international iGaming company Gaming Innovation Group Inc (GiG) on behalf of SkyCity Malta Limited, an independently operated subsidiary of the SkyCity Entertainment Group, and managed by a Managing Director based in Europe. GiG provides a full-suite online casino solution, including a technical platform, gaming content, managed services and front-end development.

In April 2022, SkyCity expanded its strategic partnership with GiG and contributed €25 million (around \$40 million) of new equity in GiG to help fund GiG's purchase of a sportsbook B2B online platform operator. In June 2024, SkyCity sold all of its shares in GiG for \$55 million, net of transaction costs, realising a significant return on investment.

During FY24, the newly elected National-led Coalition Government in New Zealand committed to regulate the online casino industry to minimise harm, support tax collection, and provide consumer protections to New Zealanders. The Government subsequently announced a new online casino duty of 12% of net gaming revenue in March 2024, which came into effect from 1 July 2024. In July 2024, the Government announced its high-level approach to regulating online casinos in New Zealand, which includes the auctioning of a limited number of three-year online casino licences. Further details are expected to be announced later this year with the new regulatory system expected to be in place from early 2026.

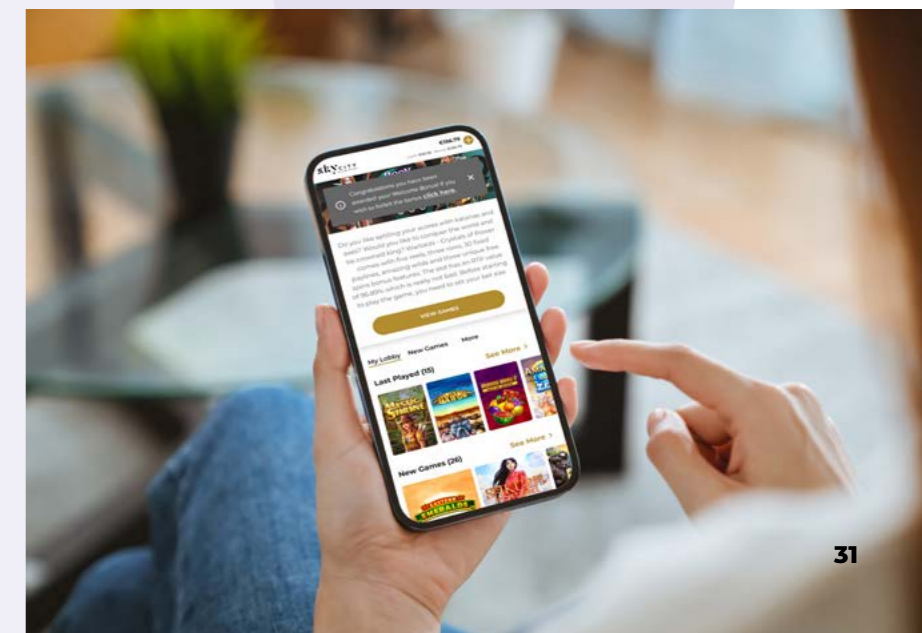
SkyCity remains supportive of future regulation of online casino gaming in New Zealand with an emphasis on high standards of host responsibility and delivering community benefits in New Zealand, and continues to prepare for a regulated industry to deliver on the omnichannel opportunity for the Group.

## FY24 PERFORMANCE

The New Zealand online gaming market has continued to grow over FY24 with recent estimates indicating a market between \$450 and \$550 million in annual gross gaming revenue. The New Zealand market has attracted ongoing and increasingly targeted competition from offshore operators ahead of potential regulation.

The FY24 result reflects the operating disadvantage SkyCity currently faces due to the absence of online regulation in New Zealand and the limited enforcement of local gaming restrictions on offshore operators, such as advertising restrictions which SkyCity adheres to. Net gaming revenue (before deduction of GiG's costs) of \$20.3 million was 33% lower than the prior year, impacted by lower bet sizes and reduced player numbers reflecting SkyCity's competitive disadvantage.

Expenses increased by 25% to \$5.8 million as a result of investment to further uplift the online business' regulatory compliance framework and increased resourcing to progress the New Zealand online gaming regulation opportunity. EBITDA (before GiG equity earnings) of \$3.6 million was down 67% on the prior year as the impact of lower gaming revenues was compounded by the significantly higher costs.





# RISK Management

SkyCity operates in a dynamic, highly regulated and challenging environment with both risks and opportunities.

SkyCity identifies, monitors and manages its exposure to financial, non-financial and strategic risks, and is committed to having risk management policies, processes, and practices that support a high standard of risk governance, enabling SkyCity to operate within its risk appetite.

## RISK GOVERNANCE

The SkyCity Board is responsible for approving the company's Risk Appetite Statement and, through the Board Risk and Compliance Committee and the Enterprise Risk Management Framework, the ongoing assessment of the effectiveness of risk management practices across the SkyCity Group.

The Board has delegated authority to the Risk and Compliance Committee to:

- review and recommend the Risk Appetite Statement to the Board for approval;
- approve the Enterprise Risk Management Framework and Risk Strategy;
- review and monitor the risk profile and controls of the Group, consistent with the Risk Appetite Statement;
- approve frameworks, policies, and processes for managing risk; and
- review and, where appropriate, approve risks beyond the approval discretion provided to management.

The Enterprise Risk Management Framework sets the Board's and the Senior Leadership Team's expectations regarding the Group's approach to managing risk and the key elements required, including the systems, governance, and key accountabilities. The framework is supported by key policies and standards that set out how SkyCity identifies, assesses, manages and reports material risk. The commitments set out in the framework are underpinned by SkyCity's Code of Conduct, which sets the guiding principles for how we do things at SkyCity. The Code connects our purpose, values and behaviours with the key policies and the "should we?" test to help us deliver fair and ethical outcomes for our customers and community.

In response to matters raised through various regulatory processes in recent years, SkyCity has taken action to focus on maturing its risk practices across

the Group and significantly invested in resourcing and capability across key areas, including its financial crime, host responsibility and risk functions. A multi-year Transformation Programme has been established to ensure a systematic approach is taken and centres around delivering long term sustainable change to the way in which SkyCity manages risk and conducts its business. SkyCity has made good progress to date, but the work to fully implement the Transformation Programme will take some years.

SkyCity also has a programme of work underway to identify the underlying cultural behaviours that may have contributed to our regulatory matters and is working with an external consultant to address these through the Transformation Programme.

A strategic pillar within the Transformation Programme is the Risk and Compliance Management workstream, covering the key areas of risk governance, risk and compliance management, conduct, responsible gaming practices, AML/CFT and culture. Successful implementation of the Transformation Programme is intended to position SkyCity as a leader in its approach to governance, compliance, responsible gaming and the management of financial crime risk, underpinned by an uplifted organisational culture.

## OUR MATERIAL RISKS

To support the flow of information and facilitate decision making processes, SkyCity's material risks are assessed on an annual basis as part of a risk assessment process and then categorised into a risk taxonomy, enabling SkyCity to establish a common understanding of the material risks and to take appropriate management action to reach target residual risk levels and manage risk within risk appetite.

Details of SkyCity's material risk types and the key actions and controls in place to manage those risks are outlined in the following table. Some risks are affected by factors external to, and beyond the control of, SkyCity.

## MATERIAL RISK

## KEY ACTIONS

### FINANCIAL CRIME

The risk that SkyCity's risk-based approach to identifying, managing and mitigating financial crime is not broad enough to detect and deter criminal exploitation of the business or to effectively meet obligations covered by legislation and governed by adherence to internationally agreed standards, leading to breaches and regulatory action.

Included within financial crime risk are:

- money laundering and terrorism financing
- sanctions
- bribery and corruption

SkyCity has continued to invest in strengthening its financial crime compliance and operational capabilities with enhancements made to customer onboarding, transaction monitoring, reporting and assurance activities.

SkyCity is committed to delivering its multi-year Transformation Programme to uplift its financial crime risk and compliance processes across the Group.

SkyCity has governance, processes and procedures in place to monitor and assess the activities associated with sanctions, bribery and corruption.

The SkyCity Online Casino operates from Malta in partnership with international iGaming company GiG. GiG has in place an AML/CFT Policy that includes procedures to detect, deter, manage and mitigate money laundering and the financing of terrorism risks.

See pages 52 - 56 and 64 - 66 of this annual report for further details on SkyCity's approach to financial crime.

### REGULATION AND LICENSING

The risk of a breach by SkyCity of a law, regulation, rule, licence condition and/or statement of regulatory policy applicable to its business activities (and not covered in another risk type).

Included within regulation and licensing risk are:

- licence management
- regulator management
- legal
- anti-competitive practices
- financial markets and listing rules
- conflicts management

In the case of any alleged wrongdoing, a regulator may initiate action against SkyCity, including a formal warning or, where the matter relates to SkyCity's casino operations, an application to suspend and/or cancel the relevant casino licence under the New Zealand Gambling Act 2003, South Australian Casino Act 1997 and/or South Australian Gambling Administration Act 2019 as applicable.

SkyCity values its relationships with its regulators and is committed to engaging in an open and transparent manner.

SkyCity has governance and risk frameworks in place across the Group to provide regular monitoring and oversight of SkyCity's regulatory and legislative environment and is committed to managing its obligations. SkyCity also provides regular training to employees regarding their individual and collective accountabilities. Regular internal and independent audits are undertaken to review the effectiveness of the controls and processes in place.

SkyCity is committed to delivering its multi-year Transformation Programme to uplift its governance, risk and compliance processes across the Group.

SkyCity has secured an extension to the Auckland casino venue licence to 30 June 2048 and an extension to the Adelaide casino licence to 30 June 2085. An extension to the Queenstown casino venue licence has been sought for a further 15 years from its current expiry date in December 2025, and an extension of the Hamilton casino venue licence will be sought in due course, in accordance with the renewal provisions in the New Zealand Gambling Act 2003.

### HOST RESPONSIBILITY AND CONDUCT

The risk of unfair business practices to customers and scrutiny related to problem gambling and the responsible service of alcohol.

Included within host responsibility and conduct risk are:

- problem gambling and vulnerable customers
- responsible service of alcohol
- advertising
- complaints
- loyalty programme management

SkyCity's Host Responsibility Programmes are available to customers online.

SkyCity has invested significantly in enhancing its approach to harm minimisation (both technology and non-technology solutions) and has established governance processes to drive a continuous improvement approach to maintaining the associated activities.

SkyCity is committed to delivering its multi-year Transformation Programme to uplift its host responsibility processes across the Group and leveraging industry best practice harm minimisation technology-led solutions.

See pages 52 - 56 and 58 - 63 of this annual report for further details on SkyCity's approach to host responsibility.



MATERIAL RISK	KEY ACTIONS
<b>GAMING</b>	
<p>Financial loss due to the inherent uncertainties associated with games of chance and the unpredictability of outcomes.</p> <p>Included within gaming risk are:</p> <ul style="list-style-type: none"> <li>gaming integrity</li> <li>game volatility</li> <li>gaming equipment</li> <li>product management</li> </ul>	<p>SkyCity has governance, systems and processes in place across the Group to detect and deter the risks associated with gaming integrity, and to ensure games are conducted fairly and in adherence to approved game rules. SkyCity maintains regular staff training and awareness programmes, and reporting and escalation protocols are in place should any irregularity be identified.</p> <p>SkyCity also manages gaming risk through table differentials, ongoing monitoring and review of its gaming businesses, and by leveraging industry best practice gaming technology-led solutions.</p>
<b>ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)</b>	
<p>Failure to provide sustainable and responsible business practices.</p> <p>Included within ESG risk are:</p> <ul style="list-style-type: none"> <li>environmental sustainability</li> <li>labour practices and human rights</li> <li>social licence and community</li> <li>governance</li> </ul>	<p>SkyCity continues to embed environmental and social matters into its strategy by focusing on sustainable practices, policies and outcomes. Key areas of focus include enhanced processes to manage environmental and social risk in our supply chain and procurement practices.</p> <p>Further details on SkyCity's approach to climate-related risks are outlined on pages 52, 53 and 72 - 81 of this annual report.</p>
<b>CYBER</b>	
<p>The risk of disruption to technology services and/or impact to the confidentiality and integrity of SkyCity data resulting from an internal or external attack or actions by employees/contractors, including the loss or disclosure of confidential data held internally or via a third party.</p>	<p>SkyCity is committed to keeping customer and sensitive information secure and protected.</p> <p>SkyCity has ongoing programmes in place to continually improve its cyber security capabilities and abilities to manage cyber security-related risks, including expanding its capabilities to defend against malware, simulation exercises and penetration testing by industry experts. SkyCity also conducts regular staff training and awareness campaigns, such as simulated phishing emails across the Group, to raise security awareness amongst employees.</p> <p>Notwithstanding, cyber security threats continue to evolve and become more sophisticated and SkyCity continues to assess the external environment and remain vigilant of cyber risks.</p>
<b>FINANCIAL</b>	
<p>Exposure to adverse variations in financial conditions, such as market fluctuations, and funding uncertainties that may negatively impact fiscal health and stability.</p> <p>Included within financial risk are:</p> <ul style="list-style-type: none"> <li>statutory financial reporting</li> <li>liquidity and funding</li> <li>financial control</li> <li>taxation</li> </ul>	<p>SkyCity manages liquidity risk by continuously monitoring forecast and actual cash flows and maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties and maturities. SkyCity also maintains close and transparent relationships with its lenders (including banks and United States Private Placement noteholders).</p> <p>Given the cautious economic outlook and the ongoing regulatory focus, SkyCity continues to adopt a conservative approach to capital management.</p>

MATERIAL RISK	KEY ACTIONS
<b>OPERATIONAL RESILIENCE</b>	
<p>The risk of disruption from technology and non-technology causes impacting critical operations.</p>	<p>SkyCity maintains a comprehensive operational resilience framework which supports preparedness and response to a wide range of critical events, including natural disasters, fire, emergency incidents and pandemics. Regular training exercises are held to continuously improve SkyCity's response and recovery capability during crisis events.</p> <p>SkyCity also has insurance coverage in place to mitigate key risks.</p>
<b>DATA AND PRIVACY</b>	
<p>The risk of failing to appropriately collect, handle, and maintain data, including protecting personal information.</p> <p>Included within data and privacy risk are:</p> <ul style="list-style-type: none"> <li>privacy</li> <li>data quality and handling</li> <li>models and AI</li> <li>records management</li> </ul>	<p>SkyCity has governance and risk frameworks in place and continues to mature its privacy practices and capability across the Group to ensure compliance in all jurisdictions where SkyCity operates. Through our data management strategy and programme, SkyCity is committed to simplifying, enhancing and embedding data management governance, capability and tools.</p> <p>SkyCity has policies and standards in place to manage customer data and the safeguarding of customers' personal information, and uses data in an ethical manner in line with customer expectations.</p>
<b>PEOPLE</b>	
<p>Risk of potential challenges and uncertainties associated with the human factors of the organisation, including meeting employee-related obligations, employee behaviour and performance.</p> <p>Included within people risk are:</p> <ul style="list-style-type: none"> <li>employee relations and entitlements, including payroll</li> <li>talent and performance management</li> <li>employee misconduct</li> </ul>	<p>SkyCity recognises that its reputation is impacted by the conduct of its people, which in turn is influenced by SkyCity's corporate culture. An important part of SkyCity's Transformation Programme is therefore the implementation of a cultural shifts programme. As part of this cultural shift, SkyCity has over the last financial year refreshed its Code of Conduct that sets clear behavioural expectations of its people.</p> <p>SkyCity also has governance and risk frameworks in place across the Group to manage people risk and is committed to ensuring compliance with employee-related obligations.</p>
<b>TECHNOLOGY</b>	
<p>The risk of technology that does not meet business needs and poor delivery of technology change.</p> <p>Included within technology risk are:</p> <ul style="list-style-type: none"> <li>fit for purpose technology</li> <li>technology change execution</li> </ul>	<p>SkyCity has a dedicated in-house ICT function that works with business stakeholders across the Group to assess and perform system health checks and confirm that systems are fit for purpose.</p> <p>SkyCity has invested to deliver improvements in project oversight and governance, including how change should be delivered, what evidence is required at each stage to deliver quality outcomes sooner and with better managed risk.</p> <p>In relation to the SkyCity Online Casino, GiG implements vulnerability management processes for its products, services and infrastructure, including:</p> <ul style="list-style-type: none"> <li>GiG's information security processes are tested against international standards (ISO 27001:2013 audit);</li> <li>penetration testing is conducted to identify any vulnerabilities;</li> <li>security engineers are consulted at the design phase of a product to minimise any vulnerabilities within the design of a product;</li> <li>the security posture of each supplier is assessed to minimise supply chain attacks; and</li> <li>a specialist team monitors GiG's systems on a 24/7 basis to identify any malicious activity that could lead to a breach.</li> </ul>



# Our BOARD



MATERIAL RISK	KEY ACTIONS
<p><b>FRAUD AND THEFT</b></p> <p>Fraud or theft (attempted or perpetrated) against SkyCity by a third party or an employee.</p> <p>Included within fraud and theft risk are:</p> <ul style="list-style-type: none"> <li>• internal fraud</li> <li>• external fraud</li> <li>• theft of physical assets</li> </ul>	<p>SkyCity has governance and processes in place to monitor and assess fraud and theft. If a fraud or theft is identified, appropriate action is taken, including improvements to the control environment where necessary.</p>
<p><b>HEALTH AND SAFETY</b></p> <p>Failure to ensure the safety and wellbeing of our customers and our people, including physical and mental wellbeing.</p> <p>Included within health and safety risk are:</p> <ul style="list-style-type: none"> <li>• employee health and safety</li> <li>• customer health and safety</li> </ul>	<p>The SkyCity New Zealand properties are tertiary accredited under the Accident Compensation Corporation Accredited Employers Programme and the SkyCity Adelaide site is a registered self-insured employer. SkyCity undertakes assurance activities to maintain certifications and continually improve its health and safety performance. SkyCity's ongoing safety assurance activities seek to assess the effectiveness of controls and, where appropriate, strengthen critical risk controls ensuring SkyCity keeps its people and visitors safe.</p> <p>SkyCity also has harm prevention programmes in place which are aimed at reducing minor injuries and promoting wellness amongst SkyCity's employees and contractors.</p>
<p><b>THIRD PARTIES</b></p> <p>The risk of poor outcomes through engagement with third parties and failure to manage contractual rights/obligations correctly (both suppliers and non-suppliers, including affiliates, joint ventures and alliances).</p> <p>Included within third party risk is failing to take reasonable steps to identify and mitigate additional operational risks from the outsourcing of services or functions, including franchising.</p>	<p>Standard contractual terms are in place wherever possible, with appropriate review and approval processes in place to consider proposed changes to standard terms.</p> <p>Wherever possible, goods and services are also procured locally.</p>
<p><b>STRATEGIC RISK</b></p> <p>The risk which affects or is created by strategic choices, which could meaningfully impact business outcomes and objectives.</p> <p>Included within strategic risk are:</p> <ul style="list-style-type: none"> <li>• emerging risk</li> <li>• reputation</li> <li>• strategic planning</li> <li>• delivery and execution</li> </ul>	<p>SkyCity has processes in place that govern and oversee allocation of its investment portfolio to enable strategic alignment, prioritisation of investment decisions and capacity planning of initiatives.</p> <p>Under its Transformation Programme, SkyCity is enhancing its processes to review emerging risks and the impact that these may have on the Group and its strategic priorities. This forms part of the strategic planning process where risks are assessed in line with risk appetite.</p> <p>SkyCity continues to invest in its products, services and experiences to deliver vibrant and customer experiences responsibly, including how digital experiences are integrated with its land-based offerings.</p>



## JULIAN COOK

### CHAIR

Julian was Chief Executive Officer of Summerset Group Holdings Limited from 2014 to March 2021 and, prior to becoming Chief Executive Officer, Summerset's Chief Financial Officer where he oversaw the company's transition to become a publicly listed company on the New Zealand and Australian stock exchanges.

Prior to joining Summerset in 2010, Julian was an Associate Director at Macquarie Group where he gained significant experience in the energy, industrial services, tourism and aged care sectors over a 12-year career.

Julian is currently a director of WEL Networks Limited, Winton Land Limited and Deakin TopCo Pty Limited, and holds a Master of Finance from Victoria University and a Master of Science from the University of Waikato.

*Chair of the People and Culture Committee*

*Chair of the Governance and Nominations Committee*

*Member of the Audit Committee*

*Member of the Risk and Compliance Committee*

*Member of the Transformation Sub-Committee*

*Appointed a director of SkyCity in June 2021 and Chair of the SkyCity Board in January 2022*

*Appointed a director of SkyCity Adelaide in October 2022*

*Resides in New Zealand*



## CHAD BARTON

### DIRECTOR

Chad has over 25 years of senior executive experience with both global and local listed corporations. His extensive experience spans capital markets, finance, mergers, acquisitions, and property development across technology, entertainment, and services sectors. On 30 August 2024, Chad will step down from his global role as Chief Operating Officer and Chief Financial Officer of Nuix Limited, following a highly successful transformation. Previously, he served as Chief Financial Officer at The Star Entertainment Group Limited, Salmat Limited and Electronic Data Systems (EDS) for Australia and New Zealand.

Chad also founded and was the inaugural Chairperson of Women in Gaming & Hospitality Australasia, aiming to achieve gender equity and support the advancement of women in the gaming industry. Additionally, he served on the Boards of NeuRA Foundation and Schizophrenia Research Institute.

He is a member of the Australian Institute of Company Directors and Chartered Accountants Australia & New Zealand, and holds a Bachelor of Business from the University of Technology, Sydney.

*Chair of the Audit Committee*

*Member of the People and Culture Committee*

*Member of the Governance and Nominations Committee*

*Appointed a director of SkyCity in June 2021*

*Resides in Australia*



## KATE HUGHES

### DIRECTOR

Kate is an experienced non-executive director, holding board and committee roles across a diverse portfolio, including the Victorian Department of Health, SuniTAFE and Lower Murray Water. She also holds committee roles with two Commonwealth regulators, Comcare and the Australian Prudential Regulation Authority.

Prior to embarking on a governance career, Kate held executive roles in risk management, governance and compliance across various sectors, including financial services, agribusiness, fast moving consumer goods, telecommunications, and tertiary education. Her private sector experience is complemented by regulatory experience at the Australian Securities and Investments Commission and NSW Treasury.

Kate holds tertiary qualifications in commerce, applied finance and occupational health and safety, and is a graduate of the Australian Institute of Company Directors.

*Chair of the Risk and Compliance Committee*

*Member of the Audit Committee*

*Member of the Governance and Nominations Committee*

*Member of the Transformation Sub-Committee*

*Appointed a director of SkyCity in September 2022*

*Resides in Australia*



# Our BOARD

# OUR SENIOR Leadership Team



## GLENN DAVIS

### DIRECTOR

Glenn has practised as a solicitor in corporate and risk throughout Australia for over 35 years with expertise and experience in the execution of large transactions, risk management and in corporate activity regulated by the Australian Corporations Act and ASX.

Glenn has extensive board experience across the public, private, family and government sectors. He is currently the Chair of ASX-listed company iTech Minerals Limited. He is also chair of a number of large private companies with broad board experience over many years in the manufacturing, resources, retail, property, seafood and primary production industries.

Glenn holds tertiary qualifications in law and economics and is a fellow of the Australian Institute of Company Directors.

*Member of the Risk and Compliance Committee*

*Member of the Governance and Nominations Committee*

*Member of the Transformation Sub-Committee*

*Appointed a director of SkyCity in September 2022*

*Appointed a director of SkyCity Adelaide and Chair of the SkyCity Adelaide Board in September 2022*

*Resides in Australia*



## DAVID ATTENBOROUGH

### DIRECTOR

David has strong gaming experience with over 12 years' experience at ASX-listed company Tabcorp Holdings Limited as Chief Executive Officer and Managing Director. Prior to joining Tabcorp, he was Chief Executive Officer (South Africa) of Phumelela Gaming and Leisure in South Africa and previously held senior roles with a variety of casino and racing organisations.

David is currently a director of Host-Plus Pty Limited, an Australian-based superannuation fund.

David holds an MBA from Henley Business School and a Bachelor of Science (Honours) from the University of Exeter, and is a graduate of the Australian Institute of Company Directors.

*Member of the Audit Committee*

*Member of the People and Culture Committee*

*Member of the Governance and Nominations Committee*

*Appointed a director of SkyCity in March 2023*

*Resides in Australia*



## DONNA COOPER

### DIRECTOR

Donna Cooper has over 25 years' experience in the financial services industry, most recently as Chief Executive Officer of TSB Bank Limited. Prior to this, she was Chief Executive Officer of The Warehouse Financial Services Group and Managing Director and General Manager New Zealand of Baycorp (NZ) Limited. She has also held a number of senior executive roles with American Express International over a 13-year period in New Zealand, Australia, India and the United Kingdom.

Donna is currently a member of the New Zealand Institute of Directors and a member of the Global Women's Leadership Network. She was the Inaugural Chair of the NZ Bankers' Association's Domestic Banks Group and a member of the NZ Bankers' Association's Governing Council.

Donna holds a Master of Arts in International Business from the Rennes School of Business, France, and a Bachelor of Business from the Auckland University of Technology. She has attained a Global Competent Boards Certification and Designation (GCB.D) in Sustainability and ESG.

*Chair of the Transformation Sub-Committee*

*Member of the People and Culture Committee*

*Member of the Risk and Compliance Committee*

*Member of the Governance and Nominations Committee*

*Appointed a director of SkyCity in September 2023*

*Resides in New Zealand*



## JASON WALBRIDGE

### CHIEF EXECUTIVE OFFICER

Jason joined SkyCity as Chief Executive Officer in July 2024.

Jason has over 20 years' senior executive experience in the global land-based and online gaming industries. Prior to joining SkyCity, he was a Strategic Advisor to global gaming and technology company Aristocrat Leisure Limited on its acquisition of NeoGames S.A, and the Executive Chairman of National Entertainment Network LLC, the largest amusement route operator in the United States.

He has previously held roles with the online gaming supplier NYX Gaming Group Limited and its acquirer Light & Wonder Inc, and spent 18 years with Aristocrat Leisure Limited where he held executive leadership roles in New Zealand and the United States. Prior to this, he held senior roles within consulting, including with Ernst & Young, and was an Officer in the New Zealand Defence Force.

Jason holds a Master of Business Administration in International Management from the Auckland Institute of Studies.



## CALLUM MALLET

### CHIEF OPERATING OFFICER NEW ZEALAND

Callum was appointed Chief Operating Officer New Zealand in February 2021 and has operating responsibility for SkyCity's New Zealand businesses, including the day-to-day operations of SkyCity Auckland. He was Interim Chief Executive Officer from March – July 2024.

Callum has significant gaming and hospitality experience having held a number of senior roles at SkyCity since joining in 2006, including as General Manager of SkyCity Darwin, General Manager SkyCity Auckland Hotels, Convention Centre and Sky Tower, and Executive General Manager of Hospitality for SkyCity Auckland. Prior to joining SkyCity, Callum held numerous senior leadership roles across the hospitality, retail and financial investment sectors.

Callum holds a Bachelor of Commerce from Victoria University of Wellington, and has completed studies with Cornell University, The London Business School and the University of Nevada.



## PETER FREDRICSON

### CHIEF FINANCIAL OFFICER

Peter joined SkyCity on 5 August 2024 as Incoming Chief Financial Officer and will take up the role of Chief Financial Officer from 23 August 2024. He is responsible for the financial management of SkyCity, including reporting, capital markets, treasury, and corporate development. He also oversees SkyCity's investor relations and internal audit functions.

Peter has over 25 years' experience in the listed energy and infrastructure sectors and the financial services and investment banking sectors across Australasia, Asia and the Pacific Rim. He was previously Chief Financial Officer of AMP Limited, Acting Chief Executive Officer and Chief Financial Officer of ASX-listed company Oil Search Limited, Chief Financial Officer at APA Group and Chief Financial Officer of Vector Limited.

Peter is a Chartered Accountant, holds a Bachelor of Commerce from the University of Auckland and is a graduate of the Australian Institute of Company Directors.

*Note that Julie Amey held the role of Chief Financial Officer throughout the financial year ended 30 June 2024.*



# OUR SENIOR Leadership Team



## JO WONG

### GENERAL COUNSEL AND COMPANY SECRETARY

Jo joined SkyCity as Senior Legal Counsel in January 2009 and was appointed as General Counsel and Company Secretary in September 2016. She is responsible for SkyCity's legal, company secretarial, and regulatory affairs functions and is designated as SkyCity's Chief Privacy Officer.

Jo has 25 years' experience in both private practice and in-house legal roles. Before joining SkyCity in 2009, she held General Counsel and Group Corporate Counsel roles in the New Zealand financial services industry and was a Senior Solicitor at Russell McVeagh, one of the leading law firms in New Zealand.

Jo was a finalist in the In-House Lawyer of the Year category in the 2019 and 2020 New Zealand Law Awards and was recognised in New Zealand Lawyer's 2019 and 2020 In-House Leaders lists as one of the leading lawyers across New Zealand. Jo is a graduate of the 2017 Global Women Breakthrough Leaders Programme, is a member of New Zealand Asian Leaders and holds a Bachelor of Laws and a Bachelor of Arts from Victoria University of Wellington.



## CAROLYN KIDD

### CHIEF RISK OFFICER

Carolyn joined SkyCity as Chief Risk Officer in April 2023 and is responsible for SkyCity's risk management effectiveness and the risk, AML/CFT and host responsibility functions.

Carolyn is an experienced risk executive with an extensive career in the banking and finance industry across Australia and New Zealand. Prior to joining SkyCity, she held a number of senior risk roles, including Chief Risk Officer at Westpac New Zealand, Chief Risk Officer at Bankwest (Commonwealth Bank of Australia), Chief Risk Officer at Sovereign Assurance, and Chief Credit Officer, Acting Chief Risk Officer and Head of Credit Risk Management at ASB Bank Limited.

Carolyn is currently a director and Senior Fellow of the Financial Services Institute of Australasia, and holds a Bachelor of Arts from the University of Auckland and a Diploma of Banking from Massey University.



## SIMON JAMIESON

### GROUP GENERAL MANAGER NZICC DEVELOPMENT AND TOURISM

Simon oversees the development of SkyCity's New Zealand International Convention Centre and Horizon by SkyCity project in Auckland. He also oversees SkyCity's health and safety function and SkyCity's development projects in New Zealand.

Simon has held a number of senior roles across the business since joining SkyCity in September 2007, including General Manager SkyCity Adelaide, General Manager Hotels SkyCity Auckland and Acting General Manager SkyCity Auckland.

With more than 35 years' experience in large-scale accommodation and hospitality businesses, Simon brings a wealth of commercial, property, project and tourism experience to the SkyCity business. Simon has governance experience on industry boards and Local Government owned entities and trusts.



## NIRUPA GEORGE

### CHIEF CORPORATE AFFAIRS OFFICER

Nirupa joined SkyCity as Chief Corporate Affairs Officer in June 2021 and is responsible for leading SkyCity's corporate affairs activities, including government, community and industry stakeholder relations and SkyCity's public policy and advocacy.

Before joining SkyCity, Nirupa was Chief of Staff to the Mayor of Auckland (Phil Goff) and was responsible for running the Mayor's office and executing his political priorities. Prior to this, she ran Mayor Goff's successful mayoral campaign in 2016 and worked in Parliament as a Political and Media Advisor. Early in her career, Nirupa was a Senior Solicitor specialising in refugee and humanitarian law.

Nirupa is currently the vice-Chair of Amnesty International Aotearoa New Zealand and Chair of its Membership and Stakeholders Committee, and a member of the Heart of the City Auckland's Executive Committee (representing SkyCity). She holds a Bachelor of Laws and Bachelor of Health Science from the University of Auckland.



## SHAUN PHILP

### CHIEF PEOPLE AND CULTURE OFFICER

Shaun joined SkyCity as Chief People and Culture Officer in August 2023 and is responsible for leading the development and implementation of best practice people and culture strategy across the SkyCity Group.

Shaun is a senior human resources executive with expertise in supporting leadership and culture transformation, innovation and business execution strategies across the telecommunications, financial services, and infrastructure sectors. Prior to joining SkyCity, Shaun held senior leadership roles across Australia and New Zealand, including Chief People Officer at Chorus New Zealand Limited and Executive General Manager Human Resources at AMP New Zealand.

Shaun has a Bachelor of Commerce from the University of Auckland and is a graduate of executive management programmes at the Harvard Business School and the London Business School.



## ANDREW MCPHERSON

### CHIEF INFORMATION OFFICER

Andrew McPherson joined SkyCity as Interim Chief Information Officer in November 2023 and was appointed to the role on a permanent basis in March 2024. He is responsible for leading the development and implementation of technology across the SkyCity Group.

Andrew is a senior technology executive with expertise in leading technology transformation, innovation and delivery across the media and entertainment, telecommunications, and infrastructure sectors. Prior to joining SkyCity, Andrew held senior leadership roles across the New Zealand technology industry, including Chief Technology Officer at Stuff Limited, and Head of National Design at Spark.

Andrew has a Bachelor of Engineering from the University of Auckland and is a graduate of executive management programmes at Waikato University and the University of Queensland.



# OUR SENIOR Leadership Team



**STEVE SALMON**  
MANAGING DIRECTOR  
SKYCITY MALTA

Steve joined SkyCity in February 2019 in the newly created role of SkyCity Online Director and was appointed Managing Director SkyCity Malta in February 2021. Based in the United Kingdom, Steve is responsible for launching, developing and leading SkyCity's online gaming strategy, including overseeing the operations of the SkyCity Online Casino.

Steve has extensive global senior leadership experience in the online gaming industry with a successful record of achievement driving growth and profitability within established listed corporate entities and entrepreneurial start-up consumer brands. Steve has led across all industry verticals (including sports betting, social gaming, business-to-business and business-to-customer), been a driver of thinking in the omnichannel space, and pioneered many of the industry key innovations.

Steve qualified as a member of the Chartered Institute of Management Accountants and has a post graduate qualification from the Cranfield School of Management.



**AVRIL BAYNES**  
INTERIM CHIEF OPERATING  
OFFICER AUSTRALIA

Avril was appointed to the role of Interim Chief Operating Officer Australia in April 2024 and is responsible for SkyCity's Adelaide business and overseeing the Australian inter-state gaming business.

Avril first joined SkyCity in May 2015 and held the role of Executive Manager Human Resources and Food and Beverage, and then Executive Manager Tourism and Food and Beverage, at SkyCity Darwin until SkyCity divested its interest in the SkyCity Darwin business in April 2019. Avril returned to SkyCity in November 2023 as General Manager Hospitality at SkyCity Adelaide. Prior to returning to SkyCity, she was Executive Manager Food and Beverage and Property Services, and then General Manager, of the Mindil Beach Casino Resort in Darwin, Australia, from November 2020 to November 2023.

Avril was named the 2002 Telstra Young Business Woman of the Year in the Northern Territory and holds a Bachelor of Laws from the Charles Darwin University and a Diploma in International Tourism and Hotel Management from the Southern Cross University.

# OUR TEAM

We aim to create an environment where our people are at the centre of what we do, ensuring that our staff can work safely, are motivated, can progress in their careers, and have the tools and knowledge they need to look after both themselves, and our customers.

We are committed to providing our employees with sustainable career paths at SkyCity and want our staff to grow their careers with us.

## HEALTH, SAFETY AND WELLBEING

The SkyCity Group Health, Safety and Wellbeing Strategy focuses on a number of key themes to continue SkyCity's improvement journey, including effective risk management, strong leadership and better engagement, resources to support improvement, and healthier people.

Over the last financial year, these strategic goals have been successfully delivered through a FY24 Health, Safety and Wellbeing Roadmap, including:

- development and implementation of absolute controls for our most critical health and safety risks;
- introduction of a departmental and site-wide employee consultation and participation framework for discussing and resolving health and safety matters;
- introduction of a new supplier management standard and an accompanying contractor health and safety prequalification process;
- introduction of an improved high risk permit to work system across the SkyCity properties; and
- enhancing our management of hazardous materials and substances.

SkyCity also has programmes in place to promote healthy behaviours and personal responsibility for mental and physical health. As part of SkyCity's wellness programme, all SkyCity employees are invited to receive a free flu vaccination each year. Staff also have access to a health nurse who is dedicated to conducting employee health assessments.

SkyCity offers its permanent, full-time employees across its New Zealand sites health insurance via healthcare provider Southern Cross Healthcare – by fully subsidising the RegularCare plan, which provides shared cover for surgical treatment, recovery, support, imaging and diagnostic tests and day-to-day treatment. Employees are also able to add their family members to the insurance plan at an additional cost.

A range of services are also in place to assist employees who may need a helping hand. SkyCity offers confidential help and advice (for both work related issues and situations outside of work) for employees at its Auckland and Hamilton sites through the 'Connect' employee advocacy team. A Group-wide Employee Assistance Programme (delivered via EAP Services) also offers supportive and confidential assistance to SkyCity employees with support available 24 hours a day, seven days a week from trained professional counsellors. SkyCity also provides emergency financial assistance for employees suffering financial hardship, including budgeting advice and last resort financial help through a 'SMILE' loan to New Zealand-based staff who qualify for support.

SkyCity offers a range of meal options across its land-based casinos for staff during working hours – at no cost to employees in Adelaide while on shift and at heavily subsidised costs in New Zealand. The SkyCity Auckland staff café also offers basic household items, such as bread, milk, butter and eggs, to employees at cost price.





As a major employer with over 4,500 staff, we know that taking care of our people is the key to creating a great and safe place to work.

**FY24 HEALTH AND SAFETY SCORECARD - SAFETY SUCCESS INDICATORS**

TARGET	FY24 PERFORMANCE
Zero fatalities or life altering injuries	✓ <b>Achieved</b> – no fatalities or life altering injuries
Total Recordable Incident Frequency Rate (TRIFR) target of 12.5 across the Group (Adelaide and New Zealand)	✓ <b>Achieved</b> – TRIFR of 11.4 recorded
Complete and record 900 health and safety observations across the Group (Adelaide and New Zealand)	✓ <b>Achieved</b> – over 5,000 health and safety observations completed by staff
Critical health and safety risks identified and assessed	✓ <b>Achieved</b> – nine absolute controls developed and implemented for our most critical health and safety risks



Our Auckland staff café is the busiest food and beverage outlet within the SkyCity Auckland precinct, serving 1,640 covers per day (on average) during FY24. Over FY24, our Auckland staff purchased:

**295,680** buffet meals starting from \$1.20 per meal      **49,033** pieces of fruit

**41,762** pies      **20,280** rolls of sushi

**15,335** 2 litres bottles of milk      **10,998** cartons of eggs

**8,638** loaves of bread      **7,987** salad bowls

**DEVELOPING MEANINGFUL CAREER PATHWAYS**

Our vision is to be a centre of expertise for capability development. By equipping our people with the right capabilities, we build and foster a culture of continuous learning and growth and carve meaningful career paths that contribute to exceptional customer experiences and SkyCity's overall success.

In addition to our core, enterprise-wide online e-learning training programme for our employees, we have established a robust ecosystem of customised development programmes and communities of practice to share best practices in learning across the Group. To assist employees in delivering high customer service standards in relation to responsible entertainment, our training ecosystem provides a blend of online and expert led training.

**SKYCITY WAY**

Compliance training is a significant and crucial aspect of the 'SkyCity Way' training programme, with 56 compliance courses currently on offer.

Our staff collectively completed a total of 25,037 courses over FY24 – with 21,921 of these being compliance courses.



- 26% Host Responsibility
- 16% Health and Safety
- 11% AML/CFT
- 11% Security
- 10% Responsible Service of Gambling and Gambling Regulations
- 10% Appropriate Workplace Behaviour
- 9% Other, including privacy, immigration, and food safety
- 7% Responsible Service of Alcohol

**DIVERSITY AND INCLUSION**

We recognise that prioritising diversity and inclusion is essential to the wellbeing and success of our workforce. A workforce enriched by varied perspectives and experiences cultivates an environment where innovation flourishes and problem-solving is more efficient. By embracing our diversity, we ensure that every member of our workforce feels valued and respected, fostering a supportive atmosphere where unique ideas and talents are encouraged. This inclusive culture not only enhances individual job satisfaction but also drives higher levels of collaboration and productivity.

At SkyCity, we have significant representation of minority groups, who are often underrepresented in leadership positions within our workforce. By encouraging diverse perspectives and approaches, particularly in strategic leadership roles, we can better reflect our varied customer base and attract individuals from different backgrounds to our organisation. We believe this diversity of thought strengthens SkyCity's competitive edge and ensures long term, sustainable success.

We are committed to providing opportunities and initiatives that assist all to reach their potential, and regularly benchmark and report on our diversity position, policy, and objectives.





**DIVERSITY AND INCLUSION - POLICY AND OBJECTIVES**

SkyCity's Diversity and Inclusion Policy (available in the Governance section of the company's website at [www.skycityentertainmentgroup.com](http://www.skycityentertainmentgroup.com)) provides a framework for the company's current and future diversity and inclusion initiatives.

Each year, the SkyCity Board sets measurable objectives to promote diversity and inclusion. At the end of each financial year, these objectives are reviewed along with the company's progress in achieving them.

SkyCity achieved moderate success against the measurable objectives set by the Board for the year ended 30 June 2024 as set out in the table below (noting gender balance is defined as having 40% female representation, 40% male representation and 20% any gender):

OBJECTIVE	PROGRESS MADE
<b>Continue to ensure strong female candidates are identified in the recruitment process for all Board and senior executive roles</b>	Recruitment briefs for the Board and senior executive recruitment processes during the past financial year explicitly specified that SkyCity required female candidates to be identified whenever possible. In the past financial year, one new female Board appointment was made (replacing a retiring female Board member). As at 30 June 2024, the gender composition of the Board therefore remained at 33% female and 67% male.
<b>Achieve and maintain gender balance in SkyCity's executive leadership team</b>	In the past financial year, two permanent executive appointments (both male) and three interim executive appointments (two male, one female) were made, bringing the gender composition for the executive leadership (as defined by the People and Culture Committee Charter) to 50% female and 50% male as at 30 June 2024.
<b>Maintain a gender balance across the SkyCity employee population and at each tier of the organisation hierarchy</b>	Within the top four levels of the organisation hierarchy, 43% of employees were female and 57% of employees were male as at 30 June 2024 (compared to 48% female and 52% male as at 30 June 2023). SkyCity continues to be a signatory to the 40:40 Vision (an investor-led initiative to achieve gender balance across the executive leadership teams of all ASX200 companies by 2030), maintaining gender balance in four of the initiative's seven metrics in FY24 (similar to FY23) - total workforce, non-managers, senior managers, and key management personnel. SkyCity also achieved a 4% increase in female representation (to 37%) in the 'Other Executives/General Managers' metric.
<b>Continue to review gender and ethnic pay equality and deliver an organisation-wide programme that removes any risk of bias or inequality</b>	SkyCity's overall New Zealand gender pay gap decreased to 4% (at 30 June 2024) from 4.4% (at 30 June 2023). SkyCity's overall Australian gender pay gap increased to 4% (at 30 June 2024) from 3.5% (at 30 June 2023). Details of SkyCity's New Zealand and Australian ethnic pay gaps at 30 June 2024 are detailed on page 49 of this annual report.
<b>Continue to advance SkyCity's indigenous pathway strategy</b>	In New Zealand, SkyCity: <ul style="list-style-type: none"> <li>continued its programme of works with Hybridges, a cultural intelligence agency, to address barriers to Pasifika success resulting in the design of a Pasifika-centred competency model and leadership framework;</li> <li>formalised its partnership with ahikā and the tangata whenua of central Tāmaki, Ngāti Whātua Ōrākei, providing for a framework of continued collaboration;</li> <li>continued as a major partner of TupuToa by hosting ten interns, with four of the interns securing permanent placements at SkyCity following their internship period; and</li> <li>continued to elevate its Indigenous youth and cultivate its understanding of servant leadership through the delivery of an Indigenous leadership programme in partnership with Project Ikuna.</li> </ul> SkyCity Adelaide has continued to work with agencies, including Career Trackers, to find opportunities for Aboriginal and Torres Strait Islanders to work at SkyCity. Whilst this has not resulted in internships in FY24, we continue to explore future opportunities.



OBJECTIVE	PROGRESS MADE
<b>Leverage and grow diverse talent pools to develop a more ethnically diverse leadership population</b>	Several initiatives were delivered during the past financial year with the objective of developing a more ethnically diverse leadership population: <ul style="list-style-type: none"> <li>continued review of our employee selection processes saw a 29% increase in ethnically diverse participation in our Rising Leaders programme in New Zealand; and</li> <li>there was a 28% increase in Māori and Pasifika employees recognised as strategic talent in our FY24 talent management process as a result of heightened focus in this area.</li> </ul> As at 30 June 2024, 0.5% of Adelaide employees identified as Aboriginal or Torres Strait Islander (0.5% as at 30 June 2023).
<b>Maintain certification with specialist organisations who represent minority groups within the SkyCity workforce (for example Gender Tick) to reiterate our commitment to, and support of, these minority groups' interests</b>	SkyCity maintained its Rainbow Tick certification in New Zealand for 2024 and maintained its commitment to the highest 'Gold' level of Pride Pledge. In Adelaide, our membership to Pride in Diversity has also been maintained. SkyCity also retained its advanced GenderTick status in New Zealand for the second consecutive year, with notable improvements in menopausal support and parental leave.
<b>Build the capability of all leaders in understanding and leveraging diversity of thought through ensuring appropriate awareness, education and capability development solutions are delivered</b>	Our inaugural 'Vantage' senior leadership development programme emphasised values of community and wellbeing, including a foodbank volunteer night at The Serve Trust in Hamilton, servicing those in need through the provision of evening meals. Pride Pledge continues to provide guidance to our leaders and Rainbow communities, delivering Rainbow101 workshops to operational and senior leadership teams across New Zealand over the last financial year. SkyCity launched Te Tuia, a Māori learning programme for employees informed by a Māori worldview which addresses te tiriti, te reo Māori and tikanga. 100 employees across New Zealand, from all tiers of the organisation, have been invited to participate in the pilot cohort which commenced in June 2024. The SkyCity Inclusion Council continued to encourage employee-led initiatives and provide strong executive visibility and sponsorship across the New Zealand properties. With the addition of Nurture, the new parent focused Employee Resource Group, there are now seven core groups represented in New Zealand. However, the progress of the SkyCity Adelaide Inclusion Council, which replicates the model already established in New Zealand, stalled due to the loss of executive sponsorship.
<b>Continue to work with advisors and experts to provide informed perspectives and guidance to the Chief Executive Officer and Inclusion Council on diversity and inclusion matters</b>	Several specialists were engaged to provide perspectives and guidance to both management and the SkyCity Inclusion Council Employee Resource Groups with a focus on building cultural understanding and competence. To guide and protect the organisation in its te ao Māori journey, a dedicated te ao Māori Strategic Lead was appointed. SkyCity Adelaide partnered with Flinders University on their Diversity Pathways research group, aiming to promote greater employment and social inclusion for people with a cognitive disability.
<b>Continue to provide support and education to employees and managers to promote mental health awareness and wellbeing</b>	The SkyCity Wellbeing Alliance Group designed 'Thrive', a comprehensive wellbeing framework with an enhanced view of the roles of self, team, and organisation, to prioritise a culturally responsive view of overall wellbeing and wellness. Several Employee Resource Group-led initiatives were delivered, including a Gumboot Friday panel featuring mental health practitioners, Pink Shirt Day activations, and the installation of a compliments wall in back-of-house staff areas featuring 80+ positive affirmations in our top 20 languages. In Auckland, Connect (SkyCity's employee support group) continued to deliver 'Good Yarn' workshops, an evidence-based mental health literacy programme for workplaces to talk about mental health.



## EMPLOYEE RESOURCE GROUPS

An Inclusion Council, comprising representatives of various Employee Resource Groups, supports the embedding of an authentic and inclusive culture at SkyCity. The leaders of the Employee Resource Groups bring together their respective communities and work together to drive initiatives that impact the groups they represent.

There are currently seven core Employee Resource Groups across SkyCity's New Zealand properties - Winning Women, NZ Asian Leaders, SkyCity Pride, Pasifika, Te Roopū Māori o SkyCity, Elevate (representing SkyCity's young talent) and Nurture (representing parents at SkyCity) - and five core Employee Resource Groups at SkyCity Adelaide - Women's Voice, LGBTTIQA+, Disability/Ability, Aboriginal and Life Stages.

## AN INCLUSIVE WORKFORCE

SkyCity has long stood as an advocate for our Rainbow Communities and was one of the first signatories of the Rainbow Tick, an external audit and quality improvement programme, and the Pride Pledge, a values-based commitment in New Zealand. As our dedication to inclusivity continues to evolve, SkyCity has launched a series of initiatives informed by a Rainbow perspective. These efforts aim to enhance the employee experience and cultivate an inclusive workplace for all. They include revising policies and staff areas to promote safety and inclusivity, as well as providing increased Rainbow education for our frontline workforce. Through prioritising Rainbow learnings during the onboarding process for all new team members, we highlight our commitment to fostering an inclusive environment for everyone.

Our Adelaide site has been an active member of Pride in Diversity since 2018. Pride in Diversity stands as Australia's first and only national not-for-profit employer support programme for LGBTQ workplace inclusion, offering training and consulting services to assist organisations with all aspects of LGBTQ workplace inclusion.

## GENDER PAY GAP

The following table illustrates the SkyCity gender pay gap as at 30 June 2024 and as a comparison against the prior periods since 2019 (when SkyCity first commenced disclosing its gender pay gap) and the respective national gender pay gaps:

	NEW ZEALAND		AUSTRALIA	
	SkyCity Gender Pay Gap* (as at 30 June)	National Gender Pay Gap	SkyCity Gender Pay Gap* (as at 30 June)	National Gender Pay Gap
2024	4.0%	8.6% (September 2023)	4.0%	12.0% (November 2023)
2023	4.4%	9.2% (August 2022)	3.5%	13.3% (November 2022)
2022	6.8%	9.1% (August 2021)	3.5%	13.8% (November 2021)
2021	6.9%	9.5% (August 2020)	6.1%	13.4% (November 2020)
2020	7.5%	9.3% (August 2019)	1.5%	13.9% (November 2019)
2019	8.2%	9.2% (August 2018)	1.5%	14.1% (November 2018)

\* The percentage difference between the median hourly rate for women compared to the median hourly rate for men as at 30 June in the relevant year (including permanent and temporary employees).



SkyCity was named a Finalist in the All-Accor Progress Award category at the 2023 New Zealand Rainbow Excellence Awards

Through these initiatives, SkyCity continues to foster a workplace culture that not only celebrates diversity but also wholeheartedly embraces inclusion for all.

## PAY EQUALITY

SkyCity continues to monitor and report on remuneration outcomes by gender to ensure pay equality. Over recent years, SkyCity has taken a leading position in New Zealand and Australia in relation to pay transparency through the publication of our gender and ethnic pay gaps, as well as the measurable actions SkyCity is taking to reduce underrepresentation and areas of disparity which may lead to gender and ethnic pay gaps.

In the last financial year, SkyCity again conducted gender pay equality analysis for like positions (being positions with similar degrees of know-how, problem solving and accountability). This analysis identified that there are no indications of gender bias across similar positions.

We remain focused on increasing the representation of women in senior roles across the business through a gender balanced talent pipeline. These initiatives, in addition to a strategy deployed over the past six years to lift the hourly wage rate of SkyCity's lowest paid staff, have contributed to a meaningful reduction to SkyCity's gender pay gap in New Zealand.

SkyCity Adelaide Pty Limited (the operator of the SkyCity Adelaide casino) has submitted its annual report to the Australian Workplace Gender Equality Agency in accordance with the Workplace Gender Equality Act 2012 (Cth) which outlines its policies, strategies and actions on gender equality, its workplace profile (including workforce composition, salaries and remuneration), and its workforce management statistics (including employee appointments, promotions, resignations and parental leave). A copy of the public report is available to shareholders on request.

## ETHNIC PAY GAP

The following table illustrates the SkyCity ethnic pay gap as at 30 June 2024 and as a comparison against the prior periods since 2021 (when SkyCity first commenced disclosing its ethnic pay gap):

	NEW ZEALAND			
	SkyCity Ethnic Pay Gap as compared to Pākehā Men (as at 30 June 2024)	SkyCity Ethnic Pay Gap as compared to Pākehā Men (as at 30 June 2023)	SkyCity Ethnic Pay Gap as compared to Pākehā Men (as at 30 June 2022)	SkyCity Ethnic Pay Gap as compared to Pākehā Men (as at 30 June 2021)
Pākehā Women	6%	2.9%	6.8%	7.9%
Māori Women	13.9%	10.3%	14.0%	18.9%
Pacific Women	13.9%	7.9%	13.8%	16.6%
Asian Women	9.2%	6.0%	10.9%	11.3%
	AUSTRALIA			
	SkyCity Ethnic Pay Gap as compared to European Men (as at 30 June 2024)	SkyCity Ethnic Pay Gap as compared to European Men (as at 30 June 2023)	SkyCity Ethnic Pay Gap as compared to European Men (as at 30 June 2022)	SkyCity Ethnic Pay Gap as compared to European Men (as at 30 June 2021)
European Women	0%	0%	0%	2%
Asian Women	13.4%	13.2%	13.4%	13.3%

## GENDER COMPOSITION

The gender composition of SkyCity's directors, officers, senior executives and total workforce as at 30 June 2024 and, comparatively as at 30 June 2023, is set out below:

2024	FEMALE		MALE		Total
	Number	%	Number	%	
Directors	2	33%	4	67%	6
Officers	5	45%	6	55%	11
Senior Executives	6	50%	6	50%	12
<b>Total Workforce</b>	<b>2,178</b>	<b>49%</b>	<b>2,309</b>	<b>51%</b>	<b>4,487</b>
2023	FEMALE		MALE		Total
	Number	%	Number	%	
Directors	2	33%	4	67%	6
Officers	4	40%	6	60%	10
Senior Executives	5	45%	6	55%	11
<b>Total Workforce</b>	<b>2,207</b>	<b>49%</b>	<b>2,325</b>	<b>51%</b>	<b>4,532</b>

In the tables:

- 'officers' are the Chief Executive Officer and those directly reporting to the Chief Executive Officer, other than the Executive Assistant;
- 'senior executives' are, with the exception of the Chief Executive Officer, those who hold a strategic position (as determined by the People and Culture Committee from time to time); and
- the 'total workforce' number does not include those who identify as gender diverse and those who elected not to identify as being female, male or gender diverse.

No directors, officers or senior executives self-identified as gender diverse as at 30 June 2023 or 30 June 2024.

SkyCity is a signatory to the 40:40 Vision - an investor-led initiative to achieve gender balance across the executive leadership teams of all ASX200 companies by 2030 - 40% women, 40% men and 20% any gender.





# DIVERSITY Snapshot

The following graphic shows the make up of SkyCity's workforce as at 30 June 2024 and, where relevant, as a comparison against our workforce as at 30 June 2023:

**4,512 staff**  
(full-time, part-time and casual)  
FY23 - 4,559

**37 years**  
average age of our workforce  
FY23 - 36 years

**70%** of our workforce are **43 years old** and under  
(full-time, part-time and casual)  
FY23 - 70%

**80 years**  
age of our oldest staff member  
FY23 - 80 years

**6%** identify as being a member of the **Rainbow** LGBTQIAP+ community  
FY23 - 6%

**45%** of leadership roles held by **women**  
FY23 - 41%

**0.4%** gender **diverse**  
FY23 - 0.5%

**48.3%** **women**  
FY23 - 48.5%

**51.2%** **men**  
FY23 - 51%

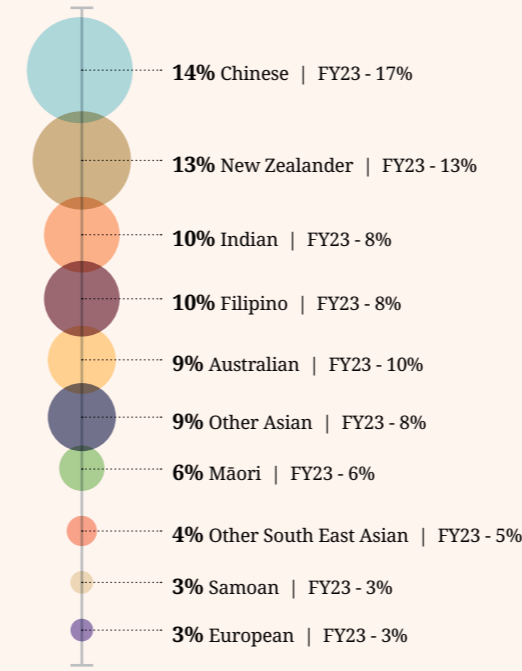
**1%** identify as having a **disability**  
FY23 - 1%

**61 languages** spoken and/or written by staff  
FY23 - 60

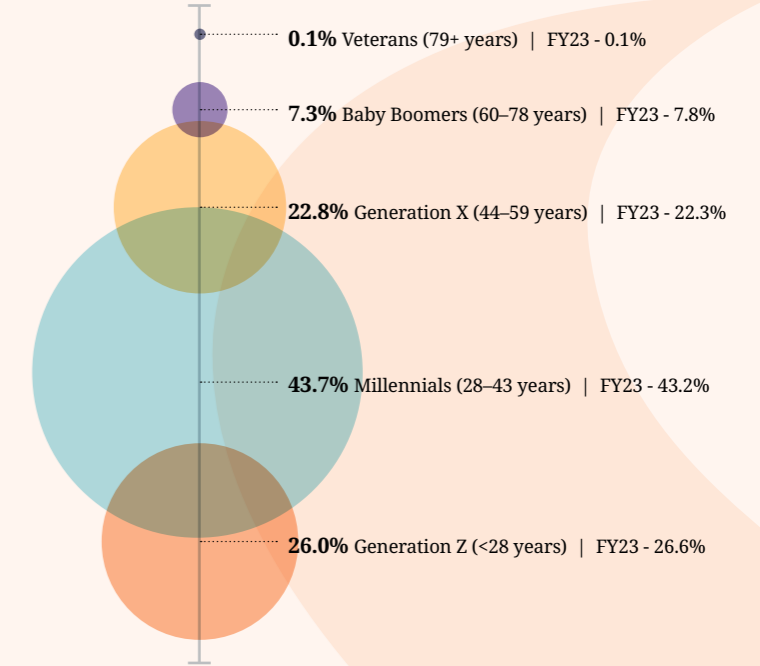
**Top 3 non-English languages**  
**1. Mandarin**  
**2. Tagalog**  
**3. Cantonese**

FY23 - 1. Mandarin; 2. Tagalog (Philippines); 3. Hindi and Cantonese

## Top 10 ethnicities our staff identify with



## Age breakdown



## 10% of our staff identify with two or more ethnicities

### DIVERSITY IN LEADERSHIP

	OUR TOTAL WORKFORCE <sup>^</sup>	OUR SENIOR LEADERSHIP <sup>^</sup>	OUR STRATEGIC LEADERSHIP <sup>^</sup>
European*	32%	82%	82%
Asian	53%	18%	13%
Māori	6%	9%	3%
MELAA**	3%	-	-
Pacific Peoples	9%	-	3%
Other	2%	9%	1%
Prefer not to say	-	18%	9%

Given as a percentage of those staff members who provided details about their ethnicity and those who elected "prefer not to say".

<sup>^</sup> Employees may report up to three ethnic affiliations. As a result, the aggregate percentage of ethnicities surpasses 100%.

\* Includes New Zealander and Australian.

\*\* Middle Eastern, Latin American and African.

Where:

- senior leadership includes, with the exception of the Chief Executive Officer, those who hold a strategic position as determined by the People and Culture Committee from time to time; and
- strategic leadership refers to individuals designated as senior manager or above in SkyCity's 2024 Global Women's Champions for Change Diversity Report submission and is displayed as the mean across the categories.





# SUSTAINABILITY

At SkyCity, we recognise that sustainability is critical to all levels of our business and operations.

Part of being a responsible business is understanding the impacts arising from our operations. The aim of this understanding is to enable positive impacts to be fostered and negative impacts to be, at the very least, mitigated and ideally abated. This is particularly true when there is potential for harm to either people or the environment.

SkyCity is committed to maintaining the highest levels of sustainability objectives and practices. Our sustainability initiatives are focused on doing good for our customers, employees, communities, suppliers, environment and shareholders. Our objective is to ensure that our strategic decisions strengthen the communities we operate in and provide environments and opportunities for our customers, suppliers and staff to enjoy, to be entertained and to be safe.

## OUR SUSTAINABILITY FRAMEWORK AND STRATEGY

In 2016, after engaging with both internal and external stakeholders on which sustainability issues were most relevant to SkyCity's business, we adopted our first set of sustainability goals, priority actions and targets and developed a materiality matrix to identify a set of priority impact areas and issues for the business. This framework was subsequently refined in 2018 to incorporate global trends and local market conditions in our approach to, and assessment of, risks and opportunities, culminating in a refreshed set of sustainability pillars.

Given the considerable external and internal change in relation to sustainability practices, perspectives and operating context, we commenced a review of SkyCity's sustainability framework and strategy in early 2022 - the purpose of which was to understand the drivers for sustainability for SkyCity into the early-mid 2020s, adopt a fit-for-purpose framework for driving sustainability decisions in the business, and gain confidence that SkyCity's sustainability activity was aligned to organisational purpose and strategy and reflective of the operating context. Following the review, we adopted a new integrated business strategy from 1 July 2022 that integrates environmental, social, and governance considerations into our current business strategy - as further detailed in the Group Strategy section of this annual report.

In mid-2022, SkyCity also developed and adopted a three-year Sustainability Implementation Plan (for FY23 - FY25) which reflects the priority sustainability activity underpinning our integrated business strategy. The areas identified as priority issues are those considered highly material for SkyCity's business and for our stakeholders.

We continue to focus on embedding our sustainability framework and strategy into all levels of the organisation and in the way SkyCity operates.

## WHAT MATTERS MOST

We undertake a materiality assessment on a regular basis to prioritise the issues that are most important to our business and key stakeholders in the short, medium and long term. The materiality assessment determines issues critical to SkyCity's financial performance and its broad set of stakeholders, including investors, employees, customers, wider society and the environment.

In May 2023, we conducted a materiality assessment with key stakeholders with the assistance of an independent consultant. Stakeholders were asked to identify and score SkyCity's most material topics from a shortlist of potentially material issues identified by the SkyCity Senior Leadership Team and expert advice using the International <IR> Framework's definition of materiality. The shortlist was derived from a longer list of relevant matters identified via desktop research, a scan of media and industry best practices, insights from the SkyCity Senior Leadership Team and Board, the review of SkyCity's sustainability framework and strategy in early 2022, and a review of SkyCity's most recent materiality assessment process in 2020.

Taking into account feedback from all stakeholders, the material issues were grouped into three priority categories as summarised in the following table. These priority categories inform how we develop our integrated business strategy, our sustainability activity, and our reporting going forward.

## MATERIAL ISSUES

CATEGORY DESCRIPTION	MATERIAL TOPICS
<b>Imperative</b> to value creation in the short, medium and long term for SkyCity (alternatively, they present a serious risk to value creation if they are not managed well and can cause the immediate erosion of value)	<ul style="list-style-type: none"> <li>Hosting responsibly</li> <li>Financial crime prevention</li> <li>Sustainable business performance</li> <li>Destinations and experiences</li> <li>Employee health and safety</li> </ul>
<b>Essential</b> to value creation in the short to medium term for SkyCity (alternatively, they present a risk to value creation if they are not managed well in the short to medium term)	<ul style="list-style-type: none"> <li>Operational excellence and business continuity</li> <li>Engaged, inclusive, and capable workforce</li> <li>Governance, ethics, and transparency</li> </ul>
<b>Contribute</b> to value creation in important ways over a slightly longer time horizon (alternatively, they present some risk to value creation if they are not managed well)	<ul style="list-style-type: none"> <li>Community investment</li> <li>Iwi and indigenous peoples</li> <li>Climate change</li> <li>Sustainable value chain</li> </ul>

## SKYCITY SUSTAINABILITY IMPLEMENTATION PLAN FY23 - FY25

PRIORITIES	CUSTOMERS	COMMUNITY	ENVIRONMENT
<b>Implementation Principles</b> (a) <b>Stakeholder value creation</b> (b) <b>Commitment to responsibility</b> (c) <b>Always doing the right thing</b>	(a) Creating vibrant experiences for SkyCity customers and exceeding their expectations (b) Ensuring customer experiences are provided safely and responsibly (c) Commitment to continuous improvement and having the systems and processes necessary to deliver vibrant experiences, responsibly	(a) Building and operating vibrant destinations in the places where we operate. Contributing back to local communities (b) Exceeding the expectations of a responsible business in the communities in the places where we operate (c) Commitment to continuous improvement and having the systems and processes necessary to deliver vibrant experiences, responsibly	(a) Respecting, protecting, and enhancing the environment in the places where we operate (b) Responsible use of natural resources and a commitment to minimise our impact and, where possible, enhancing the environment in the places where we operate (c) Dedicated focus on complying with all relevant environmental regulations, including climate-related risk disclosures
<b>Focus Areas</b>	<ul style="list-style-type: none"> <li>Host responsibility</li> <li>Prevention of financial crime</li> <li>Creating vibrant customer experiences, delivered responsibly by our people</li> </ul>	<ul style="list-style-type: none"> <li>Supporting our communities through our Community Trusts</li> <li>Investing in collaborative partnerships in our local communities where we operate</li> <li>Providing employment and development opportunities for young people in our communities</li> <li>Build SkyCity's confidence and capability to engage authentically with mana whenua and the indigenous peoples of South Australia</li> </ul>	<ul style="list-style-type: none"> <li>Climate change mitigation, adaptation and transition for our business</li> <li>Transitioning to a circular economy for our business</li> <li>Building a sustainability culture and engaging employees on climate change and sustainability</li> <li>Supporting the environmental performance of our supply chain</li> </ul>
<b>Our Targets</b>	<ul style="list-style-type: none"> <li>Compliant host responsibility programme as evidenced by internal/external audit processes and mystery shopper exercises</li> <li>Compliant prevention of financial crime programme as evidenced by delivery of the Group AML Enhancement Programme</li> <li>High levels of employee engagement as evidenced by maintaining or improving survey scores</li> <li>100% of eligible employees have completed mandatory training requirements (host responsibility and AML/financial crime)</li> <li>Retain employees by growing access to career paths within SkyCity, targeting 40%+ of roles filled internally each year</li> <li>Support vibrant and responsible customer experiences by targeting year on year growth in the number of employees accessing voluntary learning and development opportunities</li> <li>Customer satisfaction score - improvement year on year</li> </ul>	<ul style="list-style-type: none"> <li>300 Project Nikau recruits by 2025</li> <li>Project Nikau retention rate equivalent to, or better than, SkyCity Group retention rate</li> <li>Commitments (in line with Community Trust Deeds) met, and impact of these commitments measured</li> <li>SkyCity Adelaide employee population reflects South Australia with 1.49% of employees identifying as Aboriginal or Torres Strait Islander</li> </ul>	<ul style="list-style-type: none"> <li>Recalibrate climate change action plan by end of FY23</li> <li>Climate risk assessment and reporting (TCFD) completed for FY24</li> <li>Emissions reduction of 25% by 2025 (38% reduction in Scope 1 and 2 by 2030 and 73% by 2050)</li> <li>100% of contracted suppliers engaged to discuss measuring emissions and setting science aligned targets by end of FY23</li> <li>5% reduction year on year in waste to landfill</li> <li>10% reduction year on year in single-use plastic products</li> <li>Employees' knowledge of, and engagement on, sustainability enhanced</li> <li>By FY25, SkyCity's EcoVadis score is at or above the benchmark score of 55</li> </ul>

The following pages outline our priorities, focus areas, activities and targets for each of the pillars in our Sustainability Implementation Plan, and summarises the activities undertaken and achievements against our priorities for the financial year ended 30 June 2024.



# Our CUSTOMERS

We are committed to ensuring that we provide entertaining and profitable, yet safe and responsible, experiences and environments.

We take our responsibilities to minimise risk and harm from problem gambling and to detect and deter money laundering and terrorism financing very seriously.

PRIORITY	KEY STAKEHOLDERS
<ul style="list-style-type: none"> <li>Providing our customers vibrant experiences, responsibly</li> </ul>	<ul style="list-style-type: none"> <li>Customers</li> <li>Department of Internal Affairs</li> <li>Gambling Commission</li> <li>Office of Liquor and Gambling Commissioner</li> <li>Consumer and Business Services</li> <li>Government Ministers, agencies and officials, including the Ministry of Health</li> <li>Treatment service providers and public health providers, including Asian Family Services, Problem Gambling Foundation, Salvation Army, Raukura Hauora o Tainui and Hāpai Te Hauora in New Zealand and Relationships Australia, Overseas Chinese Association, PEACE Multicultural Services and OARS SA in South Australia</li> <li>Australasian Gaming Council</li> <li>Australian Transaction Reports and Analysis Centre (AUSTRAC)</li> <li>Police</li> <li>Local councils</li> </ul>
IMPLEMENTATION PRINCIPLES	
<ul style="list-style-type: none"> <li>Ensuring customer experiences are provided safely and responsibly</li> <li>Commitment to continuous improvement and having the systems and processes necessary to deliver vibrant experiences, responsibly</li> <li>Creating vibrant experiences for SkyCity customers and exceeding their expectations</li> </ul>	
FOCUS AREAS	
<ul style="list-style-type: none"> <li>Host responsibility</li> <li>Prevention of financial crime</li> <li>Creating vibrant customer experiences, delivered responsibly by our people</li> </ul>	

SkyBar, SkyCity Auckland



## FY23 – FY25 TARGETS

**Compliant prevention of financial crime programme as evidenced by delivery of the Group AML Enhancement Programme**

**Compliant host responsibility programme as evidenced by internal/external audit processes and mystery shopper exercises**

**High levels of employee engagement as evidenced by maintaining or improving survey scores**

**100% of eligible employees have completed mandatory training requirements (host responsibility and AML/financial crime)**

**Retain employees by growing access to career paths within SkyCity, targeting 40%+ of roles filled internally each year**

**Support vibrant and responsible customer experiences by targeting year on year growth in the number of employees accessing voluntary learning and development opportunities**

**Customer satisfaction score - improvement year on year**

## FY24 PERFORMANCE AGAINST TARGETS

- SkyCity was subject to regulatory action for non-compliance with AML/CFT laws in Australia and New Zealand as further detailed in this section and the financial statements in this annual report.
- Policy and process enhancements made to improve risk management of core processes such as customer due diligence.
- A centralised compliance workflow management system has been designed and is being implemented.
- Increased awareness of AML/CFT risks and capability in frontline teams.
- Recruitment of additional specialist financial crime resource to support delivery of key uplift initiatives.
- Work underway to design and implement a new AML/CFT risk assessment methodology.

- SkyCity was subject to regulatory action for non-compliance with host responsibility obligations in New Zealand as further detailed in this section and the financial statements in this annual report.
- External audit of the Hamilton and Queenstown Host Responsibility Programmes conducted, with no material non-compliance identified.
- Mystery shopping conducted on a regular basis to identify opportunities to uplift processes and training.

- FY24 employee pulse survey results continue to reflect high engagement:
  - 75% overall engagement score achieved (78% in FY23)
  - 80% would recommend SkyCity as a great place to work (79% in FY23)

- As at 30 June 2024, all eligible employees had either completed their mandatory training or had been assigned training with appropriate due dates.

- Permanent (full-time and part-time) internal hiring increased to 31% including promotions, demonstrating a continued commitment towards the 40% target – this was achieved through initiatives that increased visibility of career opportunities and the introduction of a dedicated career advisory service for employees.

- A range of upskilling options, including workshops, online courses, learning communities and collaborative team sessions, were offered to boost customer service skills and enhance customer experience.
- Voluntary, self-directed learning and development opportunities remain integral to our curriculum and are regularly highlighted in our staff newsletter.

- Net promoter score for the SkyCity Auckland eateries increased by 1% to 90% on the prior year, despite three new outlet openings over the period.
- The Grand by SkyCity and SkyCity Hotel's Global Index Review (GIR) scores increased by 2.5% (to 88.9%) and 1.8% (to 87.6%) respectively. Eos by SkyCity hotel's GIR score of 92% was down 1.2 percentage points but still ranked #1 within its competitive set.
- Sky Tower visitor sentiment score increased by 2.7% (to 79.3%).





## FY24 KEY CHALLENGES

- The macro-economic climate continued to impact employee wellbeing.
- Responding to regulatory actions in New Zealand and Australia.
- Targeted and sustained regulatory oversight over our AML/CFT and Host Responsibility Programmes.
- Continued focus on land-based casino operators in New Zealand and Australia, and on SkyCity's social licence to operate.

## FY25 FOCUS AREAS

- Successfully embed the refreshed staff Code of Conduct and deliver the supporting training.
- Continue to build management, leadership and critical functional capabilities to deliver on strategy and further shape SkyCity's culture.
- Continue to identify, attract, grow and retain the talent needed to deliver strategy and future proof our business.
- Continue to evolve our focus on the health and wellbeing of our communities.
- Continue to enhance our processes, practices and technologies that continue to uplift SkyCity's approach to AML/CFT and host responsibility.
- Introduction of carded play to minimise the impacts of risk and harm for our customers and our business.

This section largely focuses on SkyCity's approach to host responsibility and AML/CFT across its land-based casinos as, due to constraints in the New Zealand Gambling Act 2003, SkyCity's online gaming business, the SkyCity Online Casino, is operated from Malta in partnership with international iGaming company Gaming Innovation Group Inc (GiG).

GiG provides SkyCity with a full-suite online casino solution, which includes a technical platform, gaming content, managed services, front-end development and best-in-class host responsibility and AML/CFT procedures. GiG has tailored the host responsibility tools available from its offshore platform to align wherever possible with SkyCity's land-based practices and, in some cases, has developed new processes specifically applicable to the New Zealand market such as the casino age restriction and contact information for support services. Through rigid processes and industry leading software, GiG also ensures that international AML/CFT regulation and best practice is strictly adhered to.

Further details of the SkyCity Online Casino's host responsibility practices are available at [www.skycityentertainmentgroup.com/our-commitment/responsible-gambling](http://www.skycityentertainmentgroup.com/our-commitment/responsible-gambling)

## CREATING VIBRANT PRECINCTS AND EXPERIENCES

As New Zealand's largest tourism, leisure and entertainment company, we are focused on creating vibrant experiences for our customers, delivered responsibly, and exceeding our customers' expectations.

To ensure our existing precincts remain relevant to customer demand and we maximise the opportunities that our existing precincts present, we continue to explore opportunities for new food and beverage, gaming and entertainment offerings across our precincts. Ongoing refurbishment and investment in new gaming product, product management and changes to floor layout also remain key focuses for the business. Over the last financial year, two new food and beverage offerings opened across the New Zealand properties – Metita in Auckland and Palate (a restaurant tenancy) in Hamilton. In August 2024, The Grill, a New Zealand steak and seafood restaurant, was re-opened within the Horizon by SkyCity hotel.

We remain focused on delivering the New Zealand International Convention Centre (NZICC) in Auckland and the adjacent infrastructure (a total investment of around \$750 million for SkyCity), including a laneway, over 1,250 additional car parking spaces and Horizon by SkyCity – a new 303-room, 5-star hotel. Horizon by SkyCity opened in August 2024 and the NZICC is expected to open in 2025. When open, the NZICC will be New Zealand's largest convention centre enabling New Zealand to attract major international conferences as well as having capability for sporting events, theatre and musical performances.

The SkyCity Auckland property, SkyCity's largest and busiest property, spans the majority of three blocks in the Auckland CBD (~3.5 hectares) with ~295,000sqm of gross floor area. Significant long term option value remains embedded in the Auckland precinct (including 968sqm of land able to be further developed). In addition, the City Rail Link, a new 3.45 kilometre twin-tunnel underground rail system being constructed by the New Zealand Government and Auckland Council below the Auckland CBD, will provide greater connectivity to the SkyCity Auckland precinct when completed in 2026 with the new Te Waihorotiu Station near Wellesley and Victoria Streets expected to be New Zealand's busiest train station. Entrances to Te Waihorotiu Station, a 300 metre long underground mid-town station, will be located on Victoria and Wellesley Streets – conveniently located adjacent to the SkyCity Auckland precinct.



SkyCity is also cognisant of the strategic need to remain abreast of developments in the online and digital space and, where appropriate, to ensure that we take up opportunities that will ensure we continue to offer a relevant form of entertainment. In response to this, we continue to consider evolving customer demographics and preferences in both our gaming and non-gaming operations, including new offerings, technologies and innovation. In recent years, we have made good progress in ICT investment and our digital capability and continue to focus on initiatives to enhance the customer experience, centred around web and mobile, customer relationship management and data analytics.

We also continue to explore online gaming opportunities to complement the SkyCity Online Casino - an offshore online casino (based in Malta) launched in August 2019 that provides New Zealanders an online casino experience. The SkyCity Online Casino has grown rapidly since its launch in August 2019 despite legislative constraints, with significant growth in its customer base over the period – with over 150,000 customer registrations as at 1 August 2024. While ultimately a regulated online gaming market in New Zealand remains the preferred solution for SkyCity, the launch of the SkyCity Online Casino was an important step on the journey of pursuing opportunities to grow and diversify earnings, addressing a fast growing industry which is highly complementary to our land-based activities and offering customers an omnichannel gaming experience.





# HOST Responsibility

Gambling can be a fun and enjoyable entertainment activity. However, it can also have harmful effects on some individuals, their families and their communities. Our challenge is therefore to ensure that our business provides entertaining and profitable, yet safe and responsible, experiences and environments.

## COMMITMENT TO HOST RESPONSIBILITY

At SkyCity, we place great importance on host responsibility throughout every part of the organisation. All SkyCity Board members and staff receive training in problem gambling awareness.

The Board's Risk and Compliance Committee is responsible for overseeing and monitoring the company's host responsibility and responsible gambling programme and initiatives and monitoring licensing and regulatory compliance, and assists the SkyCity Board in fulfilling its responsibilities relating to risk management and compliance.

Within the business, a senior management-led Host Responsibility Governance Group meets regularly to discuss and review host responsibility matters that have arisen or may arise in the future across the SkyCity Group. The key objectives of the Governance Group are to:

- provide collective guidance to SkyCity management on host responsibility matters of interest;
- oversee delivery and implementation of major host responsibility projects, including technology-related projects, and monitor progress of host responsibility strategic and operational plans; and
- develop initiatives that will collectively benefit SkyCity customers and shareholders by way of discussion, provision or endorsement of responsible gambling and/or harm prevention components.

A dedicated team of experienced host responsibility specialists is employed at each of SkyCity's land-based casinos and, through our partnership with GiG, an experienced harm minimisation team is in place for the SkyCity Online Casino.

Our team of Responsible Gambling Hosts in Auckland and Hamilton provide additional and dedicated host responsibility coverage in gaming areas. Working collaboratively with our Gaming Machines, Table Games, Security and Surveillance teams, the Responsible Gambling

Hosts are responsible for:

- proactively monitoring the main gaming floor for customers who remain within the casino or play for extended periods and approaching and interacting with customers as required;
- assisting with the actioning of continuous play system alerts;
- assisting with the actioning of continuous presence system alerts;
- assisting with the actioning of repeat ATM withdrawal/decline alerts; and
- acting as a visible point of contact for customers that would like to know more about SkyCity's host responsibility practices.

A robust Host Responsibility Programme is in place at each of our physical sites, and within the SkyCity Online Casino, to prevent and minimise harm from problem gambling.

An outline of SkyCity's commitment to host responsibility and detailed individual site-related information, including the Host Responsibility Programme for each site and the SkyCity Online Casino, is available at [www.skycityentertainmentgroup.com/our-commitment/responsible-gambling](http://www.skycityentertainmentgroup.com/our-commitment/responsible-gambling).

## BEST PRACTICE HOST RESPONSIBILITY

We are immensely proud of the culture of care we have developed within our casinos and continue to focus on ways to ensure that this culture of care is maintained and that we have the highest standard of host responsibility practice.

Over the past financial year, we implemented additional host responsibility measures to improve our ability to prevent and minimise harm from problem gambling, including:

- the introduction of an updated Host Responsibility Programme (approved by the Gambling Commission) for each of our New Zealand casinos. The updated programmes include SkyCity's commitment to introduce mandatory carded play across our New Zealand properties by July 2025;
- adapting and enhancing our facial recognition technology at the SkyCity Auckland and SkyCity Hamilton properties to monitor

At SkyCity, we place great importance on host responsibility throughout every part of the organisation.

repeat withdrawals and multiple declined transactions at ATMs for indicators of problem gambling, with the technology soon to be implemented in SkyCity Queenstown;

- refreshing all of our staff host responsibility training programmes to ensure staff are up-to-date on the latest harm minimisation practices;
- increasing our host responsibility resourcing, with additional staff recruited as Responsible Gambling Hosts and Host Responsibility Executives and for host responsibility training and data insights; and
- the introduction of PatronScan technology at all of our casino properties to support the identification of minors and verification of ID documentation.

In a dynamic casino environment, maintaining effectiveness, relevancy and consistency in harm minimisation best practice is an ongoing challenge. In response to that challenge, SkyCity continues to explore available technology solutions, seek expert advice, consult stakeholder groups and source a range of research material.

Over the last financial year, we were subject to regulatory action in New Zealand for historic non-compliance with our host responsibility obligations. In September 2023, the Secretary for the Department of Internal Affairs made an application to the Gambling Commission to temporarily suspend SkyCity Casino Management Limited's (SCML) casino operator's licence for a period in the range of 10 days following a complaint made to the Department by a former customer who gambled at the SkyCity Auckland casino from August 2017 to February 2021. In July 2024, SCML reached agreement with the Secretary to resolve the application, pursuant to which SCML:

- acknowledged that it did not meet the requirement in the SkyCity Auckland Host Responsibility Programme, and therefore SCML's casino operator's licence, relating to the detection of some incidents of continuous play by the customer due to a design error in a technology system developed by SkyCity to monitor continuous play by carded customers (which has since been rectified);
- acknowledged that it failed to exercise the level of vigilance required by the Host Responsibility Programme to use staff observation and intervention independently and alongside that technology to identify those incidents of continuous play by the



customer and then act appropriately – such vigilance being especially relevant for customers like the complainant whose problematic behaviour was silent or hidden; and

- agreed to close the gambling area of the SkyCity Auckland casino for five consecutive days in September 2024 in an effort to resolve the matter in an expedient manner and without undue delay.

## ASSURANCE AND AUDIT

As part of SkyCity's assurance activities, independent audit activities and mystery shopping programmes are carried out at each land-based casino to monitor compliance with SkyCity's relevant Host Responsibility Programme.

SkyCity also has an independent internal audit programme in place to monitor and improve compliance with SkyCity's land-based harm minimisation framework and undertakes internal mystery shopping training exercises across its land-based casinos to test the robustness of its host responsibility practices.

Each SkyCity Host Responsibility Programme is also subject to audit by the relevant gambling regulator.

## EMBRACING TECHNOLOGY

SkyCity operates a predictive algorithm risk model created by Focal Research at SkyCity Auckland, which analyses loyalty data as a tool to identify players who may be at risk from gambling harm. The algorithm was last upgraded in June 2020 with the addition of Focal Research's 'ALERT BETTOR Protection System' software to enhance and improve SkyCity's ability to identify potential at-risk gamblers. The ALERT BETTOR Protection System software uses routinely stored customer data to create complex models for identifying and managing high-risk play (the algorithm) that otherwise may not be outwardly visible to operators or customers.

The algorithm (including the ALERT BETTOR Protection System software) was rolled out and implemented at the SkyCity Hamilton casino in 2020. Discussions with the South Australian regulator are ongoing regarding the use of this



technology at the SkyCity Adelaide casino.

Since 2019, SkyCity has operated a full facial recognition technology solution across all its land-based casinos using cameras positioned at all entry points to the gambling areas to assist in identifying customers excluded from re-entering its casinos. An automated alert is triggered notifying SkyCity personnel when an individual matching an image from SkyCity's database of excluded patrons re-enters a SkyCity gambling area. Prior to the introduction of this technology, staff recall was the primary mechanism for identifying excluded persons returning to the casino in breach of their exclusion orders.

This technology was subsequently enhanced with the assistance of additional cameras installed within the casino to assist SkyCity in identifying customers who remain within the casino for extended periods (an automated alert is triggered notifying SkyCity personnel when an individual is identified within the casino for an extended period) – with the enhanced technology being implemented at the SkyCity Hamilton casino in 2020 and at the SkyCity Auckland casino in 2021. Subject to obtaining regulatory approval, we also intend to implement this technology at the SkyCity Adelaide casino.

In 2023, SkyCity introduced facial recognition monitoring at its SkyCity Auckland and SkyCity Hamilton ATMs to monitor repeat withdrawals and declined transactions for indicators of problem gambling. This technology will also be rolled out to ATMs at SkyCity Queenstown during the second half of 2024.

SkyCity has also committed to using all reasonable endeavours to introduce mandatory carded play in its land-based New Zealand casinos by July 2025 and at the SkyCity Adelaide casino in early 2026. Through delivering this transformative approach to gaming, SkyCity is seeking to elevate

The Grill,  
SkyCity Auckland



its customer care approach in a way that enables customers to help track and monitor their play activity, and take regular breaks from gaming.

The introduction of facial recognition technology and other technological solutions, such as mandatory carded play, significantly bolsters and assists SkyCity's ongoing efforts to detect and prevent excluded customers from re-entering its casinos and to detect continuous presence and play. However, despite our best efforts and host responsibility measures and initiatives, there is no guarantee that such technology will be effective in each and every case and some individuals may nonetheless find ways to elude staff.

### CONSISTENCY OF RESPONSIBLE GAMING CULTURE AND PRACTICE

The alignment of excellent host responsibility and harm minimisation practice and culture across the SkyCity Group remains challenging due to differences from site to site, such as size, scale and staffing structure. There are also market and customer differences that impact our approach to staff training and programme design, in addition to unique cultural distinctions to consider.

Furthermore, our sites across New Zealand and in South Australia each have different regulatory environments in which to operate.

These differences mean that while SkyCity's Host Responsibility Programmes have similarities, they are often carried out quite differently. However, problem gambling is an addiction and the possibility of harm from this type of behaviour manifests itself in the same way regardless of jurisdiction or location. That is why SkyCity endeavours to lead in this area and employ best practice prevention methods across the business.

A key strategic focus across the SkyCity Group for minimising gambling harm is prevention. Robust prevention initiatives can be developed and implemented across the Group with few or no regulatory or local procedural constraints. By adopting a prevention approach, we can increase our ability to identify and respond early to new or emerging concerns that may lead to problem gambling related issues for our customers.

We are committed to carrying out regular reviews of each of our Host Responsibility Programmes to ensure alignment of our practices across our sites where possible.

### CUSTOMER EXPERIENCE AND ENGAGEMENT

SkyCity promotes a range of tools to support responsible gambling. Exclusion is an important host responsibility offering for those that may be vulnerable to problem gambling. Our casinos offer extensive information to customers about exclusion options and referral details to problem gambling support services, including gambling helplines and face-to-face counselling organisations.

In New Zealand, customers can choose to exclude themselves from all SkyCity casinos in New Zealand for a period of up to two years. In some cases, SkyCity itself makes the decision to exclude a customer as a means to prevent risk of harm occurring, or as a means to stop further harm through a customer's gambling at SkyCity's casinos. In Adelaide, customers can also choose to exclude themselves from the SkyCity Adelaide casino and, in some cases, SkyCity itself or the Liquor and Gambling Commissioner makes the decision to exclude a customer – all exclusions are referred to Consumer and Business Services (the South Australian Gaming regulator).

A dedicated team of Responsible Gambling Hosts in Auckland and Hamilton proactively monitor and interact with uncarded players, action long play alerts for carded and uncarded players, action long stay alerts, and act as a source of host responsibility information for all customers. In Adelaide, a dedicated team of Responsible Gambling Coordinators monitor customers to identify signs and indicators of problematic gambling behaviour.

With the size of our customer base and premises, it can be a challenge to identify individuals immediately and, despite our best efforts and measures (including new technologies), some individuals may nonetheless find ways to elude staff and re-enter a SkyCity casino.

### COMMUNITY KNOWLEDGE

Given that a material issue to our internal and external stakeholders is responsible gambling, we aim to foster good relationships with problem gambling stakeholders. As part of this approach, we provide tours of our facilities and literature to treatment providers to assist them in understanding our gaming environments and Host Responsibility Programmes. We also partner with local experts and support agencies to ensure we have up-to-date resources in place for harm minimisation and prevention.

The objective is to improve information sharing and collaboration between stakeholders in order to advance SkyCity's harm minimisation approach. This collaborative approach ensures that knowledge about problem gambling is shared between SkyCity and the relevant stakeholders, who will work together to minimise harm.

During the past financial year, we continued to engage with community stakeholders both at their request and through scheduled formal Harm Prevention and Minimisation Community Work Group meetings in Auckland, Hamilton and Queenstown, and Harm Minimisation Community Stakeholder Committee meetings in Adelaide. Stakeholders from relevant treatment service providers, public health providers and Government agencies are invited to attend these regular meetings. We also invite treatment service

providers to attend our internal host responsibility training programmes wherever possible.

SkyCity also works collaboratively with problem gambling service providers in connection with Gambling Harm Awareness Week, inviting service providers to have a presence on SkyCity's main gaming floors over the week to provide opportunities for customers to engage and learn about available services.

Alongside this activity, SkyCity undertakes additional Gambling Harm Awareness Week initiatives to create host responsibility awareness. Since 2022, SkyCity Auckland has promoted a 'Sit this One Out' initiative for customers to educate and encourage customers to take a break from gambling in a separate area of the gaming floor where they can enjoy complimentary refreshments. During Gambling Harm Awareness Week in September 2023, this initiative resulted in over 1,000 customer interactions promoting host responsibility.

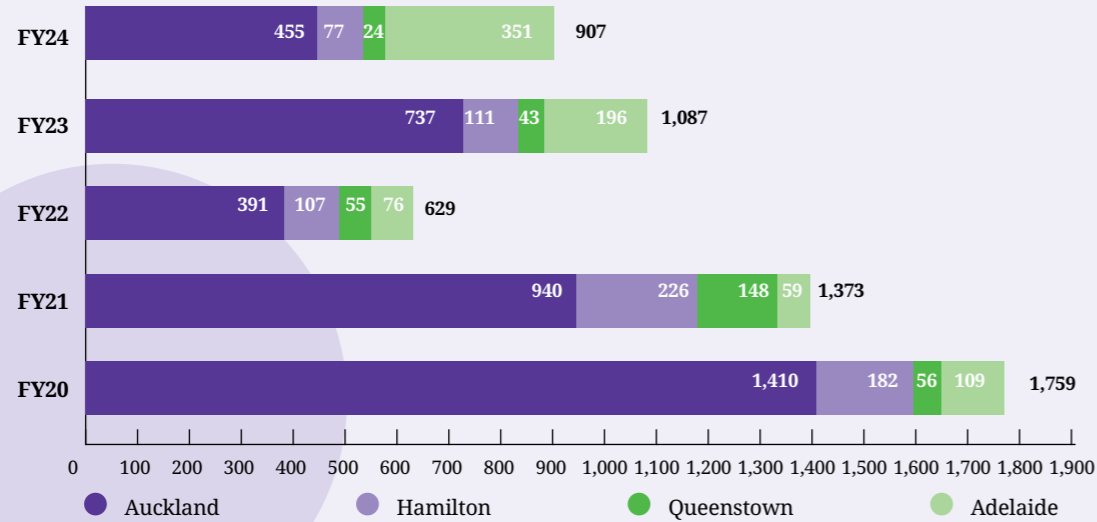
Sit this One Out  
campaign poster





### EXCLUDED PERSONS IDENTIFIED AT SKYCITY PROPERTIES

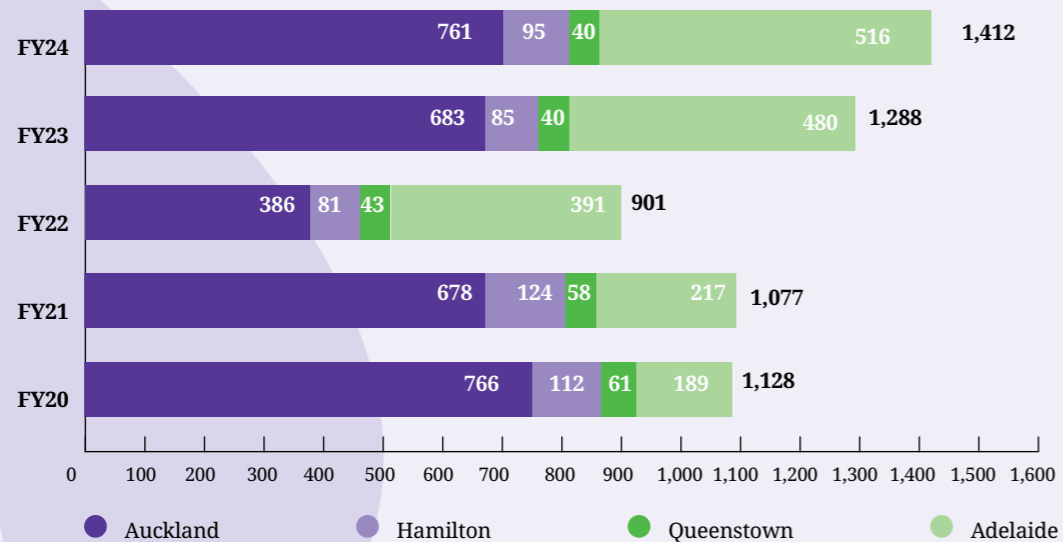
The following graph summarises the number of excluded persons identified returning to each of the SkyCity properties in breach of an exclusion order or common law barrings over the 2020–2024 financial years:



During FY20, a facial recognition technology solution was implemented across SkyCity's land-based casinos to assist in identifying excluded customers. The reduction in the number of exclusion-related breaches from FY20 to FY22 is likely due to changes in excluded patron behaviour following the introduction of this technology and COVID-19 closures/restrictions. The increase in the number of exclusion-related breaches from FY22 to FY23 is likely due to the business returning to normal operations following the lifting of COVID-19 restrictions.

### EXCLUSIONS AT SKYCITY PROPERTIES

The following graph summarises the number of exclusion orders and common law barrings issued by each of the SkyCity properties over the 2020–2024 financial years:



The number of exclusion orders and common law barrings issued in FY22 was likely impacted by COVID-19 closures/restrictions. The increase in the number of exclusion orders and common law barrings issued from FY22 to FY23 is likely due to the business returning to normal operations following the lifting of COVID-19 restrictions.

# Harm Minimisation Framework

<p><b>SENIOR MANAGEMENT GOVERNANCE &amp; OVERSIGHT</b></p> <ul style="list-style-type: none"> <li>A Host Responsibility Governance Group meets regularly to discuss host responsibility matters</li> </ul>	<p><b>BOARD GOVERNANCE &amp; OVERSIGHT</b></p> <ul style="list-style-type: none"> <li>SkyCity Board and Risk and Compliance Committee governance and oversight of performance of harm minimisation framework</li> </ul>	<p><b>HOST RESPONSIBILITY PROGRAMMES</b></p> <ul style="list-style-type: none"> <li>Site-specific programmes outlining SkyCity's host responsibility obligations (approved by the regulator)</li> </ul>	<p><b>HOST RESPONSIBILITY ROLES &amp; DUTIES</b></p> <ul style="list-style-type: none"> <li>Roles and activities focused on customer care and host responsibility monitoring</li> </ul>
<p><b>SOFTWARE AND ALGORITHMS TO MONITOR GAMING MACHINE PLAY</b></p> <ul style="list-style-type: none"> <li>Blended software for analysis and insight into player behaviour and spend/visitation traits, including real time monitoring of continuous use of gaming machines</li> </ul>	<p><b>INDEPENDENT ASSURANCE</b></p> <ul style="list-style-type: none"> <li>An independent audit is carried out every two years at each land-based casino to monitor compliance with its Host Responsibility Programme</li> <li>Internal independent assurance programme (internal audit and continuous improvement)</li> <li>Mystery shopping programme</li> </ul>	<p><b>ITRAK MONITORING &amp; REPORTING</b></p> <ul style="list-style-type: none"> <li>A record management tool for host responsibility incidents and assessments, including reports for ongoing oversight</li> </ul>	<p><b>LEARNING &amp; DEVELOPMENT FRAMEWORK</b></p> <ul style="list-style-type: none"> <li>A suite of host responsibility modules for staff, including online courses, in-person courses, and annual refresher courses</li> </ul>
<p><b>FACIAL RECOGNITION TECHNOLOGY</b></p> <ul style="list-style-type: none"> <li>Use of facial recognition and alert technology to detect excluded patrons</li> </ul>	<p><b>COMMUNICATIONS &amp; BRAND</b></p> <ul style="list-style-type: none"> <li>An internal brand communications campaign to promote awareness of host responsibility</li> </ul>	<p><b>REPORTS TO THE REGULATOR</b></p> <ul style="list-style-type: none"> <li>Annual reporting to the regulator on the effectiveness of SkyCity's Host Responsibility Programmes</li> </ul>	<p><b>STAKEHOLDER ENGAGEMENT</b></p> <ul style="list-style-type: none"> <li>Regular engagement with community gaming organisations and academics</li> </ul>



# FINANCIAL Crime

At SkyCity, we take our anti-money laundering and countering financing of terrorism (AML/CFT) obligations very seriously and are committed to ensuring that we provide entertaining and profitable, yet safe and responsible, experiences and environments. We understand that, as a casino operator, we play a key role in combatting money laundering and terrorism financing and safeguarding the community against these risks.

## OUR AML/CFT PROGRAMMES

The New Zealand and Australian AML/CFT legislation places obligations on certain organisations (including financial institutions and casinos) to detect and deter money laundering and terrorism financing and take appropriate measures to guard against money laundering and terrorism financing.

As a casino operator and reporting entity for the purposes of the AML/CFT legislation in New Zealand and Australia, SkyCity has the following measures in place across its land-based casinos:

- an assessment of the money laundering and financing of terrorism risks that SkyCity could face in the course of running its business;
- AML/CFT Programmes in New Zealand and Australia that include procedures to detect, deter, manage and mitigate money laundering and the financing of terrorism;
- an AML Compliance Officer appointed in each of New Zealand and Australia to administer and maintain the AML/CFT Programmes;
- customer due diligence processes, including customer identification and verification of identity;
- suspicious activity reporting, threshold transaction reporting, auditing and annual reporting of systems and processes. For example, SkyCity reports any suspicious activity that may be related to illegal activity, and cash transactions over \$10,000, to the New Zealand Police and AUSTRAC (as applicable); and

- regular internal and external audits and reviews of AML/CFT compliance.

## COMMITMENT TO TACKLING FINANCIAL CRIME

We are committed to continually uplifting our AML/CFT practices, complying with our obligations and upholding our customer, community and regulatory expectations.

The SkyCity Board's Risk and Compliance Committee discusses, as a standing agenda item at each scheduled meeting, matters relating to the Group's AML/CFT obligations and other key compliance obligations.

Within the business, a specialist Financial Crime team in New Zealand oversees SkyCity's compliance with AML/CFT requirements in New Zealand and a specialist Financial Crime team in Adelaide oversees SkyCity's compliance with AML/CFT requirements in Australia. SkyCity senior managers and employees engaged in AML/CFT related duties also receive training on AML/CFT matters.

SkyCity's online gaming site, the SkyCity Online Casino, is operated from Malta in partnership with international iGaming company Gaming Innovation Group Inc (GiG). GiG has in place an AML/CFT Policy that includes procedures to detect, deter, manage and mitigate money laundering and the financing of terrorism, customer due diligence processes (including customer identification and verification of identity), and suspicious activity reporting, auditing and annual reporting systems and processes. A Money Laundering Reporting Officer within GiG administers and maintains the AML/CFT Policy.

SkyCity continues to explore available technology solutions and seek expert advice where required to deliver best practice AML/CFT standards at SkyCity.

## ASSURANCE AND AUDIT

As part of SkyCity's assurance activities, an independent review is conducted on a regular basis of SkyCity's New Zealand and Australian AML/CFT Programmes to assess the effectiveness of these Programmes. An internal audit function is responsible for monitoring the outcomes of the independent reviews and ensuring that any issues are appropriately addressed.

## RESOLUTION OF AML/CFT PROCEEDINGS

Over the past financial year, SkyCity has resolved two significant civil proceedings filed against SkyCity for non-compliance with AML/CFT obligations:

- SkyCity Adelaide Pty Limited (SkyCity Adelaide) and the Australian Transaction Reports and Analysis Centre (AUSTRAC) reached agreement in relation to the contraventions admitted by SkyCity Adelaide in the civil penalty proceedings filed by AUSTRAC in December 2022 for non-compliance with the Australian AML/CFT laws and the amount of a civil penalty. This agreement was approved by the Australian Federal Court on 7 June 2024, bringing an end to these proceedings; and
- SkyCity Casino Management Limited (SCML) and the Department of Internal Affairs have reached agreement in relation to the contraventions that SCML will admit in the civil penalty proceedings filed by the Department in February 2024 for non-compliance with the New Zealand AML/CFT laws and the amount of a civil penalty. This agreement remains subject to the New Zealand High Court's approval at a penalty hearing set down in September 2024.

There continues to be continued media and regulator focus on the casino industry, particularly in Australia, and consequently heightened expectations on SkyCity around its AML/CFT obligations, including monitoring cash and third-party transactions and undertaking enhanced due diligence checks on higher risk customers.

## ONGOING UPLIFT ACTIVITIES

Since late 2021, SkyCity has had in place a significant AML/CFT enhancement programme to address compliance systems and correct historical shortcomings in Adelaide and New Zealand. These uplift activities remain ongoing and are wide-ranging, covering policies, processes, people and systems:

- **Policy Changes** – we have reduced risk and complexity from the business by changing policies in line with a lower risk tolerance. For example, we stand down customers whilst they are subject to enhanced due diligence, we have limited the ways in which customers can transact with us and we have established an automatic barring process across our casino properties;
- **Process Enhancements** – we have reviewed and enhanced our compliance processes, including refinement of our transactional monitoring rules in line with known money laundering typologies, creation of a time-bound enhanced due diligence process which considers a greater number of customers, introduced new testing and assurance processes, and enhanced our ongoing customer due diligence process by requiring additional know your customer (KYC) information;
- **People and Culture** – we have continued to increase awareness of AML/CFT risk, capacity and capability across the business with on-floor assurance processes to support training, and continued to increase the capacity and capability of our Financial Crime teams through additional recruitment. We have also delivered new training modules for frontline staff; and
- **Technology and System Enhancements** – we have developed a new data management and analytics system to widen and strengthen our transactional monitoring processes which is expected to be fully functional in the 2025 financial year, and developed and deployed a new case management workflow system to enable more efficient tracking of cases and reporting of statutory obligations.

Over the past financial year, we have also developed a new AML/CFT risk assessment methodology to ensure the latest changes to the criminal landscape are assessed and risks identified and controlled. This will lead to a further refinement of our AML/CFT Programmes and new controls to help detect and deter money laundering.





# AML/CFT Control FRAMEWORK



 <p><b>SENIOR MANAGEMENT GOVERNANCE &amp; OVERSIGHT</b></p>	 <p><b>BOARD GOVERNANCE &amp; OVERSIGHT</b></p>	 <p><b>AML/CFT PROGRAMMES</b></p>
<ul style="list-style-type: none"> <li>An AML Senior Management Group meets to discuss AML/CFT issues relevant to the Group</li> <li>An Adelaide AML Management Committee oversees AML/CFT issues specific to the Adelaide operations</li> </ul>	<ul style="list-style-type: none"> <li>SkyCity Board and Risk and Compliance Committee oversight of AML/CFT compliance</li> </ul>	<ul style="list-style-type: none"> <li>AML/CFT Programmes established in New Zealand and Adelaide outlining SkyCity's AML/CFT processes and procedures for customer screening, transaction monitoring, regulatory reporting, customer due diligence and enhanced due diligence (subject to regular internal and external review)</li> </ul>
 <p><b>LEARNING &amp; DEVELOPMENT</b></p>	 <p><b>EXTERNAL ADVISORS</b></p>	 <p><b>INDEPENDENT ASSURANCE</b></p>
<ul style="list-style-type: none"> <li>AML/CFT training programmes for staff</li> </ul>	<ul style="list-style-type: none"> <li>Assisted by experienced external AML/CFT advisors</li> </ul>	<ul style="list-style-type: none"> <li>An independent review is carried out every 2-3 years in New Zealand and Adelaide to monitor compliance with the AML/CFT Programmes</li> </ul>
 <p><b>AML/CFT ROLES &amp; DUTIES</b></p>	 <p><b>AML/CFT RISK ASSESSMENT</b></p>	 <p><b>IT SYSTEMS</b></p>
<ul style="list-style-type: none"> <li>A specialist Financial Crime team (including designated AML Compliance Officers) within the business oversees the Group's ongoing day-to-day compliance with AML/CFT requirements</li> </ul>	<ul style="list-style-type: none"> <li>Each AML/CFT Programme contains a risk assessment identifying the money laundering and terrorism financing risks that SkyCity may reasonably expect to face in the course of its business</li> </ul>	<ul style="list-style-type: none"> <li>Specialist IT systems for AML/CFT record keeping and to facilitate transaction monitoring, customer screening and reporting</li> </ul>

# Our COMMUNITY



Our aim is to create value in our business and in the communities in which we operate.

We understand that to do this we need to engage meaningfully with our communities, listen to their critical needs and expectations, and respond through developing meaningful community partnerships and by taking action to address key issues in our operations.

PRIORITY	KEY STAKEHOLDERS
<ul style="list-style-type: none"> <li>Positively contributing to vibrant communities in the places where we operate</li> </ul>	<ul style="list-style-type: none"> <li>Community groups</li> <li>Sponsorship partners, including Leukaemia &amp; Blood Cancer New Zealand and Variety – The Children's Charity</li> <li>Community partnerships</li> <li>Recipients of SkyCity Community Trust grants</li> <li>Philanthropy New Zealand</li> <li>Mana Whenua, including Ngāti Whātua Ōrākei</li> <li>Ministry of Social Development</li> <li>TupuToa</li> </ul>
IMPLEMENTATION PRINCIPLES	
<ul style="list-style-type: none"> <li>Building and operating vibrant destinations in the places where we operate. Contributing back to local communities</li> <li>Exceeding the expectations of a responsible business in the communities in the places where we operate</li> <li>Commitment to continuous improvement and having the systems and processes necessary to deliver vibrant experiences, responsibly</li> </ul>	
FOCUS AREAS	
<ul style="list-style-type: none"> <li>Supporting our communities through our Community Trusts</li> <li>Investing in collaborative partnerships in our local communities where we operate</li> <li>Providing employment and development opportunities for young people in our communities</li> <li>Build SkyCity's confidence and capability to engage authentically with mana whenua and the indigenous peoples of South Australia</li> </ul>	



Project Employ assists young people with disabilities into work through hospitality training at the Flourish Café (recipient of a \$90,000 grant in FY24).





FY23 – FY25 TARGETS	FY24 PERFORMANCE AGAINST TARGETS
<b>300 Project Nikau recruits by 2025</b>	47 rangatahi (young people) onboarded during FY24 and a total of 175 rangatahi onboarded since the programme commenced in 2019.
<b>Project Nikau retention rate equivalent to, or better than, SkyCity Group retention rate</b>	78% retention rate for Project Nikau recruits in FY24 compared to 75% for the SkyCity Group.
<b>Commitments (in line with Community Trust Deeds) met, and impact of these commitments measured</b>	Grants approved for 130 community organisations totalling \$5.9 million, aligned directly with the strategic intent and desired outcomes for the Community Trusts.
<b>SkyCity Adelaide employee population reflects South Australia with 1.49% of employees identifying as Aboriginal or Torres Strait Islander</b>	As at 30 June 2024, 0.5% of Adelaide employees identified as Aboriginal or Torres Strait Islander (0.5% as at 30 June 2023).
FY24 KEY CHALLENGES	FY25 FOCUS AREAS
<ul style="list-style-type: none"> <li>Challenging economic conditions and lower staff turnover impacted the availability of suitable job opportunities for Project Nikau graduates resulting in a reduction in intakes over FY24 and the overall number of recruits.</li> <li>Managing community expectations when applicants seek funding for initiatives that do not align with the priorities of the SkyCity Community Trusts. This has required open and honest communication, ensuring we maintain excellent relationships and reputation within our communities.</li> </ul>	<ul style="list-style-type: none"> <li>Further investment in the evolution and enhancement of SkyCity's youth strategy and partnerships, strengthening and diversifying future internal and external youth pipelines with the objective of becoming a premier hub for hospitality and gaming development.</li> <li>Continued liaison with indigenous employment partnerships, including SYC, the Department of Employment and Workplace Relations, Career Trackers and Workskil in Australia and TupuToa and the Ministry of Social Development in New Zealand.</li> <li>Ensure the SkyCity Community Trusts are effectively governed and continue to provide funding to community organisations that align with the Trusts' newly refined funding priorities and outcomes.</li> </ul>

## INVESTING IN OUR LOCAL ECONOMIES AND COMMUNITIES

SkyCity is a cornerstone of each of the communities in which it operates. We understand that our scope for influence and change is huge, and SkyCity invests in and works to develop our communities in a variety of ways.

Engaging with our stakeholders helps us to understand community attitudes toward SkyCity, the communities' expectations of us, and how stakeholders believe SkyCity should create value. SkyCity engages with stakeholders in a variety of ways, both formal and informal, in each of the communities in which it operates. These actions range from legally required engagement with regulators to less formal feedback mechanisms such as social media, customer surveys and public perception monitoring.

Whilst it is easy for organisations to talk about inputs and outputs, such as how much money or 'in-kind' contributions are given to charity, the number of charities receiving support, or

how many hours staff spend on volunteering for community projects, it is a more challenging exercise to determine the outcomes and impacts of those activities. We want to ensure that there is genuine and measurable social impact from our SkyCity Community Trusts and other charitable giving. We therefore continue to review and assess our community investments and partnerships in a more holistic and strategic way, to ensure that they are aligned to our unique business assets and are ultimately delivering both social and business value.

## SOURCING LOCALLY

SkyCity is committed to sourcing and procuring locally made and supplied products from Australasian owned and operated businesses as a preference wherever possible. Our primary focus is procuring from businesses operating in the same countries in which SkyCity operates, thus supporting local economies and reducing carbon emissions even where, in some instances, goods are imported. Our secondary focus is procuring local products and produce from businesses that are geographically close to our businesses.

SkyCity is able to categorise items in some detail, including location of the supplier, which enables SkyCity to modify procurement practices where required to support the intention outlined in SkyCity's Group Procurement Framework. The framework drives greater rigour in the onboarding of new suppliers and has an emphasis on supplier consolidation and ethical sourcing with SkyCity choosing the best mix of suppliers to meet its business requirements.

In the financial year ended 30 June 2024, SkyCity spent over \$550 million on operational goods and services, the bulk of which was spent with local suppliers – with over \$45 million on food and beverage items across New Zealand and Australia.

We continue to work with our food and beverage suppliers to gain more understanding as to where our products are being sourced to ensure a local focus where practical.

SkyCity engages local contractors wherever possible for its construction projects who, in turn, procure local products, materials and subcontractors where feasible. Many of the gaming products and equipment required by SkyCity for its casino operations are not able to be manufactured or sourced locally - in sourcing these items internationally, SkyCity's focus is on procuring such items from ethical suppliers.

TOP 100 SUPPLIERS PER SITE (AS AT 30 JUNE 2024)	SAME COUNTRY	LOCALLY BASED	MAJORITY LOCALLY OWNED
Auckland	85%	65%	57%
Adelaide	91%	74%	69%
Hamilton	96%	31%	75%
Queenstown	95%	40%	70%
CATEGORIES	DEFINITION		
<b>SUPPLIERS</b>			
Same country	Products procured from businesses in the same country		
Locally based	Products procured from businesses in the same region as the relevant SkyCity property (for example, the Waikato region for SkyCity Hamilton)		
Majority locally owned	Products procured from businesses with greater than 50% local ownership		
<b>PRODUCTS</b>			
Locally manufactured	Products manufactured locally, but from imported products		
Locally produced and/or manufactured	Entire product is manufactured from locally sourced products		

## BUILDING COMMUNITIES BY DEVELOPING PEOPLE AND DEVELOPING DEEPER CONNECTIONS

Founded in 2019, Project Nikau is a SkyCity employment pathway programme focused on developing employability skills, career planning, coaching, youth leadership and professional development opportunities through a Māori and Pasifika lens. The programme provides rangatahi (young people) with a three-week academy at onboarding before they integrate into the SkyCity workforce and ongoing mentoring and pastoral care during their employment. To date, 175 rangatahi have participated in Project Nikau.

Project Nikau has fostered numerous success stories and highlights SkyCity's ability to improve the career pathway and trajectory of indigenous youth to positively impact Aotearoa communities.

In addition, through collaboration with the SkyCity Auckland Community Trust, greater social impact has been achieved in the areas of youth advancement and development through the Trust's prioritisation of initiatives that support youth development, wellbeing and employability.

SkyCity also continues to be a major partner of TupuToa and the TupuToa Internship Programme, an employment pathway that provides professional opportunities for Māori and Pacific tertiary students in corporate, government and community organisations. In the last financial year, we provided a 12-week corporate pathway placement at SkyCity for ten TupuToa interns.

Federal Delicatessen, SkyCity Auckland







**Te Karanga Charitable Trust provides a safe space to empower rangatahi through creativity, providing them with experience with digital, technical, music and arts with a view to further education or vocation (recipient of a \$119,000 grant in FY24 and a total of \$279,000 in grants over the last three years).**

**Pacific Islands Dance Fono is an annual festival showcasing culture, heritage and artistic innovation (recipient of a \$58,000 grant in FY24). Their production of Alatini enjoyed a sell-out season at the SkyCity Theatre.**



## SKYCITY COMMUNITY TRUSTS

Established to provide funds for community and charitable purposes, the SkyCity Community Trusts are one of the vehicles SkyCity uses to 'put something back' into the New Zealand communities in which the company operates. The SkyCity Auckland Community Trust, SkyCity Hamilton Community Trust and SkyCity Queenstown Casino Community Trust aim to help local and regional organisations carry out community assistance and development work, focusing on supporting families to thrive and communities to prosper, with a specific focus on youth development.

SkyCity contributed a total of \$4.6 million to the SkyCity Community Trusts for distribution to community groups and organisations in the Auckland, Waikato and Queenstown Lakes regions for the financial year ended 30 June 2024, with \$5.9 million in grants being approved by the SkyCity Community Trusts to 130 community organisations over the period.

Since establishing the first SkyCity Auckland Community Trust in 1996, SkyCity has awarded more than 5,230 grants totalling \$77.4 million to various community groups and organisations in New Zealand, large and small, through the SkyCity Community Trusts.

### SKYCITY AUCKLAND COMMUNITY TRUST RECIPIENTS IN FY24

Auckland City Mission – Te Tāpui Atawhai  
Auckland Pride Festival  
Auckland Young Women's Christian Association (YWCA) Incorporated  
Bangerz Education and Wellbeing Trust  
Blue Light Ventures Counties Manukau  
CAPS Northland Inc - Jigsaw North Manaaki Whanau  
Coast Youth Community Trust Inc.  
Dance Therapy NZ  
Dayspring Trust  
Depot Arts & Music Space Trust  
Driving Change Network  
E Tipu E Rea Whanau Services  
ECPAT Child Alert Trust  
Faith City Trust Board  
Family Success Matters  
Far North Safer Community Council - Building Safer Communities  
Fathers for Families Foundation  
Feeling Fab Foundation  
Good Seed Trust  
Habitat for Humanity Northern Region  
Hapai Tuhono Charitable Trust  
He Iwi Kotahi Tatou Trust  
Island Base Trust  
Kenzie's Gift Charitable Trust  
Kick Back Make Change Charitable Trust  
Kila's Style Trust  
Know Your Status Community Trust  
Kura Cares Charity  
Mahitahi Trust  
Mana Services Aotearoa Charitable Trust  
Manaaki Rangatahi

New Zealand Islamic Cultural Trust  
Ngā Rangatahi Toa Creative Arts Initiative  
NZ Ethnic Women Incorporated  
Ola le Ola Aotearoa Trust  
ONEONESIX Trust  
Pacific Islands Dance Fono  
Papatuanuku Kokiri Marae  
Parachute Arts Trust  
Participatory Grant Fund held by Foundation North  
PHAB Association (Auckland) Incorporated  
Pillars Ka Pou Whakahou  
Project Employ Limited  
Pūhoro Charitable Trust  
Rainbow Youth Incorporated  
Recreate NZ  
Rural Youth and Adult Literacy Trust  
Silver Fern MotorSport Charitable Trust  
Springboard Community Works  
Te Ara Poutama AEC  
Te Karanga Charitable Trust  
Te Matatini Society Incorporated  
Te Pu-a-nga Maara  
Te Raranga Charitable Trust  
Te Whangai Trust Board  
The Kindness Institute  
The Rising Foundation Trust  
The TYLA Trust  
Threone Productions Ltd  
To'utupu Tonga Trust  
Toi Ngāpuhi Limited  
Tuilaepa Youth Mentoring Service  
Vinnies Tāmaki Makaurau Trust  
Visionwest Community Trust  
Well Women Franklin  
West Auckland Pasifika Forum Community Trust  
Whai Maia Charitable Trust  
WithINNature  
Youth Arts New Zealand – Te Kāhui  
Youth in Transition Charitable Trust  
Youthline Auckland Charitable Trust

### SKYCITY HAMILTON COMMUNITY TRUST RECIPIENTS IN FY24

Arts for Health Community Trust  
Bellyful New Zealand Trust  
Big Buddy Mentoring Trust  
Cambridge Community House Trust  
Cambridge Disability Enterprise Incorporated  
Christians Against Poverty New Zealand  
Clothe our Kids - Waikato  
Community Link Trust  
Diversity Counselling New Zealand  
Dress for Success Hamilton Trust  
Driving Change Network  
Efalata Trust

Friendship House (Huntly) Community Charitable Trust  
Graeme Dingle Foundation – Waikato  
Grandparents Raising Grandchildren Trust New Zealand  
Hamilton Combined Christian Foodbank Trust  
Hamilton Multicultural Services Trust  
Hohou te Rongo Kahukura – Outing Violence  
Hospice Waikato Trust  
Kids in Need Waikato Charitable Trust  
KidsCan Charitable Trust  
Kihikihi Health Sports Arts and Recreation Trust  
Ko Wai Au Trust  
Louise Perkins Foundation  
Meat the Need  
Rainbow Hub Waikato  
RAW 2014 LTD  
Recreate NZ  
Road Safety Education Limited  
Society St Vincent de Paul  
South East Kirikiriroa Community Association Inc  
Te Awamutu Food Forest  
Te Kauwhata Community House  
Te Po ki te Ao Marama Tihei Mauriora  
Te Tamawai Trust  
Te Whakaruruhau 2013 Incorporated  
Te Whangai Trust  
Te Whare o Te Ata Fairfield/Chartwell Community Centre Trust  
The Asian Network Incorporated  
The House of Grace Trust Inc  
The Refugee Orientation Centre Trust  
The Serve  
The Young Women's Christian Association of Hamilton Incorporated  
Thrive Ōtorohanga Youth Trust  
Waikato Environment Centre Trust  
Waikato Ethnic Family Services Trust  
Waikato Family Centre Trust  
Waikato Refugee Forum Inc.  
Waikato Seeds for Change Charitable Trust  
Waitomo Waipa Women's Refuge Incorporated  
Xtreme Zero Waste  
Youthline Auckland Charitable Trust  
YSAR Trust

### SKYCITY QUEENSTOWN COMMUNITY TRUST RECIPIENTS IN FY24

Alpine Community Development Trust  
Driving Change Network  
Kahu Youth Trust  
Kiwi Harvest Limited  
Mana Tahuna Charitable Trust  
Mint Charitable Trust  
Whakatipu Youth Trust  
YSAR Trust



# Our ENVIRONMENT



Working within the limits of the natural environment will allow current and future generations to benefit from its resources to ensure continual economic and social prosperity, which we believe results in business continuity and positive impacts on staff and stakeholder wellbeing.

PRIORITY	FOCUS AREAS
<ul style="list-style-type: none"> <li>Protecting and enhancing the environment in the places where we operate</li> </ul>	<ul style="list-style-type: none"> <li>Climate change mitigation, adaptation and transition for our business</li> <li>Transitioning to a circular economy for our business</li> <li>Building a sustainability culture and engaging employees on climate change and sustainability</li> <li>Supporting the environmental performance of our supply chain</li> </ul>
IMPLEMENTATION PRINCIPLES	KEY STAKEHOLDERS
<ul style="list-style-type: none"> <li>Respecting, protecting, and enhancing the environment in the places where we operate</li> <li>Responsible use of natural resources and a commitment to minimise our impact and, where possible, enhancing the environment in the places where we operate</li> <li>Dedicated focus on complying with all relevant environmental regulations, including climate-related risk disclosures</li> </ul>	<ul style="list-style-type: none"> <li>Toitū Envirocare</li> <li>Climate Leaders Coalition</li> <li>REMONDIS (formerly SUEZ-ResourceCo)</li> <li>Beca</li> <li>Sustainable Business Council</li> <li>Proxima</li> </ul>
FY23 – FY25 TARGETS	FY24 PERFORMANCE AGAINST TARGETS
<ul style="list-style-type: none"> <li>Climate risk assessment and reporting (TCFD) completed for FY24</li> <li>Emissions reduction of 25% by 2025 (38% reduction in Scope 1 and 2 by 2030 and 73% by 2050)</li> <li>5% reduction year on year in waste to landfill</li> <li>10% reduction year on year in single-use plastic products</li> <li>Employees' knowledge of, and engagement on, sustainability enhanced</li> <li>By FY25, SkyCity's EcoVadis score is at or above the benchmark score of 55</li> </ul>	<ul style="list-style-type: none"> <li>Completed - this annual report contains SkyCity's first climate-related disclosures as required by the Aotearoa New Zealand Climate Standards.</li> <li>In progress.</li> <li>A 3.1% reduction from FY23 was achieved.</li> <li>A 10% reduction from FY23 was achieved.</li> <li>Increased employee awareness via Recycling Week activations and the launch of a new Sustainability page on the staff online communication platform.</li> <li>In progress – SkyCity's reassessment is scheduled to occur in FY25.</li> </ul>

We are committed to growing in a sustainable manner with a commitment to protecting and enhancing the environment in the places where we operate.

FY24 KEY CHALLENGES	FY25 FOCUS AREAS
<ul style="list-style-type: none"> <li>Managing our suppliers' awareness of carbon reduction and climate change risks.</li> <li>Managing carbon reduction alongside increased business activity.</li> </ul>	<ul style="list-style-type: none"> <li>Deliver and implement a Scope 3 reductions initiative and continue to build awareness, capability, and capacity within our employees, customers, and communities to drive reductions in their Scope 3 emissions.</li> <li>Continued focus on reducing carbon emissions across the Group by 25% by 2025.</li> <li>Continual enhancement of climate risk and resilience processes, integrating them seamlessly into our business operations, strategies, and risk management frameworks.</li> <li>Continued focus on waste diversion from landfill - partnering with our expert businesses to help repurpose and recycle waste.</li> <li>Preparation of a SkyCity Climate Change Transition Plan in alignment with our climate-related disclosures.</li> </ul>

## CLIMATE-RELATED DISCLOSURES

SkyCity is a climate reporting entity for the purposes of the New Zealand Financial Markets Conduct Act 2013 and, as such, is required to publish certain climate-related disclosures in accordance with the Aotearoa New Zealand Climate Standards issued by the New Zealand External Reporting Board (XRB) in December 2022.

The climate-related disclosures regime was established to provide a framework to assist organisations in making clear, comprehensive, and consistent information about the financial risks and opportunities associated with climate change. The framework is designed to enable stakeholders to make informed decisions by integrating climate-related considerations into financial reporting processes.

## GOVERNANCE OF CLIMATE-RELATED RISKS

Our Sustainability Implementation Plan outlines our approach and commitments to managing the environmental impacts of our business activities and operations and our commitments related to climate change. The SkyCity Board approves the Sustainability Implementation Plan and oversees adherence to it and our people are responsible for meeting the requirements of the plan.

As at the date of this annual report and following the disestablishment of the Board's Sustainability Committee in August 2022, SkyCity does not have a dedicated Board committee with specific climate-related responsibilities. However, the Board's Risk and Compliance Committee oversees the governance of risks impacting SkyCity, including environmental, social and governance (ESG) risk, and assists the SkyCity Board on

matters related to the governance and oversight of risks, the design and operation of the company's Enterprise Risk Management Framework, and setting and monitoring risk appetite. The Board Audit Committee ensures the accuracy and reliability of climate-related disclosures and its integration into the broader financial reporting framework.

The SkyCity Board and its Committees, including the Risk and Compliance Committee and Audit Committee, meet on a regular scheduled basis and more frequently as required to address urgent matters. Currently, the SkyCity Board has six scheduled meetings per year and the Risk and Compliance Committee and Audit Committee each has five scheduled meetings per year. However, the SkyCity Board, in its current processes, does not regularly discuss climate-related risks and opportunities. There is also currently no formal process for assigning specific climate-related responsibilities to SkyCity's governance bodies, management or committees, and SkyCity is yet to consider and implement a formal reporting process to the Board on climate-related risks and opportunities.

Details of Board and Committee meeting attendance during the financial year ended 30 June 2024 are outlined on page 87 of this annual report.

Details regarding the Board's ESG-related skills and competencies are provided on pages 37, 38 and 84 of this annual report. No formal internal climate-related training was undertaken by SkyCity directors in the financial year ended 30 June 2024, however some of the directors attended external climate-related training.







The SkyCity Adelaide property is located in the centre of the CBD

Within the business, our Senior Leadership Team (including the Chief Executive Officer) is responsible for promoting and championing the environmental considerations outlined in the Sustainability Implementation Plan through its business decisions and actions. An Environmental and Social Governance Group, comprised of senior leaders, has been established to assist the Senior Leadership Team and is responsible for embedding environmental and social considerations into SkyCity's business processes and decision making, identifying and assessing risk, setting environmental and social priorities, and tracking and reporting progress against these to the Senior Leadership Risk and Assurance Committee. The Senior Leadership Team and the Environmental and Social Governance Group meet as required to address urgent matters.

As part of SkyCity's Scope 3 awareness strategy, we intend to establish locally-based Sustainability Committees across the SkyCity Group with these Committees reporting through to the Environmental and Social Governance Group.

Climate-related risks and opportunities are not factored into SkyCity's incentive weighting process. At the date of this annual report, SkyCity does not have a dedicated process for establishing and monitoring metrics and targets related to climate-related risks and opportunities, and there is no remuneration system in place at both the Board and management levels to incentivise actions in this regard.

Further information about SkyCity's material risks, including its environmental and social risks, are outlined on pages 32 - 36 of this annual report. Further information about SkyCity's commitments on and progress against social objectives, including through our Modern Slavery Statement, is available on page 81 of this annual report and on SkyCity's website at [www.skycityentertainmentgroup.com](http://www.skycityentertainmentgroup.com).

### CLIMATE STRATEGY

Although SkyCity is not, through its usual day-to-day operations, a major emitter of greenhouse gases, we recognise the role that we need to play in reducing our impacts. We are committed to progressing initiatives to reduce emissions and taking action to combat climate change.

At a strategic level, SkyCity has integrated ESG considerations into its business strategy as detailed on pages 20 and 21 of this annual report. However, due to the ranking of climate change in our most recent materiality assessment in May 2023 (where climate change was ranked by external stakeholders as SkyCity's sixth most material issue (from a list of 12 potentially material issues)) and SkyCity's current internal readiness regarding climate change, climate-related risks and opportunities are not currently factored into the Board's strategic decision-making process.

In 2021, SkyCity commissioned an independent third party to assess the projected growth of the SkyCity Group's greenhouse gas (GHG) emissions' footprint in relation to planned activities with the aim of reducing GHG emissions in alignment with SkyCity's Science Based Targets Initiative (SBTi) goals - being to reduce absolute Scope 1 and 2 GHG emissions by 63% by 2030 and by 90-95% by 2050 (from a 2014-2015 base year). This analysis provided insights into the impact of SkyCity's major projects, including the New Zealand International Convention Centre development project, on SkyCity's GHG emissions and progress towards achieving its SBTi targets. In FY24 SkyCity spent \$150,000 towards an Auckland decarbonisation strategy. While the outputs of this work have not yet been integrated into the company's capital investment planning process, they influence SkyCity's investment decisions. SkyCity is currently conducting a comprehensive review of all its assets to inform long term capital investment planning.

SkyCity has not yet considered integrating sector-aligned time horizons into its existing risk management framework.

The key tenants of SkyCity's emissions reduction strategy are summarised below:

- **Scope 1 emissions** (direct emissions from sources owned or controlled by SkyCity) - to drive reductions in Scope 1 emissions, SkyCity will focus on future infrastructure investments and introduce a carbon cost to investment decisions. The primary focus is on energy efficiency, phasing out gas, shifting to less harmful refrigerants, and focusing on the end-of-life processes for assets;
- **Scope 2 emissions** (indirect emissions from electricity purchased by SkyCity) - in the long term, SkyCity will benefit from the New Zealand and South Australian Governments' commitment to 100% renewable electricity generation by 2030 - however, in the meantime, SkyCity will investigate the purchase of renewable energy credits through its partner electricity providers; and
- **Scope 3 emissions** (indirect emissions from sources not owned or controlled by SkyCity but resulting from SkyCity's activities) - SkyCity will continue to build awareness, capability, and capacity within its employees, customers, and communities to drive reductions in SkyCity's Scope 3 emissions and its stakeholders' emissions.

SkyCity's focus is on activities that reduce environmental impacts, may relate to impacting lifestyle choices outside of the work environment, benefit the wider community and contribute to SkyCity's social licence, and build sustainability capability and awareness for all staff and other stakeholders.

Whilst SkyCity's emissions reduction strategy covers a reduction in Scope 1, 2 and 3 emissions, the majority of SkyCity's reduction initiatives will focus on reducing SkyCity's Scope 1 and 2 emissions. Many of the reduction initiatives are currently being implemented across SkyCity, but further improvements can be made. SkyCity will continue to conduct an annual audit of its carbon footprint to measure and track its progress to its SBTi targets.

### CLIMATE-RELATED SCENARIOS

SkyCity's scenario analysis is based on the climate change scenarios developed for the New Zealand tourism sector by the Aotearoa Circle - the Tourism Sector Climate Change Scenarios (available at [www.theaotearoacircle.nz](http://www.theaotearoacircle.nz)). SkyCity's Sustainability Manager and previous Chief People and Culture Officer were involved in the Aotearoa Circle's scenario analysis process. This framework was considered appropriate and adopted as SkyCity's business relies on the success and sustainability of the New Zealand tourism sector, both domestically and internationally.



### Toitū Carbon Certification Disclosure - Certification Overview

SkyCity Entertainment Group Limited (SkyCity) is a Toitū carbonreduce certified organisation. The Toitū carbonreduce certification is a voluntary programme that SkyCity participates in as part of its commitment to climate action. This certification programme requires adherence to a set of standards and rules on an annual basis, focusing on measuring and reducing GHG emissions according to ISO 14064-1: 2018 standards.

Certification Details:

<b>Certification Type:</b>	<b>carbonreduce</b>
<b>Voluntary Participation:</b>	<b>Yes</b>
<b>Standards and Rules:</b>	<b>Adherence to ISO 14064-1: 2018 and the Toitū Carbon Standard</b>
<b>Annual Requirements:</b>	<b>Evidence of measurement and reduction of GHG emissions</b>



SkyCity's scenario analysis was completed by its Sustainability Manager and reviewed by its General Manager Finance New Zealand. The scenario analysis process was not integrated with the company's broader strategic planning process.

The scenarios have been tailored to the industry in which SkyCity operates and take into consideration the significant challenges that SkyCity faces as a business as well as those faced by the tourism sector generally. However, a significant challenge that was excluded, due to the difficulty in quantifying it, is the appeal of Australasia to our customers as a tourist destination – although this is included in SkyCity's climate-related risk matrix on pages 77 - 79 of this annual report.

The decision-making process, financial planning, and the development of relevant metrics and targets to more effectively manage SkyCity's climate-related risks and opportunities are yet to be considered.

The following table outlines SkyCity's climate-related scenarios. The risks identified highlight the key risks to the sustainability of SkyCity's operations. These risks have not yet been directly integrated into the company's wider Group strategy given the ranking of climate-related issues in our most recent materiality assessment in May 2023. The impacts of these scenarios on the SkyCity Group have been reflected in SkyCity's climate-related risk matrix on pages 77 - 79 of this annual report.

**CLIMATE-RELATED SCENARIOS**

ORDERLY NET-ZERO 2050	DISORDERLY	HOT HOUSE
<ul style="list-style-type: none"> <li>• Immediate and smooth climate policy</li> <li>• Policy ambition: 1.5°C</li> <li>• Transition risk severity: initially high, then gradual and ordered</li> <li>• Physical risk severity: low-medium</li> </ul>	<ul style="list-style-type: none"> <li>• Delayed climate policy</li> <li>• Policy ambition: 2.0°C</li> <li>• Transition risk severity: initially low, then severe after 2030</li> <li>• Physical risk severity: medium-high</li> </ul>	<ul style="list-style-type: none"> <li>• No climate policy</li> <li>• Policy ambition: &gt;3.0°C</li> <li>• Transition risk severity: low domestic, economically damaging internationally</li> <li>• Physical risk severity: extreme</li> </ul>

**KEY INDICATORS IN 2050 (UNLESS OTHERWISE STATED)**

<ul style="list-style-type: none"> <li>• 1.6°C increase in global temperature (relative to pre-industrial levels)</li> <li>• New Zealand extreme rainfall +15%</li> <li>• New Zealand extreme heat +15 days</li> <li>• 16% New Zealand population increase (relative to 2020)</li> <li>• 98% renewable electricity</li> </ul>	<ul style="list-style-type: none"> <li>• 2.0°C increase in global temperature (relative to pre-industrial levels)</li> <li>• New Zealand extreme rainfall +18%</li> <li>• New Zealand extreme heat +20 days</li> <li>• 22% New Zealand population increase (relative to 2020)</li> <li>• 96% renewable electricity</li> </ul>	<ul style="list-style-type: none"> <li>• 2.5°C increase in global temperature (relative to pre-industrial levels)</li> <li>• New Zealand extreme rainfall +22%</li> <li>• New Zealand extreme heat +30 days</li> <li>• 26% New Zealand population increase (relative to 2020)</li> <li>• 92% renewable electricity</li> </ul>
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**CLIMATE-RELATED RISKS AND OPPORTUNITIES**

The following tables outline SkyCity's climate-related risks and opportunities as identified by SkyCity:

TRANSITIONAL RISKS	DESCRIPTION	TIME	IMPACT
<p><b>Transitional risks</b> are risks related to the transition to a lower carbon economy, including policy and legal risk, market risk, technology risk and reputation risk.</p>			

**POLICY AND LEGAL RISKS**

<p><b>Increased regulatory requirements</b></p>	<p>Climate-related certifications, carbon-related policies, and disclosures could raise financial pressure on the tourism sector and limit customers' discretionary spending</p>	<p>Short to medium</p>	<ul style="list-style-type: none"> <li>• Increased costs</li> </ul>
<p><b>Changing regulations</b></p>	<p>Stricter regulations might increase the difficulty of obtaining capital, while rising insurance costs add financial pressure</p>		

**MARKET RISKS**

<p><b>Decreasing satisfaction among customers/visitors towards Australasia</b></p>	<p>Perception shifts on sustainability, safety concerns, or operational disruptions due to climate risks might reduce customers' desire for travel within Australasia</p>	<p>Short to medium</p>	<ul style="list-style-type: none"> <li>• Decreased visitation</li> <li>• Increased costs</li> </ul>
<p><b>Rising prices</b></p>	<p>Increased costs of utilities (electricity, fossil fuels, and waste-related charges) could impact customer spending habits</p>		

**REPUTATION RISK**

<p><b>Increased frequency and severity of dangerous weather conditions</b></p>	<p>Negative impacts from weather conditions such as power outages and supplier disruptions can affect the business' reputation if customers are unable to visit the SkyCity precincts or experience inconvenience</p>	<p>Short to medium</p>	<ul style="list-style-type: none"> <li>• Decreased visitation</li> <li>• Increased costs</li> </ul>
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PHYSICAL RISKS	DESCRIPTION	TIME	IMPACT
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**Physical risks** are risks related to the potential physical impacts of climate change. Acute physical risks are short term events stemming from extreme weather events or natural disasters, such as flooding, storms and other extreme weather events. Chronic physical risks are longer term risks associated with gradual changes in climate patterns, such as sea level rise.

**ACUTE RISKS**

<p><b>Increase in extreme weather events</b></p>	<p>This includes property damage, power outages, reliance on backup generators, and decline in visitor numbers due to sudden and severe weather conditions</p>	<p>Short to medium</p>	<ul style="list-style-type: none"> <li>• Decreased visitation</li> <li>• Increased costs</li> </ul>
<p><b>Inability to reach destinations and attractions</b></p>	<p>Loss of access to SkyCity's precincts due to sudden destruction of infrastructure or harsh weather conditions</p>		
<p><b>Fewer operating days</b></p>	<p>Sudden restrictions in operating days caused by unpredictable weather patterns, infrastructure damage, or extreme weather events</p>		

**CHRONIC RISKS**

<p><b>Rise in global temperature</b></p>	<p>Increased load on air conditioning, longer term increased fire risk, and a reduced ski season in Queenstown due to continuous rising temperature</p>	<p>Short to medium</p>	<ul style="list-style-type: none"> <li>• Decreased visitation</li> <li>• Increased costs</li> </ul>
<p><b>Failure to keep Australasia appealing as a travel destination</b></p>	<p>Long term impacts such as rising sea levels, shifting landscapes, and changing seasonal patterns affecting the attractiveness of the region</p>		



OPPORTUNITIES	DESCRIPTION	TIME	IMPACT
<p><b>Opportunities</b> are the positive possibilities that arise due to climate-related changes and the movement to a net-zero economy, including improved resource efficiency, entry into new markets, innovation in products and services, using renewable energy sources and increased resilience.</p>			
<b>RESOURCE EFFICIENCY</b>			
<b>Waste reduction strategies</b>	<ul style="list-style-type: none"> <li>Implementing waste reduction measures such as recycling programmes, composting, or waste-to-energy initiatives within SkyCity's precincts</li> <li>Composting – SkyCity Auckland's surplus food, unsuitable for donation, undergoes composting offsite. The compost produced is then utilised within New Zealand's horticulture industry</li> <li>Zero Waste Strategy – eliminate waste-to-landfill and improve the efficiency of resource use through reduction and recycling – in particular, by removing or reducing plastic packaging</li> </ul>	Short to medium	<ul style="list-style-type: none"> <li>SkyCity's commitment to minimising food waste has led to a consistent decrease in the volume of composted food waste annually since the inception of the initiative</li> <li>Reduction in waste sent to landfill</li> <li>Transition to sustainable packaging</li> <li>Partnerships for sustainable practices</li> <li>Reduction in carbon emissions</li> <li>Lower waste management costs</li> </ul>
<b>Water conservation practices</b>	Adoption of water-efficient technologies and practices to minimise water usage operations, including water-efficient landscaping and infrastructure		<ul style="list-style-type: none"> <li>Decreased water usage</li> <li>Cost savings</li> <li>Improved environmental sustainability</li> </ul>
<b>ENERGY SOURCE</b>			
<b>Transition to renewable energy</b>	Investing in onsite renewable energy sources such as solar panels or exploring partnerships for clean energy procurement		<ul style="list-style-type: none"> <li>Lower carbon footprint</li> <li>Potential cost savings long term</li> </ul>
<b>Energy efficiency initiatives</b>	Implementing energy-efficient technologies throughout SkyCity's precincts, such as LED lighting, smart heating and cooling systems, and energy management systems to reduce energy consumption across facilities	Medium to long	<ul style="list-style-type: none"> <li>Reduced energy consumption</li> <li>Cost savings</li> <li>Environmental benefits</li> </ul>
<b>PRODUCTS AND SERVICES</b>			
<b>Green building and design</b>	Developing or retrofitting buildings to meet green building standards, and integrating sustainable design principles in new constructions or renovations	Medium to long	<ul style="list-style-type: none"> <li>Enhanced environmental performance</li> <li>Potential cost savings long term</li> <li>Attract environmentally conscious customers</li> </ul>
<b>Sustainable dining and entertainment</b>	Offering eco-friendly dining options, promoting locally sourced food, and organising environmentally themed events to attract eco-conscious visitors	Short to medium	<ul style="list-style-type: none"> <li>Improved customer satisfaction</li> <li>Positive branding</li> <li>Attract eco-conscious customers</li> </ul>
<b>MARKETS</b>			
<b>Eco-tourism promotion</b>	Capitalising on the growing trend of eco-tourism by marketing SkyCity's precincts as eco-friendly destinations, highlighting sustainability initiatives		<ul style="list-style-type: none"> <li>Increased visitation numbers</li> <li>Enhanced reputation as an eco-friendly destination</li> <li>Tapping into a growing market segment</li> </ul>
<b>Green meetings and events</b>	Providing sustainable event hosting services, and offering carbon-neutral options for conferences and events held within SkyCity's properties	Short to medium	<ul style="list-style-type: none"> <li>Differentiation in the market</li> <li>Attraction of environmentally conscious customers</li> <li>Potential revenue growth</li> </ul>

OPPORTUNITIES	DESCRIPTION	TIME	IMPACT
<b>RESILIENCE</b>			
<b>Climate-resilient infrastructure</b>	Investing in infrastructure upgrades or modifications to withstand extreme weather events, ensuring continuity of operations during disruption	Short to medium	<ul style="list-style-type: none"> <li>Improved operational continuity</li> <li>Reduced risks from extreme weather events</li> <li>Safeguarding assets</li> </ul>
<b>Business continuity planning</b>	Developing comprehensive plans to mitigate climate-related risks, ensuring the resilience of operations in the face of potential climate impacts		<ul style="list-style-type: none"> <li>Improved risk management, readiness for climate-related disruptions, and maintenance of business operations</li> </ul>
<b>SUSTAINABLE SOURCING</b>			
<b>Leveraging purchasing power</b>	SkyCity's purchasing power presents an opportunity to drive sustainability within its supply chain. By partnering with suppliers that prioritise social and environmental responsibility, particularly in sectors such as food, beverage and property, SkyCity can actively reduce its carbon footprint and promote sustainability	Short to medium	<ul style="list-style-type: none"> <li>Reduced carbon footprint</li> <li>Enhanced resilience by diversifying suppliers</li> <li>Reputation and brand value</li> <li>Anticipating and adhering to evolving environmental regulations</li> <li>Market differentiation</li> </ul>
<b>MITIGATING CLIMATE-RELATED RISKS</b>			
<b>Minimising carbon footprint</b>	Focusing on key vendors in areas like food and beverage allows SkyCity to target significant sectors contributing to its carbon footprint. By working with suppliers that adhere to sustainable practices, SkyCity can minimise indirect emissions associated with its supply chain, thereby mitigating climate-related risks	Ongoing to long	<ul style="list-style-type: none"> <li>Fostering stronger partnerships with suppliers who prioritise sustainability</li> <li>Long term cost reductions through energy-efficient and waste-reducing practices</li> <li>Reduced carbon footprint</li> </ul>
<b>SUPPLY CHAIN IMPACT ON EMISSIONS</b>			
<b>Significant procurement expenditure</b>	With a substantial spending amount directed towards food, beverage, and retail procurement, SkyCity has an opportunity to influence emissions reduction by partnering/leading with suppliers that prioritise sustainability	Ongoing to long	<ul style="list-style-type: none"> <li>Emissions reduction</li> <li>Cost savings</li> <li>Compliance</li> <li>Risk mitigation - reducing dependence</li> <li>Reputation enhancement</li> <li>Market competitiveness</li> <li>Supplier collaboration</li> <li>Increasing transparency in supply chain emissions</li> </ul>

**METRICS AND TARGETS**

SkyCity's targets for its environmental goals are outlined in the Sustainability Implementation Plan on page 53 of this annual report.

As part of SkyCity's commitment to climate action, we conduct an annual audit of our carbon footprint to measure and track our progress against these targets. We have measured, audited and verified SkyCity's carbon footprint since FY15 through the Certified Emissions Measurement and Reduction Scheme programme operated by Toitū Envirocare.

SkyCity has not yet conducted a quantitative analysis to assess the impact of climate change on its business, specifically regarding the transitional

risks, physical risks and/or climate-related opportunities outlined on pages 77 - 79 of this annual report. To date, SkyCity has also not:

- established a dedicated process for setting and monitoring risk and opportunity metrics and targets, along with a remuneration system at either the Board or management level;
- formulated a statement that outlines SkyCity's performance against industry-relevant metrics;
- introduced a key performance indicator overview to measure and manage its climate-related risks and opportunities; or
- applied an internal emissions price for CO<sub>2</sub> used internally.



## FY24 CARBON FOOTPRINT INVENTORY

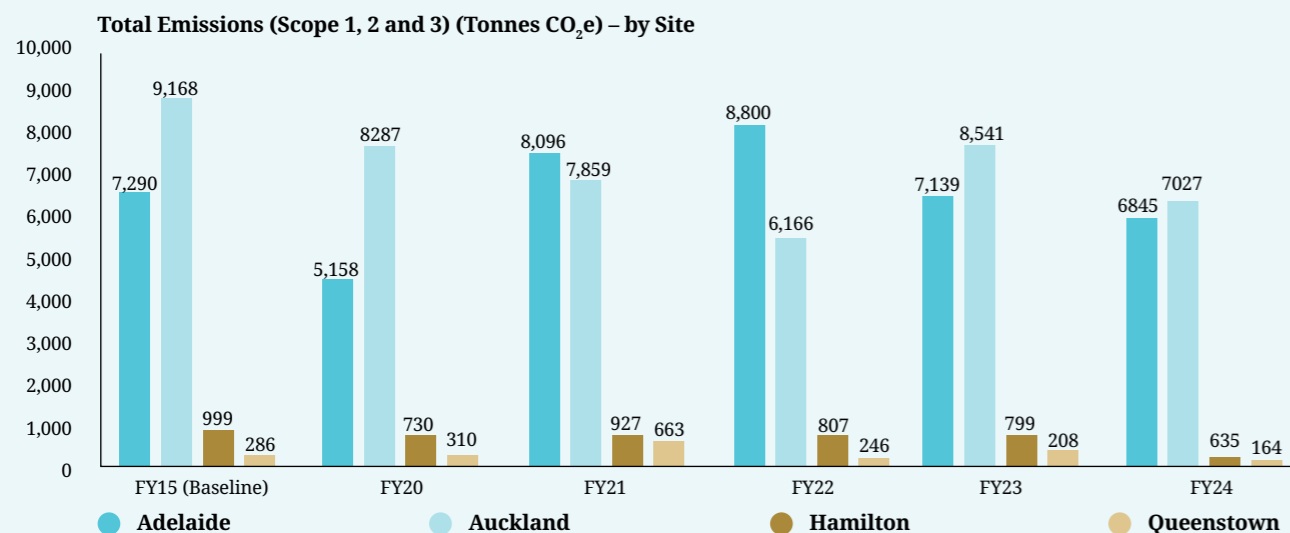
The total carbon footprint for the Group for FY24 was 15,288 tonnes CO<sub>2</sub>e (FY23: 17,107 tonnes CO<sub>2</sub>e). SkyCity has continued efforts to reduce its carbon footprint – with Scope 1 and 2 emissions combined reducing by 20.6% since FY15 and emissions from waste reducing by 66.4%.

SkyCity has an emissions intensity measurement as part of Toitū Envirocare's carbonreduce programme focusing on emissions per million dollars of gross revenue (tCO<sub>2</sub>e/\$M). SkyCity's baseline measurement in 2015 was 28.27 tCO<sub>2</sub>e/\$M, 20.01 tCO<sub>2</sub>e/\$M in 2023, and 17.75 tCO<sub>2</sub>e/\$M in 2024. A reduction in emissions intensity of 2.74 tCO<sub>2</sub>e/\$M has been achieved based upon a five-year rolling average since FY15.

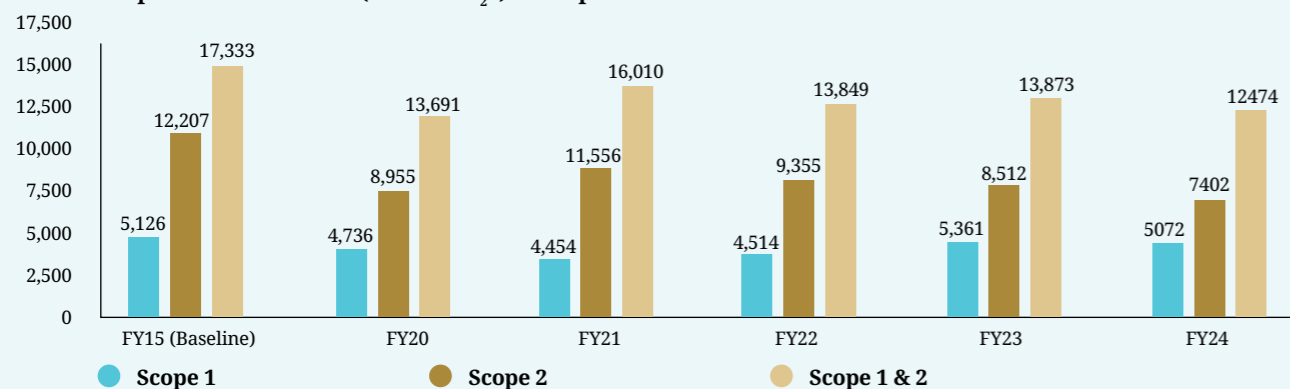
The following graphs summarise SkyCity's key environmental performance data for FY15–FY24 (noting that the New Zealand Ministry for the Environment issued an updated Measuring Emissions Guide in August 2022, which included revised electricity emission factors that have impacted the calculation of prior periods).

SkyCity's full Inventory Management Report is available in the Sustainability section of SkyCity's corporate website at [www.skycityentertainmentgroup.com](http://www.skycityentertainmentgroup.com)

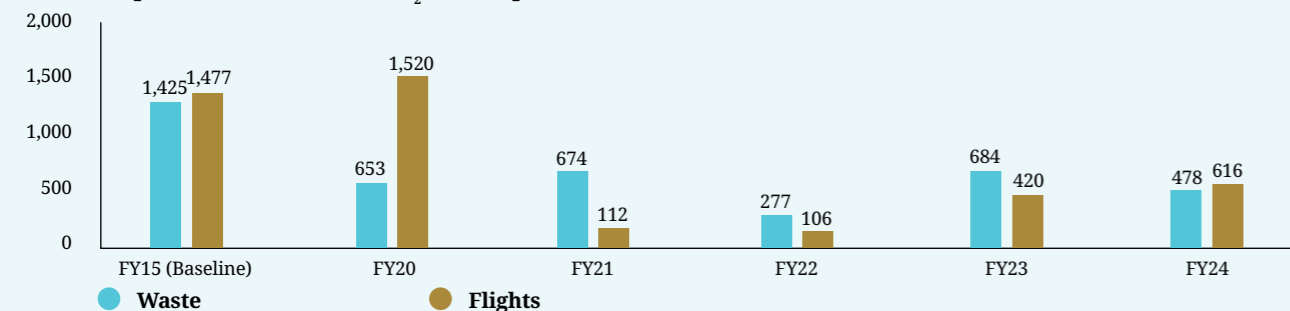
### TOTAL EMISSIONS (SCOPE 1, 2 AND 3) (TONNES CO<sub>2</sub>E) – BY SITE



### Scope 1 and 2 Emissions (Tonnes CO<sub>2</sub>e) - Group



### Scope 3 Emissions (Tonnes CO<sub>2</sub>e) - Group



## REDUCING WASTE

The goals of SkyCity's Zero Waste Strategy are to eliminate waste sent to landfill and improve the efficiency of resource use through reduction and recycling – in particular, by removing or reducing plastic packaging. Since 2015, SkyCity has made significant efforts to reduce its waste sent to landfill, reporting a 8.8% reduction from 2015 as at 30 June 2023. However, due to increased business activity over the last financial year, including preparing for the opening of the new Horizon by SkyCity hotel in Auckland, waste sent to landfill has increased from 2015 by 5% as at 30 June 2024.

Food that cannot be donated from the SkyCity Auckland kitchens is collected and commercially composted offsite to be used on New Zealand soils to aid the horticulture industry. During the past financial year, through the efforts of our kitchen teams, SkyCity Auckland sent over 187 tonnes of food waste to be commercially composted - bringing the total amount collected and composted since the programme began in April 2017 to over 1,450 tonnes. SkyCity's focus on reducing food wastage has resulted in a reduction of food waste being composted each year since the programme began.

In Adelaide, SkyCity partners with REMONDIS to assist in achieving zero waste to landfill. REMONDIS offers recycling and commercial food composting solutions with the remaining dry general waste being diverted to a facility that processes commercial, industrial and construction waste into Processed Engineered Fuel (PEF) which is then used as a fuel source by Adelaide Brighton Cement instead of using traditional fossil fuels. PEF is used to power cement kilns, reducing carbon emissions by 30%.

## ETHICAL AND SUSTAINABLE SOURCING PRACTICES

We leverage our relationships with other organisations to promote positive outcomes in areas of impact such as anti-corruption, fair competition and promoting social and environmental responsibility in our supply chain.

As a major purchaser of goods and services (we spent over \$550 million with a vast array of suppliers of goods and services in the financial year ended 30 June 2024), SkyCity has a significant opportunity to use its purchasing power to drive sustainability. Our approach is to focus on the areas in which we can have the biggest impact in terms of minimising our carbon footprint and with respect to key vendors at high ongoing expenditure levels. These areas include food, beverage, property and marketing portfolios in particular.

### ETHICAL SOURCING CODE

Our Ethical Sourcing Code (available on SkyCity's corporate website at [www.skycityentertainmentgroup.com](http://www.skycityentertainmentgroup.com)) outlines SkyCity's alignment with the ten principles of the United Nations Global Compact, which are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption.

All new vendors are made aware of the Code at the time of onboarding and we request that our suppliers acknowledge SkyCity's commitment to the principles in the Code. Through distribution of the Code, we aim to encourage our suppliers to improve their practices and to assist them in doing so.

### SUPPLY CHAIN TRANSPARENCY AND TRACEABILITY

Since 2017, we have engaged an external provider, EcoVadis, to audit and rate our key suppliers in New Zealand against an industry-tailored set of environmental, social and governance criteria (where suppliers are invited to complete a questionnaire and provide supporting evidence). This process was expanded to include SkyCity's key Adelaide suppliers during the 2022 financial year as the expanded SkyCity Adelaide property (including the new hotel and additional food and beverage facilities) has a comparable procurement footprint to SkyCity's New Zealand business. As at 30 June 2024, 74 of our key active New Zealand and Adelaide suppliers, representing over \$55 million (16%) of our total annual procurement spend, had completed the EcoVadis assessment/audit process. Of SkyCity's food, beverage and retail procurement spend across the Group in the last financial year, \$26 million (57%) was captured under the EcoVadis process.

We continue to focus on obtaining a clearer picture of our suppliers' supply chains to ensure they align with our Ethical Sourcing Code and new suppliers are asked about their supply practices prior to becoming an approved supplier of the company. However, the scope and geographic spread of our supply chain, together with the wide variety of suppliers we engage with, creates challenges for embedding the Code and ensuring our suppliers are doing more than acknowledging their commitments.

## MODERN SLAVERY ACT

In Australia, the Modern Slavery Act 2018 (Cth) requires reporting entities to disclose the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls. SkyCity's annual modern slavery statements are published on the Australian Government's Online Register for Modern Slavery Statements at [www.modernslaveryregister.gov.au/statements/299/](http://www.modernslaveryregister.gov.au/statements/299/) and are also available in the Governance section of the company's website at [www.skycityentertainmentgroup.com](http://www.skycityentertainmentgroup.com).

SkyCity operates primarily in New Zealand and Australia with limited supply chains and, as such, we believe that our exposure to the risks of modern slavery is low. However, we still recognise that there is scope for modern slavery to occur and our modern slavery statement sets out the steps we have taken to minimise this risk. SkyCity has several policies, practices and procedures in place to assist in conducting supply chain due diligence which, in turn, enables SkyCity to take significant measures to mitigate the risks of modern slavery. SkyCity always aims to obtain a clear picture of a potential suppliers' supply chain to ensure that it will align with SkyCity's high expectations around ethical procurement practices – all new suppliers are asked about their supply practices prior to becoming an approved supplier.



# CORPORATE

## Governance Statement and Other Disclosures

In establishing its governance policies and procedures, the SkyCity Board has adopted eleven governance parameters as the cornerstone principles of its corporate governance charter as set out in the company's Board Charter (available in the Governance section of the company's website at [www.skycityentertainmentgroup.com](http://www.skycityentertainmentgroup.com)).

As a New Zealand company listed on the New Zealand and Australian stock exchanges, these cornerstone principles, detailed below and on the following pages, reflect the Listing Rules and Corporate Governance Code (1 April 2023 edition) of NZX Limited (NZX), the Listing Rules of ASX Limited (ASX), the Corporate Governance Principles and Recommendations (Fourth Edition) of the ASX Corporate Governance Council, and the New Zealand Financial Markets Authority's Corporate Governance Principles and Guidelines.

SkyCity is listed as a 'Foreign Exempt Listing' on the ASX. The ASX Foreign Exempt Listing category is based on a principle of substituted compliance recognising that, for secondary listings, the primary regulatory role and oversight rest with the home exchange and the supervisory regulator in that jurisdiction. As a company with ASX Foreign Exempt Listing status, SkyCity is not required to comply with ASX Listing Rule 4.10, which requires entities to include certain prescribed information in their annual reports, or the Corporate Governance Principles and Recommendations (Fourth Edition) of the ASX Corporate Governance Council. Notwithstanding, SkyCity has taken into account ASX Listing Rule 4.10 when preparing this annual report and considers its corporate governance practices and principles have substantially reflected the recommendations set by the ASX Corporate Governance Council, in addition to all the corporate governance principles set out in the NZX's Corporate Governance Code, during the financial year ended 30 June 2024. In addition, as mentioned above, the cornerstone principles set out in SkyCity's Board Charter (available in the Governance section of the company's website at [www.skycityentertainmentgroup.com](http://www.skycityentertainmentgroup.com)) continue to reflect the principles in the Corporate Governance Principles and Recommendations (Fourth Edition) of the ASX Corporate Governance Council.

SkyCity's constitution and relevant charters and policies are available in the Governance section of the company's website at [www.skycityentertainmentgroup.com](http://www.skycityentertainmentgroup.com).

### 1. Roles and Responsibilities of the Board and Management

SkyCity is committed to maintaining the highest standards of corporate behaviour and responsibility and has adopted governance policies and procedures reflecting this. Our corporate governance framework ensures Board accountability to shareholders and provides for an appropriate delegation of responsibilities to the Chief Executive Officer and Senior Leadership Team.

SkyCity's procedures are designed to:

- enable the Board to provide strategic guidance for the company and effective oversight of management;
- clarify the respective roles and responsibilities of Board members and senior executives in order to facilitate Board and management accountability to both the company and its shareholders; and
- ensure a balance of authority so that no single individual has unfettered powers.

The Board Charter details the Board's role and responsibilities. The Board establishes the company's objectives, the major strategies for achieving those objectives and the overall policy framework within which the business of the company is conducted, and monitors management's performance with respect to these matters.

The Board is also responsible for ensuring that the company's assets are maintained under effective stewardship, that decision-making authorities within the organisation are clearly defined, that the letter and intent of all applicable company and casino laws and regulations are complied with, and that the company is well managed for the benefit of its shareholders and other stakeholders.

SkyCity Entertainment Group Limited is committed to maintaining the highest standards of corporate behaviour and responsibility and has adopted governance policies and procedures reflecting this.

Specific responsibilities of the Board include:

- oversight of the company, including its control and accountability procedures and systems;
- appointment, performance, and removal of the Chief Executive Officer;
- confirmation of the appointment and removal of the senior executive group (being the direct reports to the Chief Executive Officer);
- setting the remuneration of the Chief Executive Officer and approval of the remuneration of the senior executive group;
- approval of the corporate strategy and objectives and oversight of the adequacy of the company's resources required to achieve the strategic objectives;
- approval of, and monitoring of actual results against, the annual business plan and budget (including the capital expenditure plan);
- review and ratification of the company's systems of risk management and internal compliance and control, codes of conduct and legal compliance; and

- approval and monitoring of the progress of capital expenditures, capital management initiatives, acquisitions and divestments.

The Board has responsibility for the affairs and activities of the company, which in practice is achieved through delegation to the Chief Executive Officer and the Senior Leadership Team (including SkyCity appointed directors on subsidiary company boards) who are charged with the day-to-day leadership and management of the company. The Chief Executive Officer also has the responsibility to manage and oversee the interfaces between the company and the public and to act as the principal representative of the company. The Board maintains a formal set of delegated authorities that details the extent to which employees can commit the company. These delegated authorities are approved by the Board and are subject to annual review by the Board.

Each director and senior executive has a written agreement with the company setting out their terms of appointment and responsibilities.

### BOARD AND SENIOR LEADERSHIP TEAM STRUCTURE



Further details of the standing Board Committees, including membership and their respective roles and responsibilities, are outlined on pages 86 - 87 of this annual report.



## 2.

## Structure the Board to Add Value

Board effectiveness requires the efficient discharge of the duties imposed on the directors by law and the addition of value to the company. To achieve this, the SkyCity Board is structured to:

- have a sound understanding of, and competence to deal with, the current and emerging issues of the business;
- effectively review and challenge the performance of management and exercise independent judgement; and
- assist in the selection of candidates to stand for election by shareholders at annual meetings.

### BOARD COMPOSITION AND SKILLS MATRIX

The Board ensures that it is of an effective composition and size to adequately discharge its responsibilities and duties and to add value to the company's decision-making. In order to meet these requirements, the Board membership comprises a range of skills and experience to ensure that it has a proper understanding of and competence to deal with the current and emerging issues of the business, to effectively review and challenge

the performance of management, and to exercise independent judgement.

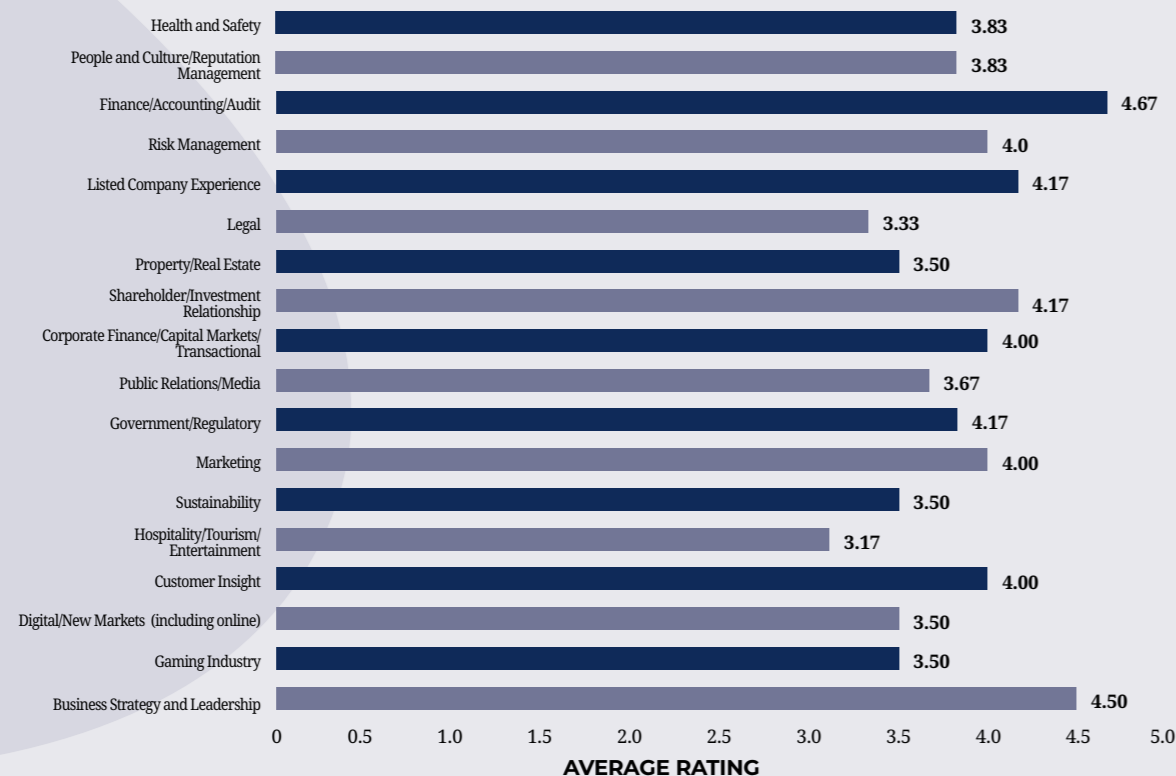
The areas of expertise and experience determined by the Board as being the key competencies required to meet these objectives are:

- health and safety
- people and culture
- accounting and finance
- legal
- property and real estate
- corporate finance and capital markets
- shareholder and investment relationships
- public relations and media
- government and regulatory
- marketing
- sustainability
- customer insight
- hospitality and tourism
- digital and new markets
- gaming industry
- risk management
- listed company experience
- business strategy and leadership

Where there is an identified gap in expertise and/or experience, the Board seeks to address that gap through learning and personal development, the use of independent expert advisors in specific areas of perceived need when necessary, or by the appointment of a director or directors with the relevant expertise and experience.

### BOARD COMPETENCIES

In July 2024, Board members completed a self-assessment survey to identify the Board's overall competency in relation to the agreed areas of expertise and experience. The results of the survey are set out in the following graph – where 1 indicates low competency and 5 indicates high competency. Details of individual expertise and experience of the directors are set out on pages 37 and 38 of this annual report.



### APPOINTMENT

The Board has established the Governance and Nominations Committee to:

- identify and recommend to the Board suitable persons for nomination as members of the Board and its committees (taking into account such factors as experience, qualifications, judgement, and the ability to work with other directors);
- annually review the overall composition and structure of the Board and its committee memberships and, if appropriate, the removal of a director from the Board and/or its committees;
- monitor the succession and rotation of Board and committee members;
- monitor the outside directorships and other business interests of directors with a view to ensuring independence/no conflicts of interest, and director capability and time availability to effectively undertake the requirements of their SkyCity Board and committee positions;
- monitor related parties, conflicts of interest, and independence issues;
- ensure that potential candidates understand the role of the Board and the time commitment involved when acting as a member of the Board;
- oversee the evaluation of the Board; and
- review the Board's succession planning.

External consultants are engaged to access a wide base of potential candidates and to review the suitability of candidates for appointment.

The procedures for the appointment and removal of directors are prescribed in the company's constitution, which, amongst other things, requires all potential directors to have satisfied the extensive probity requirements of each jurisdiction in which the Group holds gaming licences.

Subject to satisfaction of the probity requirements, the Board may appoint directors to fill casual vacancies that occur or to add persons to the Board up to the maximum number (currently 10) prescribed by the constitution. If the Board appoints a new director during the year, that person will stand for election by shareholders at the next annual meeting. Shareholders are provided with relevant information on any candidate standing for election in the company's Notice of Meeting.

Directors are appointed under the company's Terms of Appointment and Reference for Directors and Board Charter (both available in the Governance section of the company's website at [www.skycityentertainmentgroup.com](http://www.skycityentertainmentgroup.com)) for a term of three years and subject to re-election by shareholders in accordance with the rotation requirements of the NZX and ASX and as prescribed in the company's constitution.

### DIRECTOR INDEPENDENCE

The Board Charter and the company's constitution require that the Board contains a majority of its number who are independent directors. SkyCity also supports the separation of the role of Board chair from the Chief Executive Officer position. The Board Charter requires the Board chair and (where appointed) deputy chair to be independent directors and prohibits the company's Chief Executive Officer from filling either of these roles.

Directors are required to ensure all relationships and appointments bearing on their independence are disclosed to the Governance and Nominations Committee on a timely basis. In determining the independence of directors, the Board has adopted the definition of independence set out in the NZX Main Board Listing Rules and has taken into account the independence guidelines as recommended in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Fourth Edition) (**ASX Independence Guidelines**).

At its June 2024 meeting, the Board reviewed the status of each director in accordance with the definition of independence set out in the NZX Main Board Listing Rules and taking into account the ASX Independence Guidelines. The Board determined at that time that, with the exception of Julian Cook who was appointed Executive Chair on a temporary basis with effect from 26 February 2024, all other current directors were independent at the balance date having regard to the factors described in the NZX Corporate Governance Code and ASX Independence Guidelines that may impact director independence. The Board has since determined that Mr Cook is an independent director as at the date of this annual report.

### ACCESS TO INFORMATION AND ADVICE

New directors participate in an individual induction programme, tailored to meet their particular information requirements.

Directors receive regular reports and comprehensive information on the company's operations before each Board and committee meeting and have unrestricted access to any other information they require. Senior management is also available at and outside each meeting to address queries.

Directors are expected to maintain an up-to-date knowledge of the company's business operations and of the industry sectors within which the company operates. Directors are provided with updates on industry developments and undertake training and regular visits to the company's key operations. The Board also undertakes periodic educational trips (as a group and/or individually) to observe and receive briefings from other companies in the gaming and entertainment industries.

Directors are entitled to obtain independent professional advice (at the expense of the company) on any matter relating to their responsibilities as a director or with respect to any aspect of the company's affairs, provided they have previously notified the Board chair of their intention to do so.



## INDEMNITIES AND INSURANCE

The company provides a deed of indemnity in favour of each director and member of senior management and provides professional indemnity insurance cover for directors and executives acting in good faith in the conduct of the company's affairs.

## BOARD COMMITTEES

As at the date of this annual report, the Board has four formally appointed standing committees – the Audit Committee, the Risk and Compliance Committee, the People and Culture Committee and the Governance and Nominations Committee. The members of each of these committees are non-executive directors and the non-executive directors of the Board appoint the chair of each committee.

Each of the Board's standing committees operates under a formal charter document as agreed by the Board. Each charter sets out the role and responsibilities of the relevant committee and is available in the Governance section of the company's website at [www.skycityentertainmentgroup.com](http://www.skycityentertainmentgroup.com).

Each committee charter and the performance of each committee are subject to formal review by the Board on an annual basis or more regularly if required.

From time to time, the Board creates specific sub-committees to deal with a particular matter or matters and/or to have certain decision-making authority as the Board may elect to delegate to that sub-committee. As at the date of this annual report, the Board has established a Transformation Sub-Committee to oversee and monitor the Transformation Programme across the SkyCity Group.

The following table sets out the members of each of the Board's standing committees as at the date of this annual report and summarises the role and key responsibilities of each committee:

	AUDIT COMMITTEE	RISK AND COMPLIANCE COMMITTEE	PEOPLE AND CULTURE COMMITTEE	GOVERNANCE AND NOMINATIONS COMMITTEE
<b>Members</b>	Chad Barton (Chair) Julian Cook Kate Hughes David Attenborough	Kate Hughes (Chair) Julian Cook Glenn Davis Donna Cooper	Julian Cook (Chair) Chad Barton David Attenborough Donna Cooper	Julian Cook (Chair) Chad Barton Kate Hughes Glenn Davis David Attenborough Donna Cooper
<b>Role</b>	Assists the Board in fulfilling its responsibilities relating to financial accounting and reporting, external and internal audit, tax planning and compliance, and treasury matters	Assists the Board in fulfilling its responsibilities relating to risk assessment, management and monitoring, and ongoing regulatory and other legal compliance	Oversees the management of the human resource activities of the company, the organisational culture, the senior management structure, senior executive performance, remuneration and incentivisation, and succession planning	Monitors the overall governance of the business, Board and committee composition and performance, director independence, conflicts of interest, statutory compliance, and the identification of and planning for emerging issues
<b>Key Responsibilities</b>	<ul style="list-style-type: none"> <li>Financial statements and reports</li> <li>Compliance with generally accepted accounting principles</li> <li>Tax planning and compliance</li> <li>Internal and external audit</li> <li>Accounting policies and procedures</li> <li>Expenditure authorities</li> <li>Treasury policy and operations</li> <li>Dividend policy</li> </ul>	<ul style="list-style-type: none"> <li>Risk management</li> <li>Business resilience, including business continuity, crisis management and disaster recovery</li> <li>Workplace health and safety and other critical safety and staff wellbeing issues</li> <li>Anti-money laundering compliance</li> <li>Host responsibility and responsible gaming</li> <li>Gaming regulatory compliance and casino licensing</li> <li>Insurance coverage</li> </ul>	<ul style="list-style-type: none"> <li>Human resource matters</li> <li>Performance and remuneration</li> <li>Senior personnel structure and effectiveness</li> <li>Senior executive succession planning</li> </ul>	<ul style="list-style-type: none"> <li>Board structure and performance</li> <li>Board succession planning</li> <li>Appointment and removal of directors</li> <li>Performance evaluation of the Board and its committees</li> <li>Corporate governance best practice</li> </ul>

## BOARD AND COMMITTEE MEETING ATTENDANCE

The following table shows director attendance at Board meetings and committee member attendance at the Board's standing committee meetings (both scheduled and unscheduled) during the financial year ended 30 June 2024:

	BOARD	AUDIT	RISK AND COMPLIANCE	PEOPLE AND CULTURE	GOVERNANCE AND NOMINATIONS
<b>Total Number of Meetings</b>	12	6	5	6	1
<b>Julian Cook</b>	12	6	5	6	1
<b>Chad Barton</b>	11 <sup>(1)</sup>	6	–	6	1
<b>Kate Hughes</b>	12	6	5	–	1
<b>Glenn Davis</b>	11 <sup>(1)</sup>	–	5	–	1
<b>David Attenborough</b>	12	6	–	6	1
<b>Donna Cooper<sup>(2)</sup></b>	8	–	3	3	1
<b>Sue Suckling<sup>(3)</sup></b>	3	–	1	–	–

<sup>(1)</sup> Unavailable to attend a meeting due to being in transit and/or insufficient notice being provided.

<sup>(2)</sup> Donna Cooper was appointed as a director effective from 28 September 2023. She was appointed a member of the Risk and Compliance Committee and a member of the People and Culture Committee effective from 27 October 2023.

<sup>(3)</sup> Sue Suckling resigned as a director effective from 27 October 2023.

## 3.

### Integrity and Ethical Behaviour

For SkyCity, it is important to be a good corporate citizen, whilst operating a sustainable and successful business model. SkyCity expects its Board, management and employees to act in accordance with the company's values, policies and legal obligations and actively promotes ethical and responsible behaviour and decision-making by:

- clarifying and promoting observance of its guiding values; and
- clarifying the standards of ethical behaviour required of company directors and key executives (that is, officers and employees who have the opportunity to materially influence the integrity, strategy and operations of the business and its financial performance) and encouraging the observance of those standards.

Training and information on the company's values, policies and legal obligations are provided to all employees on induction and periodically throughout their time at SkyCity.

The SkyCity Board is responsible for monitoring the organisational integrity of business operations to ensure the maintenance of a high standard of ethical behaviour.

This includes ensuring that SkyCity operates in compliance with its Code of Conduct (available in the Governance section of the company's website at [www.skycityentertainmentgroup.com](http://www.skycityentertainmentgroup.com)), which sets out the guiding principles of its relationships with stakeholder groups such as regulators, shareholders, suppliers, customers, community groups and employees.

Compliance with the Code of Conduct is monitored through education and notification by individuals who become aware of any breach. In addition, all senior managers are required annually to provide a confirmation to the company that to the best of their knowledge all business matters undertaken within their areas of responsibility have been conducted in accordance with the Code of Conduct. The most recent annual confirmations were provided by senior managers in August 2024.

### TRADING IN SECURITIES

The company maintains a Securities Trading Policy (available in the Governance section of the company's website at [www.skycityentertainmentgroup.com](http://www.skycityentertainmentgroup.com)) for directors and employees that sets out guidelines in respect of trading in, or giving recommendations concerning, the company's securities, including derivatives of such listed securities.

Details of any securities trading by directors or executives who are subject to the company's Securities Trading Policy are notified to the Board.

In addition, directors and officers of the company must comply with the disclosure obligations under





subpart 6 of the New Zealand Financial Markets Conduct Act 2013 and the NZX Main Board Listing Rules and formally disclose their SkyCity shareholdings and other securities holdings to the NZX and, consequently, the ASX within prescribed timeframes.

#### CONFLICTS OF INTEREST

SkyCity expects its directors and employees to avoid conflicts of interest in their decisions and to avoid any direct or indirect interest, investment, association, or relationship which is likely to, or appears to, interfere with the exercise of their independent judgement.

Where conflicts of interest may arise (or where potential conflicts of interest may arise), directors must formally advise the company or, in the case of an employee, their manager about any matter relating to that conflict (or potential conflict) of interest.

#### GAMING PROHIBITION

Directors and employees are not permitted to participate in any gaming or wagering activity at any SkyCity land-based casino.

## 4.

### Safeguard the Integrity of the Company's Financial Reporting

The Board is responsible for ensuring that effective policies and procedures are in place to provide confidence in the integrity of the company's financial reporting.

The Audit Committee has responsibility for oversight of the quality, reliability, and accuracy of the company's internal and external financial statements, the quality of the company's external result presentations, and its relationships with its internal and external auditors. The Audit Committee and the Board undertake sufficient inquiry of the company's management and the company's internal and external auditors in order

to enable them to be satisfied as to the validity and accuracy of the company's financial reporting. The Chief Executive Officer and the Chief Financial Officer are required to confirm in writing that the annual and interim financial statements present a true and fair view of the company's financial condition and results of operations, and comply with relevant accounting standards.

The Audit Committee oversees the independence of the company's internal and external auditors and monitors the scope and quantum of work undertaken and fees paid to the auditors for non-audit services. The Audit Committee has adopted an External Audit Independence Policy that sets out the framework for assessing and maintaining audit independence. The Audit Committee has formally reviewed the independence status of PricewaterhouseCoopers and is satisfied that its objectivity and independence is not compromised as a consequence of non-audit work undertaken for the company. PricewaterhouseCoopers has confirmed to the Audit Committee that it is not aware of any matters that could affect its independence in performing its duties as auditor of the company.

Fees paid to PricewaterhouseCoopers during the financial year ended 30 June 2024 are set out in note 8 to the financial statements. Fees for audit and other assurance work for the financial year ended 30 June 2024 represented 89.8% of total PricewaterhouseCoopers fees.

## 5.

### Timely and Balanced Disclosure

The Board is committed to ensuring timely and balanced disclosure of all material matters concerning the company to ensure compliance with the letter and intent of the NZX and ASX Listing Rules such that:

- all investors have equal and timely access to material information concerning the company, including its financial situation, performance, ownership and governance; and
- company announcements are factual and comprehensive.

SkyCity believes high standards of reporting and disclosure are essential for proper accountability between SkyCity and its investors, employees and stakeholders.

The company is committed to promoting investor confidence by providing timely and balanced disclosure of all material matters relating to SkyCity and its subsidiaries (**SkyCity Group**). The company maintains a Market Disclosure Policy (available in the Governance section of the company's website at [www.skycityentertainmentgroup.com](http://www.skycityentertainmentgroup.com)) for directors and employees that sets out guidelines in respect of the company's continuous disclosure obligations.

The Market Disclosure Policy is designed to ensure that SkyCity:

- satisfies the requirements of the New Zealand Financial Markets Conduct Act 2013, Australian Corporations Act 2001, NZX Main Board Listing Rules and ASX Listing Rules;
- meets its disclosure obligations in a way that allows all interested parties equal opportunity to access information;
- meets stakeholders' expectations for equal, timely, balanced and meaningful disclosure; and
- provides guidance on the processes to ensure compliance.

The company is also committed to presenting its financial and key operational performance results in a clear, effective, balanced and timely manner to the stock exchanges on which the company's securities are listed, and to its shareholders, analysts and other market commentators, and ensures that such information is available on the company's website.

The company's annual report (including this annual report) is prepared by the General Counsel for SkyCity Entertainment Group with input from the Chief Executive Officer and other senior management who bear responsibility for the topics covered in the annual report with a view to ensuring the contents are materially accurate, balanced and provide investors sufficient information about SkyCity and its performance over the relevant financial year. The Board also contributes to and approves the contents of the annual report.

Jo Wong, General Counsel, is Company Secretary and the Disclosure Officer for SkyCity Entertainment Group Limited and is responsible for bringing to the attention of the Board any matter relevant to the company's disclosure obligations. The Company Secretary is also accountable directly to the Board, through the chair of the Board, on all matters to do with the proper functioning of the Board.

## 6.

### Respect and Facilitate the Rights of Shareholders

The company's shareholder communications strategy is designed to facilitate the effective exercise of shareholder rights by:

- communicating effectively with shareholders;
- providing shareholders with ready access to balanced and understandable information about the company and corporate proposals; and
- facilitating participation by shareholders in general meetings of the company.

The company achieves this by:

- ensuring that information about the company (including its corporate governance framework, media releases, current and past annual reports, dividend histories and notices of meeting) is available to all shareholders in the Investor Centre and Governance sections of the company's website at [www.skycityentertainmentgroup.com](http://www.skycityentertainmentgroup.com);
- posting stock exchange announcements in the Investor Centre section of the company's website promptly after they have been disclosed to the market;
- giving shareholders the option to receive communications from, and send communications to, the company and its security registry, Computershare, electronically;
- engaging in a programme of regular interactions with institutional investors, shareholder associations and proxy advisers;
- promoting two-way interaction with shareholders, by encouraging shareholders to attend general meetings of the company;
- making appropriate time available at such meetings for shareholders to ask questions of directors and management. Each year, in the company's Notice of Meeting, shareholders are invited to submit questions to the company prior to the annual meeting to enable the company to aggregate the main themes of the questions asked and respond to them at the annual meeting. Representatives of the company's external auditors are also invited to attend the company's annual meeting to answer any shareholder questions concerning their audit and external audit report; and
- ensuring that continuous disclosure obligations are understood and complied with throughout the SkyCity Group.

## 7.

### Recognise and Manage Risk

The company maintains a risk management framework for the identification, assessment, monitoring and management of risk to the company's business.

A centrally managed Group Risk function evaluates and reports on risks across the Group. Management is required to report to the Risk and Compliance Committee and Board on the effectiveness of the company's management of its material business risks at least annually. SkyCity also maintains an independent, centrally managed Group Internal Audit function which evaluates and reports on controls across the Group. Management is required to report to the Audit Committee and Board on the effectiveness of the company's management of its controls at least annually.



The Audit Committee approves the internal audit plan, with the results and performance of the organisation's risk and controls regularly reviewed by the Audit Committee and the external auditors. The Chief Executive Officer and the Chief Financial Officer are required to confirm in writing to the Audit Committee at least annually that the statement in respect of the integrity of the company's financial statements referred to above is founded on a sound system of risk management and internal control which aligns to the policies of the Board, and that the company's risk management and internal control systems are operating efficiently and effectively in all material respects. The most recent confirmations were provided by the Chief Executive Officer and Chief Financial Officer in August 2024.

The company maintains business continuity, material damage and liability insurance cover to ensure that the earnings of the business are well protected from adverse circumstances.

SkyCity's ability to create and preserve value for its shareholders requires the successful execution of its business strategy, while maintaining a sound culture and practices to maintain compliance with responsible gaming frameworks. Risks influencing its ability to do this, including SkyCity's material exposure to economic, environmental and social sustainability risks, if any, and how it manages or intends to manage those risks, are outlined on pages 32 - 36 of this annual report.

## 8.

### Performance Evaluation

#### EVALUATION OF THE BOARD AND ITS COMMITTEES

The Board and committee charters require an evaluation of the Board's and its committees' performance on an annual basis. The Governance and Nominations Committee determines and oversees the process for evaluation, which includes assessment of the role and responsibilities, performance, composition, structure, training and membership requirements of the Board and its committees.

The annual evaluation of the Board's and its committees' performance is generally carried out in the form of a self-evaluation questionnaire completed by each of the directors and select management. From time to time, an independently facilitated evaluation process may be carried out, in addition to or in substitution of the self-evaluation process, for the purpose of evaluating the performance of the Board and its committees.

During the last financial year, the annual evaluation of the Board's and its committees' performance was carried out by way of self-evaluation questionnaires in late 2023, with the results discussed by the Board at a meeting in December 2023.

#### EVALUATION OF SENIOR MANAGEMENT

The Board undertakes the performance review of the Chief Executive Officer and reviews the performance outcomes of those reporting directly to that position in accordance with the company's performance review procedures.

In the case of the Chief Executive Officer, the review generally involves a formal response/feedback process at both the half year and full year. In the case of each senior executive, the review involves a formal response/feedback process between the Chief Executive Officer and each senior executive.

## 9.

### Remunerate Fairly and Responsibly

Our remuneration arrangements are designed and managed to support effective long term sustainable risk management and required compliance standards, and structured to ensure positive risk and compliance outcomes are rewarded and the company has the ability to address poor risk and compliance outcomes in a fair and balanced manner.

Our remuneration programmes reward our people for doing the right thing (behaviours) and having regard for our shareholders, customers, communities, regulators, and ongoing corporate sustainability. Performance conditions attached to incentives are designed to align the interests of our people and SkyCity by ensuring a clear link between remuneration outcomes and company performance (financial, non-financial, and risk and compliance). Additionally, a proportion of senior leaders' incentive outcomes and value is linked to the SkyCity share price, ensuring they receive rewards that are aligned with shareholders' interests and encourage long term value creation.

Details of SkyCity's various employee incentive plans are available in the Governance section of the company's website at [www.skycityentertainmentgroup.com](http://www.skycityentertainmentgroup.com).

# Remuneration REPORT

I am pleased to present the remuneration report for the financial year ended 30 June 2024, which outlines SkyCity's remuneration frameworks and plans, including detailed remuneration information for the Chief Executive Officer and directors, and outcomes for the financial year ended 30 June 2024.

#### REMUNERATION PRINCIPLES AND POLICY

Over the last financial year, the People and Culture Committee approved a new remuneration policy for SkyCity, underpinned by the following remuneration principles:

- fair and valued
- aligned to our social and regulatory licences
- outcomes are balanced and commensurate with our risk and compliance profile
- performance focused
- transparent and simple

A full explanation of our remuneration principles can be found in the Governance Section of the company's website at [www.skycityentertainmentgroup.com](http://www.skycityentertainmentgroup.com).

Over the period, the People and Culture Committee completed a review of senior executive remuneration, centred on these principles, with resulting changes to the company's short term (STI) and long term (LTI) incentive plans from the 2025 financial year. These changes include:

- upweighting the LTI allocations for senior executives, balanced by a decrease in the STI targets;
- including non-financial performance measures in the LTI plan, which cover strategic objectives, cultural aspirations and our risk and compliance maturity; and
- simplifying the STI plan to ensure it remains relevant and transparent for participants.

Full details of these changes will be provided in our 2025 remuneration report.

#### CHIEF EXECUTIVE OFFICER REMUNERATION

One of the People and Culture Committee's key responsibilities is to oversee the recruitment process for the Chief Executive Officer and recommend to the Board for approval the terms and conditions of employment for the Chief Executive Officer.

The Committee determined the appropriate remuneration arrangements for Jason Walbridge, who commenced as Chief Executive Officer on 15 July 2024, by giving consideration to the company's overarching remuneration principles as well as the markets in which we operate, and benchmarking across New Zealand and Australia. These arrangements will include a one-off commencement offer of restricted share rights to Mr Walbridge, which will act as both a retention lever and ensure he is appropriately incentivised to grow sustainable shareholder value through share price returns. An overview of the terms and conditions of employment for Mr Walbridge is included in this remuneration report.

#### FY24 STI OUTCOME

Our STI plans have two gateways, being financial and company risk related. The financial gateway requires the SkyCity Group's underlying net profit after tax (NPAT) to exceed 90% of the Group's budgeted underlying NPAT, and the company risk gateway requires acceptable achievement of the company risk goals as determined by the Board.

Notwithstanding the significant progress made across the business over the past financial year in regard to our risk and compliance maturity, the Board, on recommendation from management, has determined that no payments or awards will



be made under either the SkyCity STI plan or the SkyCity Performance Incentive Plan for the financial year ended 30 June 2024 due to neither of the gateways being met. This decision was made both to reflect the challenging financial environment and outcomes for the financial year, as well as the regulatory action and resolutions during the period.

### DISCLOSURE CHANGES

The People and Culture Committee has considered the information provided in this remuneration report to ensure that adequate detail is provided to link our remuneration framework to strategic outcomes and delivery. Given the gateways for the STI plan were not met this financial year, as well as the changes in the Chief Executive Officer role through the period, we have not made material changes to the way we present our remuneration related disclosures. However, it is our intention that our next remuneration report (for the financial year ending 30 June 2025) will pay particular focus on the disclosures supporting the achievement and measurement of objectives and how they influence remuneration outcomes for our Chief Executive Officer, senior executives and other employees.

### NON-EXECUTIVE DIRECTOR FEES

Base non-executive director fees were last increased by 2% in 2018, with an increase to the non-executive director fee pool sought and approved at the 2023 Annual Meeting to allow, in part, for the recruitment of a seventh director.

In light of the restrained trading conditions and the current pause on dividends, the Board will not be seeking shareholder approval to increase the existing non-executive director fee pool at the 2024 Annual Meeting, as foreshadowed at the 2023 Annual Meeting.

As such, the People and Culture Committee did not seek independent benchmarking of non-executive director fees this year. However, the Board intends to seek shareholder approval for a fee pool increase in 2025 to allow for increases to the base fees payable to directors for their Board and Committee commitments. We will ensure appropriate benchmarking is sourced and available to support that resolution.

On behalf of the Board, I hope you find the detail in this remuneration report useful and, as always, I welcome your feedback.



Julian Cook  
Chair  
People and Culture Committee

## DIRECTOR FEES

Shareholders at the company's annual meeting determine the total remuneration available to the company's non-executive directors. At the 2023 Annual Meeting, shareholders approved, effective from 1 July 2023, a total remuneration amount for non-executive directors of \$1,540,000 (plus GST, if any) for each financial year.

The company's Policy on Non-Executive Director Remuneration (available in the Governance section of the company's website at [www.skycityentertainmentgroup.com](http://www.skycityentertainmentgroup.com)) sets out a framework for SkyCity to attract and retain qualified, highly capable directors for the purpose of driving value and maintaining the highest standards of corporate governance on behalf of shareholders. The guiding principles that underpin the Policy are that:

- non-executive director remuneration will be regularly benchmarked against external comparator markets to ensure it is broadly in line with that payable in other large publicly-listed companies in Australasia; and
- the incremental accountability and commitment that accompanies specific roles will be recognised in the company's non-executive director remuneration structure.

The People and Culture Committee is responsible for making recommendations to the Board annually on non-executive director remuneration changes. In turn, the Board seeks shareholder approval for any proposed increase to the total remuneration pool under the Policy on Non-Executive Director Remuneration.

The following table outlines the directors' fees for the SkyCity Board, its standing Committees and any ad-hoc Sub-Committees as at 30 June 2024:

SKYCITY ENTERTAINMENT GROUP LIMITED BOARD	POSITION	FEES (exclusive of GST, if any, and per financial year)
Board	Chair	\$280,000
	Non-Executive Director	\$128,500
Audit Committee	Chair	\$35,000
	Member	\$15,000
Risk and Compliance Committee	Chair	\$35,000
	Member	\$15,000
People and Culture Committee	Chair	\$35,000
	Member	\$15,000
Transformation Sub-Committee	Chair	\$35,000
	Member	N/A
Governance and Nominations Committee	All non-executive directors are members of this Committee, but receive no additional fees for this Committee	

Directors' fees are also payable to non-executive directors appointed to the Board of SkyCity Adelaide Pty Limited as outlined in the table below (as at 30 June 2024):

SKYCITY ADELAIDE PTY LIMITED BOARD	POSITION	FEES (exclusive of GST, if any, and per financial year)
Board	Chair	\$130,000
	Non-Executive Director	\$65,000

In addition to directors' fees, non-executive directors may also receive remuneration for additional services provided to the company outside of their capacities as directors of the company at the discretion of the Board and subject to the maximum remuneration amount which has been approved by the shareholders of the company. SkyCity also meets the expenses incurred by directors in relation to company matters which are incidental to the performance of their duties, including travel.

Individuals who are invited by the SkyCity Board to join the Board as non-executive directors are appointed subject to the company obtaining the approval of the regulatory authorities in each of the gaming jurisdictions in which the company operates (a process which usually takes some months to conclude) and are entitled to receive remuneration for consultancy services provided to the company pending receipt of the requisite approvals.



## REMUNERATION AND OTHER BENEFITS FOR THE YEAR ENDED 30 JUNE 2024

Remuneration paid to, and other benefits received by, directors during the financial year ended 30 June 2024 and, comparatively during the financial year ended 30 June 2023, are outlined in the table below:

DIRECTOR	FINANCIAL YEAR	SKYCITY ENTERTAINMENT GROUP LIMITED BOARD AND COMMITTEE FEES	SKYCITY ADELAIDE PTY LIMITED BOARD FEES	OTHER FEES AND BENEFITS	TOTAL
Julian Cook	2024	\$300,000.00 <sup>(1)</sup>	\$65,000.00	\$161,538.00 <sup>(2)</sup>	\$526,538.00
	2023	\$300,000.00 <sup>(1)</sup>	\$32,500.00	–	\$332,500.00
Chad Barton	2024	\$178,500.00	–	–	\$178,500.00
	2023	\$174,699.77	–	–	\$174,699.77
Kate Hughes	2024	\$178,500.00	–	–	\$178,500.00
	2023	\$142,963.93	–	\$29,315.06 <sup>(3)</sup>	\$172,278.99
Glenn Davis	2024	\$143,500.00	\$130,000.00	–	\$273,500.00
	2023	\$114,372.60	\$75,955.40	\$28,164.38 <sup>(3)</sup>	\$218,492.38
David Attenborough	2024	\$158,500.00	–	–	\$158,500.00
	2023	\$49,834.59	–	\$704.11 <sup>(4)</sup>	\$50,538.70
Donna Cooper <sup>(5)</sup>	2024	\$120,406.73	–	\$24,937.22 <sup>(6)</sup> \$28,500.00 <sup>(7)</sup>	\$173,843.95
	2023	–	–	–	–
Sue Suckling <sup>(8)</sup>	2024	\$46,490.07	–	\$1,847.11 <sup>(9)</sup>	\$48,337.18
	2023	\$144,074.20	–	\$5,148.75 <sup>(9)</sup>	\$149,222.95

The figures shown are gross amounts and exclude GST where applicable.

- (1) Includes \$20,000 (plus GST) per financial year for additional services provided to the People and Culture Committee.
- (2) Being remuneration payable for executive support to the company for the period from 26 February 2024 to 30 June 2024 pending the commencement of Jason Walbridge as the new Chief Executive Officer.
- (3) Being fees payable for consultancy services provided to the company for the period from 20 June 2022 to 7 September 2022 (inclusive) prior to his/her appointment as a director on 8 September 2022.
- (4) Being fees payable for consultancy services provided to the company for the period from 1 to 2 March 2023 (inclusive) prior to his appointment as a director on 3 March 2023.
- (5) Donna Cooper was appointed as a director effective from 28 September 2023.
- (6) Being fees payable for consultancy services provided to the company for the period from 21 July 2023 to 27 September 2023 (inclusive) prior to her appointment as a director on 28 September 2023.
- (7) Being fees payable for additional services provided to the company for consultancy services in relation to strategic communications and the organisational transformation programme.
- (8) Sue Suckling retired as a director at the 2023 Annual Meeting on 27 October 2023.
- (9) Being premiums paid to SkyCity's health insurance provider during the period for the relevant director, who received the benefit of a health insurance plan that SkyCity offers to all of its employees (either at no cost or at a discounted rate).

## SHARE OWNERSHIP IN SKYCITY

To further align non-executive directors' interests with those of shareholders, each non-executive director is encouraged, over a period of two years from appointment, to build up and retain shares in the company (purchased on market by each non-executive director) equivalent to at least one year of their base non-executive director fees. Following this initial two-year period, non-executive directors are then encouraged to acquire 15% of their base director fees per year in shares in the company.

The directors disclosed the following relevant interests in SkyCity shares as at 30 June 2024:

DIRECTOR	SHARES BENEFICIALLY HELD	PERCENTAGE OF BASE FEE RETAINED IN SHARES (based on the value at the relevant purchase date)	PERCENTAGE OF BASE FEE RETAINED IN SHARES (based on the value at 28 June 2024) <sup>(6)</sup>
Julian Cook	115,000 <sup>(1)</sup>	135%	60%
Chad Barton	60,000 <sup>(2)</sup>	135%	68%
Kate Hughes	50,300	81%	57%
Glenn Davis	70,000 <sup>(3)</sup>	121%	80%
David Attenborough	100,000 <sup>(4)</sup>	174%	114%
Donna Cooper	57,109 <sup>(5)</sup>	100%	65%

- (1) Shares held by Motutapu Investments Limited.
- (2) Shares held by the trustee of the Casheaw Super Fund.
- (3) Shares held by Alorean (No 148) Pty Ltd as trustee for The Davis Family Trust.
- (4) Shares held by JJJ Family Pty Limited as trustee for the JJJ Family Trust.
- (5) Shares held by Adminis Custodial Nominees Limited as the custodian for the trustees of The Stanley Cooper Family Trust.
- (6) Based on a closing price on 28 June 2024 of \$1.46 per share.

## REMUNERATION OF EMPLOYEES

This section details the company's approach to remuneration frameworks, outcomes and performance of SkyCity's Chief Executive Officer, other Group executives and employees for the financial year ended 30 June 2024.

### Remuneration of Senior Executives

Remuneration components are offered in the context of a total remuneration package, measured on a "total cost to the company" basis. The remuneration arrangements for each senior executive comprise both fixed and variable remuneration where:

- the fixed portion comprises a base salary, a KiwiSaver/superannuation contribution and a limited number of other benefits; and
- the variable portion comprises both short term incentive (STI) at-risk remuneration and long term incentive (LTI) at-risk remuneration.

The remuneration arrangements for the Chief Executive Officer are detailed in the 'Remuneration of Chief Executive Officer' section on pages 99 and 100 of this annual report.

The Board determines appropriate levels of fixed remuneration taking into account recommendations from the People and Culture Committee. The STI component is based on performance against both key financial and non-financial measures (including risk and compliance outcomes) and all STI bonuses are at the ultimate discretion of the Board.

The disclosures in this remuneration report reflect the total rewards earned by, although not necessarily paid to, senior executives for the financial year ended 30 June 2024 as the Board believes this approach more appropriately describes executive pay and performance. Accordingly, the disclosures include the STI and LTI components earned by senior executives in respect of the financial year ended 30 June 2024.

### FIXED REMUNERATION

Senior executive roles are benchmarked to consider the industry in which we operate, meaning senior executive roles may be benchmarked across Australian and New Zealand markets. Fixed remuneration is reviewed annually for each senior executive and, when appropriate, the People and Culture Committee approves remuneration increases for senior executives.

## VARIABLE REMUNERATION

### Short Term Incentive Remuneration

To drive outstanding company and individual performance, SkyCity introduced the SkyCity Performance Incentive Plan (PIP) for senior executives and senior managers in 2018.

The PIP:

- recognises and rewards short and medium term performance by providing participants an opportunity to be further aligned with shareholders' interests by earning, subject to the company achieving its financial performance gateway, an incentive award which is delivered in cash and deferred equity awards (in the form of restricted share rights in the company); and
- provides participants the opportunity to earn a cash payment under a STI scheme and acquire restricted share rights under a deferred STI scheme.

### STI Scheme Component of PIP

STI awards are delivered in cash at the end of the financial year following the completion of the external audit of the company's year-end results, where the maximum award under the STI is 120% of the target award.

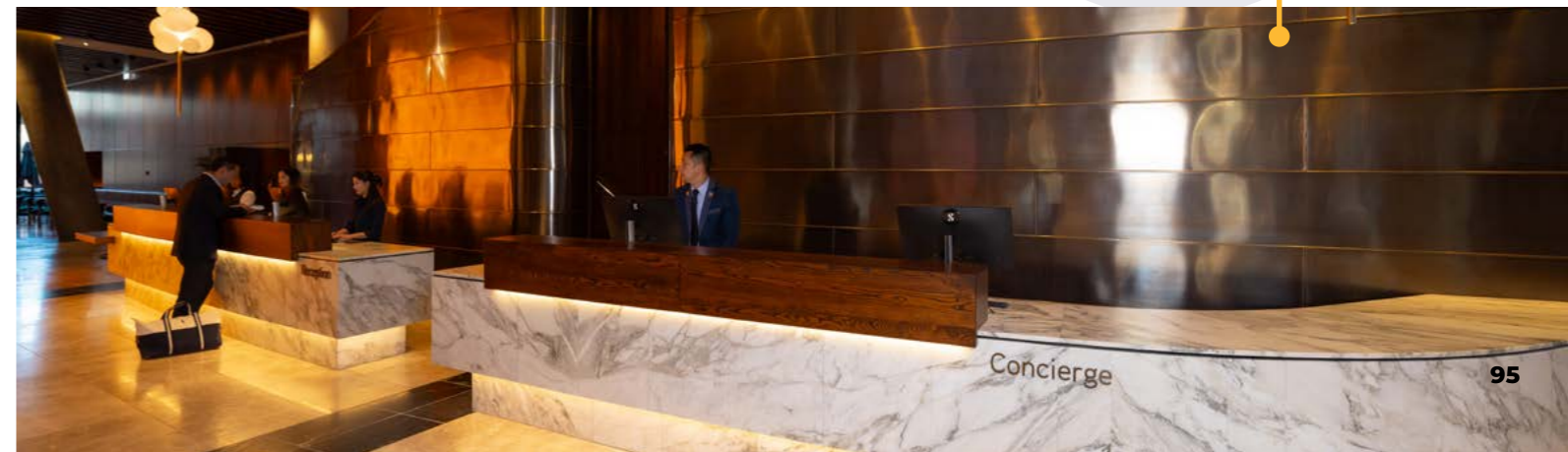
### Deferred STI Scheme Component of PIP

The deferred STI scheme under the PIP offers participants, subject to the relevant STI performance conditions being met, the opportunity to acquire restricted share rights of an amount equivalent to between 10% and 30% of their base salary. Restricted share rights (if any) issued to a participant on a STI cash payment date (**Declaration Date**) will only vest if that participant remains an employee up and until:

- the first anniversary of the Declaration Date in respect of 50% of the restricted share rights; and
- the second anniversary of the Declaration Date in respect of the remaining 50% of the restricted share rights.

Upon vesting, a participant will be allocated one ordinary share in the company for each restricted share right that vests as soon as practicable after the relevant anniversary of the Declaration Date. Subject to complying with the company's Securities Trading Policy and Code of Conduct, participants are free to sell, transfer or otherwise deal with shares issued to them under the PIP (subject to minimum shareholding requirements for the Chief Executive Officer and other Group executives).

Horizon by SkyCity,  
SkyCity Auckland





### Senior Executive STI Remuneration for the Financial Year ended 30 June 2024

For the financial year ended 30 June 2024, offers made under the PIP included company risk goals as part of a balanced scorecard, which also included individual financial and non-financial goals. The company risk goals accounted for 20% of the target outcome with the individual financial and non-financial goals comprising in aggregate 80% of the target outcome.

By way of example, the high level balanced scorecard for the Chief Executive Officer, including weightings for the three goal categories, is set out in the table below. These goals will cascade down appropriately through the organisation and recognise the focus for each individual through their non-financial goals. The compliance goals are standardised across all salaried roles and are pre-populated into the performance system.

GOAL CATEGORY	GOAL	WEIGHTING
Financial	Achievement of company NPAT target	50%
Non-Financial	<p>A number of non-financial objectives specific to the Chief Executive Officer, based on the strategic priorities for the Group. For the financial year ended 30 June 2024, these included:</p> <ul style="list-style-type: none"> <li>transformation of the business, including cashless gaming technology, carded and digital customers</li> <li>online gaming strategy</li> <li>progression of the New Zealand International Convention Centre and Horizon by SkyCity project</li> </ul>	30%
Compliance	Goals specifically relating to risk and assurance, anti-money laundering, host responsibility, and health and safety	20%

For the financial year ended 30 June 2024, in consideration of the challenging operating environment as well as the significant regulatory action and resolutions, management recommended to the Board that no payments or awards should be made under either the STI plan or the PIP. However, the Board has approved a small discretionary bonus pool to recognise exceptional performance of front line and operational employees as appropriate. The Chief Executive Officer and senior executives will not be eligible for any bonus payments under this discretionary pool.

Horizon by SkyCity,  
SkyCity Auckland

### LONG TERM INCENTIVE REMUNERATION

During the financial year ended 30 June 2024:

- grants were made to senior executives under the Executive Long Term Incentive Restricted Share Rights Plan (as detailed below); and
- a vesting calculation was completed in relation to allocations made to participants in September 2020 under the 2018 SkyCity Executive Long Term Incentive Plan, resulting in 16.7% of the shares vesting to participants. The unvested shares (83.3%) were forfeited in accordance with the terms of the 2018 SkyCity Senior Executive Long Term Incentive Plan.

From time to time as directed by SkyCity, the Public Trust acquires shares in the company on-market for the purposes of the company's long term incentive employee plans. As at 30 June 2024, the Public Trust held a total of 1,471,616 shares – 150,690 of which were allocated and held on behalf of eligible participants and 1,320,926 of which were unallocated and held on behalf of future participants in the company's employee incentive plans.

### EXECUTIVE LONG TERM INCENTIVE RESTRICTED SHARE RIGHTS PLAN

The Executive Long Term Incentive Restricted Share Rights Plan (**Long Term RSR Plan**) was introduced in 2022 to replace the 2018 SkyCity Executive Long Term Incentive Plan (as detailed below). The following enhancements were included in the Long Term RSR Plan:

- introduction of a total shareholder return gate - the Long Term RSR Plan requires that SkyCity's total shareholder return be greater than zero over the restrictive period in order for any shares to vest in respect of the 'Absolute TSR Tranche', 'NZX Comparator Group Tranche' and 'ASX Comparator Group Tranche';
- removal of the competitor comparator group tranche – following the delisting of Crown Resorts Limited from the ASX, the Board reviewed this hurdle and determined that, due to limited suitable competitors being available on the ASX or NZX, this tranche should be removed from the Plan;
- enhancement to Board discretion – invitation letters to senior executives include explicit mention of the ability for the Board to exercise its discretion prior to vesting (regardless of performance conditions) if it is appropriate to do so to reflect the company's performance or non-performance in meeting its regulatory, risk and compliance obligations; and
- change in plan vehicle – the Long Term RSR Plan is a share-based performance incentive which delivers potential rewards utilising restricted share rights (**RSRs**). RSRs issued to participants will only vest if that participant remains an employee throughout the restrictive period and the relevant performance hurdles are achieved. Upon the vesting criteria being met, participants will be allocated one ordinary SkyCity share for each RSR that vests.

The Long Term RSR Plan is similar to the 2018 SkyCity Long Term Incentive Plan in that it aligns remuneration with the creation of shareholder value over the long term through absolute and relative total shareholder return (**TSR**) measures:

- 50% of the shares are allocated to an absolute TSR tranche which includes a cost of equity premium;
- the remaining 50% of the shares are allocated equally to each of an NZX comparator group tranche and an ASX comparator group tranche; and
- performance is assessed three years after the issue of the shares, with no retesting dates in the event the performance hurdles are not satisfied as at that date.



Sōi Rooftop,  
SkyCity Adelaide

In order to determine whether any shares will vest in a participant following the three-year restrictive period for those shares, each tranche is measured against the performance hurdle for that tranche on the performance testing date for those shares, where the performance hurdle for each of the tranches is:

- for the absolute TSR tranche, a comparison of SkyCity's TSR over the restrictive period against the cost of equity for the SkyCity Group over the restrictive period as determined by the Board;
- for the NZX comparator group tranche, a comparison of SkyCity's TSR over the restrictive period against the TSR of each of the constituent entities of the NZX 50 index (as at the grant date, other than SkyCity) over the same period; and
- for the ASX comparator group tranche, a comparison of SkyCity's TSR over the restrictive period against the TSR of each of the constituent entities of the ASX 200 index (as at the grant date, other than SkyCity) over the same period.

The maximum award under the Long Term RSR Plan is 100% of the relevant grant allocation.

The transfer of shares to participants at the end of the three-year restrictive period is dependent on satisfaction of the performance conditions and continued employment with SkyCity. If a participant resigns or is dismissed for misconduct or poor performance before the end of the restrictive period, any unvested shares will be forfeited, unless:

- SkyCity terminates the employment of a senior executive without cause;
- a senior executive ceases employment as a result of a material change to the terms and conditions of his/her employment which results in a diminution of that senior executive's role, status and responsibility in the period of 12 months immediately preceding a performance testing date; or
- a senior executive dies or ceases to be an employee due to medical incapacity or permanent disability.





In the event that a genuine error is made by, or on behalf of, the Board or the company in determining a participant's entitlement under the Long Term RSR Plan, including where the company's or a third party's financial statements are subsequently required to be restated, the Board may seek to recover from a participant the value of any shares erroneously determined to have vested to them.

Until the restrictive period for the relevant shares has ended a participant may not sell the RSRs or use them as security for any loan.

### 2018 SKYCITY EXECUTIVE LONG TERM INCENTIVE PLAN

The 2018 SkyCity Executive Long Term Incentive Plan provided participants with financial assistance by way of an interest-free loan by a subsidiary of the company to acquire shares in the company. A trustee holds legal title to the relevant shares on behalf of those participants for a restrictive period of three years until the following performance hurdles are tested:

- 50% of the shares are allocated to an absolute TSR tranche which includes a cost of equity premium;
- the remaining 50% of the shares are allocated equally to each of an NZX comparator group tranche, an ASX comparator group tranche and a competitor comparator group tranche; and
- performance is assessed three years after the issue of the shares, with no retesting dates in the event the performance hurdles are not satisfied as at that date.

In order to determine whether any shares will vest in a participant following the three-year restrictive period for those shares, each tranche is measured against the performance hurdle for that tranche on the applicable performance testing date. The performance hurdle for each of the tranches is:

- for the absolute TSR tranche, a comparison of SkyCity's TSR over the restrictive period against the cost of equity for the SkyCity Group over the restrictive period as determined by the Board;

- for the NZX comparator group tranche, a comparison of SkyCity's TSR over the restrictive period against the TSR of each of the constituent entities of the NZX 50 index (as at the grant date, other than SkyCity) over the same period;
- for the ASX comparator group tranche, a comparison of SkyCity's TSR over the restrictive period against the TSR of each of the constituent entities of the ASX 200 index (as at the grant date, other than SkyCity) over the same period; and
- for the competitor comparator group tranche, a comparison of SkyCity's TSR over the restrictive period against the TSR of each of Crown Resorts Limited and The Star Entertainment Group Limited over the same period. Due to the delisting of Crown Resorts Limited from the ASX in June 2022, it was removed from the tranche and the Board decided not to substitute it with another entity. As such, The Star Entertainment Group Limited is the sole comparator for this tranche.

The maximum award under the 2018 SkyCity Executive Long Term Incentive Plan is 100% of the relevant grant allocation.

### Remuneration of Salaried Employees

All salaried roles within SkyCity are sized using a recognised methodology to measure the impact, accountability and complexity of each role as it contributes to the organisation. Remuneration data is obtained from several sources to determine remuneration ranges by job band or level to ensure competitiveness at both base salary and total remuneration levels.

Individual remuneration is set within the appropriate range considering such matters as individual performance, scarcity/availability of resource/skill, internal relativities and specific business needs. This process ensures internal equity between roles and allows comparison with the overall market. Remuneration ranges are reviewed annually to reflect market movements.

### Remuneration of Chief Executive Officer

This section details the remuneration earned by the former Interim Chief Executive Officer (Callum Mallett) and the former Chief Executive Officer (Michael Ahearne) during the financial year ended 30 June 2024, as well as the remuneration and benefits payable to the current Chief Executive Officer (Jason Walbridge) from his commencement date on 15 July 2024.

#### A. CALLUM MALLETT – FORMER INTERIM CHIEF EXECUTIVE OFFICER

The total remuneration earned by Callum Mallett for duties relating to the position of Interim Chief Executive Officer over the period from 11 March 2024 to 30 June 2024 is outlined in the following table:

SALARY AND BENEFITS				AT RISK REMUNERATION OUTCOMES			TOTAL REMUNERATION
BASE SALARY	KIWISAVER	HEALTH INSURANCE	SUBTOTAL	STI OUTCOME	LTI GRANT	SUBTOTAL	
\$386,205 <sup>(1)</sup>	\$11,586.15	\$2,159	\$399,950	Nil	Nil <sup>(2)</sup>	Nil	\$399,950

(1) Represents the pro-rata salary paid to Mr Mallett during his tenure as Interim Chief Executive Officer from a full year equivalent base of \$1,255,168.

(2) Mr Mallett was granted an award to the value of \$200,000 under the Long Term RSR Plan in September 2023, relating to his position as Chief Operating Officer New Zealand.

The following equity-based incentives vested to Mr Mallett in the financial year ended 30 June 2024, and relate to his position as Chief Operating Officer New Zealand:

PLAN	GRANT YEAR	VESTING DATE	SECURITIES	PERFORMANCE PERIOD	PERFORMANCE MEASURE	VESTING OUTCOME	SHARES VESTED	VALUE ON VESTING
SkyCity Performance Incentive Plan	FY21	7 September 2023	Restricted Share Rights	1 July 2020 to 30 June 2021	Financial and Non-financial Objectives	100% Vested	16,366 <sup>(1)</sup>	\$32,732 <sup>(2)</sup>
SkyCity Performance Incentive Plan	FY22	22 September 2023	Restricted Share Rights	1 July 2021 to 30 June 2022	Financial and Non-financial Objectives	100% Vested	11,982 <sup>(3)</sup>	\$22,526 <sup>(4)</sup>

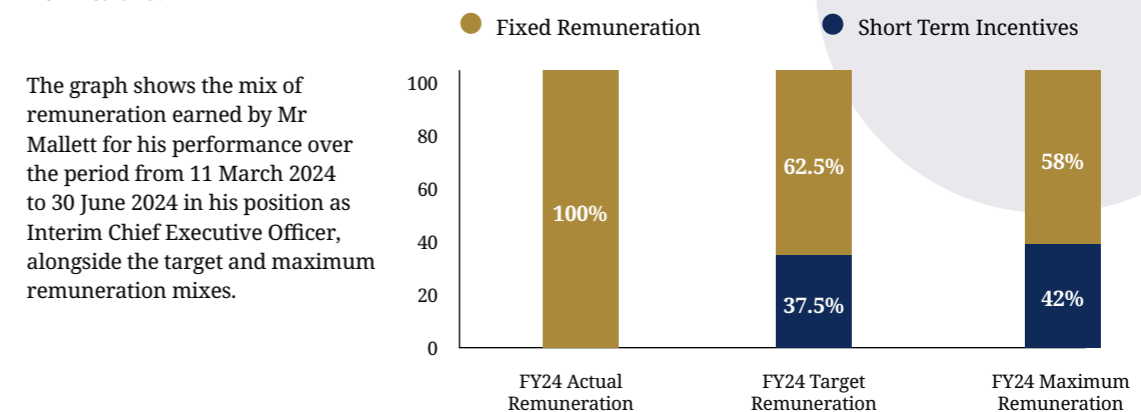
(1) Represents the total number of vested restricted share rights and number of corresponding ordinary SkyCity shares transferred. SkyCity sold 6,383 shares on-market to settle Mr Mallett's PAYE obligations, and accordingly 9,983 net ordinary SkyCity shares were transferred to Mr Mallett.

(2) Determined by multiplying the number of gross ordinary SkyCity shares transferred to Mr Mallett by the closing price on 7 September 2023 (being \$2.00 per share).

(3) Represents the total number of vested restricted share rights and number of corresponding ordinary SkyCity shares transferred. SkyCity sold 4,673 shares on-market to settle Mr Mallett's PAYE obligations, and accordingly 7,309 net ordinary SkyCity shares were transferred to Mr Mallett.

(4) Determined by multiplying the number of gross ordinary SkyCity shares transferred to Mr Mallett by the closing price on 21 September 2023 (being \$1.88 per share).

No award of either a cash STI or deferred STI was made to Mr Mallett under the SkyCity Performance Incentive Plan in respect of his position as Interim Chief Executive Officer or Chief Operating Officer New Zealand.



The graph shows the mix of remuneration earned by Mr Mallett for his performance over the period from 11 March 2024 to 30 June 2024 in his position as Interim Chief Executive Officer, alongside the target and maximum remuneration mixes.

In his position as Interim Chief Executive Officer, Mr Mallett's base salary remuneration ratio to the median annualised employee base salary was 20.



## B. MICHAEL AHEARNE - FORMER CHIEF EXECUTIVE OFFICER

Michael Ahearne resigned as Chief Executive Officer effective from 8 March 2024. The total remuneration earned by Mr Ahearne for duties relating to the position of Chief Executive Officer for the financial year ended 30 June 2024 (up to his departure date on 8 March 2024) is outlined in the following table:

SALARY AND BENEFITS						AT RISK REMUNERATION OUTCOMES			TOTAL REMUNERATION
BASE SALARY	KIWISAVER	HEALTH INSURANCE	ANNUAL LEAVE <sup>(1)</sup>	RELOCATION BENEFITS <sup>(2)</sup>	SUBTOTAL	STI OUTCOME	LTI GRANT	SUBTOTAL	
\$1,096,154	Nil	\$5,800	\$176,460	\$70,537	\$1,348,951	Nil	Nil	Nil	\$1,348,951

(1) Reflects entitled and accrued annual leave not taken by Mr Ahearne.

(2) Reflects contributions made for the relocation of Mr Ahearne, including removal services and flights.

The following equity-based incentives vested to Mr Ahearne in the financial year ended 30 June 2024:

PLAN	GRANT YEAR	VESTING DATE	SECURITIES	PERFORMANCE PERIOD	PERFORMANCE MEASURE	VESTING OUTCOME	SHARES VESTED	VALUE ON VESTING
SkyCity Performance Incentive Plan	FY21	19 September 2023	LTI Performance Shares	17 September 2020 to 18 September 2023	Absolute and Relative TSR Measures	16.7% vested	11,619	\$22,076 <sup>(1)</sup>
SkyCity Performance Incentive Plan	FY21	7 September 2023	Restricted Share Rights	1 July 2020 to 30 June 2021	Financial and Non-financial Objectives	100% Vested	31,648 <sup>(2)</sup>	\$27,296 <sup>(3)</sup>

(1) Determined by multiplying the number of ordinary SkyCity shares transferred to Mr Ahearne by the closing price on 19 September 2023 (being \$1.90 per share).

(2) Represents the total number of vested restricted share rights and number of corresponding ordinary SkyCity shares transferred. SkyCity sold 5,323 shares on-market to settle Mr Ahearne's PAYE obligations, and accordingly 8,325 net ordinary SkyCity shares were transferred to Mr Ahearne.

(3) Determined by multiplying the number of gross ordinary SkyCity shares transferred to Mr Ahearne by the closing price on 7 September 2023 (being \$2.00 per share).

## C. JASON WALBRIDGE - CURRENT CHIEF EXECUTIVE OFFICER

Mr Walbridge commenced in the position of Chief Executive Officer on 15 July 2024.

The remuneration and benefits payable to Mr Walbridge under his employment agreement include fixed annual remuneration of \$1,500,000 (inclusive of employer KiwiSaver contributions and health insurance premiums), an annual target incentive payment of 50% of base salary under a short term incentive plan, and an annual allocation of 40% of base salary under the Long Term RSR Plan.

Mr Walbridge will receive his first allocation under the Long Term RSR Plan in September 2024.

Under the short term incentive plan, 25% of Mr Walbridge's outcome each year will be deferred as RSRs for a period of 12 months. Mr Walbridge's first invitation to participate in the short term incentive plan will be made in September 2024.

The Board intends to make a one-off commencement grant to Mr Walbridge of RSRs under the SkyCity Restricted Share Rights Plan. This one-off commencement grant will be made to Mr Walbridge in consideration of his long term retention as the Chief Executive Officer and to ensure he is appropriately incentivised to grow sustainable shareholder value through share price returns. The RSRs will only vest if Mr Walbridge remains continuously employed by the company up until the relevant vesting date(s) and will include an exercise price that will act as the performance measure associated with the vesting of the RSRs. Further disclosures on this grant will be made once the details are finalised.

## FY24 Employee Remuneration

The numbers of employees or former employees of the company and its subsidiaries, not being directors of the company, who received remuneration and other benefits in their capacity as employees, the value of which was in excess of \$100,000 and was paid to those employees during the financial year ended 30 June 2024, are listed in the table opposite.

For the purposes of the table, remuneration includes, where applicable (if any),

- salary;
- short term cash bonuses (earned in the financial year ended 30 June 2023 but paid in the financial year ended 30 June 2024);
- health insurance premiums and other health benefits;
- the value of shares expected to vest under the 2023 SkyCity Performance Incentive Plan;
- the value of share rights expensed during the year (including PAYE and PAYG on vested share rights, but excluding accrued PAYE and PAYG on unvested share rights) under the 2018 SkyCity Executive Long Term Incentive Plan and the Long Term RSR Plan;
- sign-on cash payments; and
- settlement payments and payments in lieu of notice with respect to certain employees upon their departure from the company.

REMUNERATION	NUMBER OF EMPLOYEES
\$100,000-\$109,999	139
\$110,000-\$119,999	79
\$120,000-\$129,999	60
\$130,000-\$139,999	43
\$140,000-\$149,999	39
\$150,000-\$159,999	35
\$160,000-\$169,999	28
\$170,000-\$179,999	17
\$180,000-\$189,999	21
\$190,000-\$199,999	15
\$200,000-\$209,999	8
\$210,000-\$219,999	14
\$220,000-\$229,999	9
\$230,000-\$239,999	7
\$240,000-\$249,999	7
\$250,000-\$259,999	8
\$260,000-\$269,999	5
\$270,000-\$279,999	3
\$280,000-\$289,999	1
\$290,000-\$299,999	3
\$300,000-\$309,999	3
\$310,000-\$319,999	4
\$320,000-\$329,999	3
\$330,000-\$339,999	2
\$340,000-\$349,999	1
\$350,000-\$359,999	1
\$360,000-\$369,999	3
\$380,000-\$389,999	3
\$390,000-\$399,999	2
\$410,000-\$419,999	1
\$420,000-\$429,999	1
\$440,000-\$499,999	1
\$460,000-\$469,999	1
\$470,000-\$479,999	2
\$490,000-\$499,999	1
\$590,000-\$599,999	1
\$620,000-\$629,999	1
\$720,000-\$729,999	1
\$800,000-\$809,999	1
\$830,000-\$839,999	1
\$990,000-\$999,999	1
\$1,230,000-\$1,239,999	1
\$1,760,000-\$1,769,999	1
\$1,990,000-\$1,999,999	1
<b>TOTAL</b>	<b>579</b>





# Shareholder and Bondholder INFORMATION

## Twenty Largest Registered Shareholders as at 1 August 2024

		NUMBER OF SHARES	% OF SHARES
1	JP Morgan Nominees Australia Limited	102,911,830	13.54
2	Citicorp Nominees Pty Limited	99,969,699	13.15
3	HSBC Custody Nominees (Australia) Limited	68,198,406	8.97
4	Accident Compensation Corporation - NZCSD	55,587,085	7.31
5	HSBC Nominees A/C NZ Superannuation Fund Nominees Limited - NZCSD	36,462,783	4.80
6	JPMorgan Chase Bank NA NZ Branch - Segregated Clients Acct - NZCSD	36,156,290	4.76
7	BNP Paribas Nominees (NZ) Limited - NZCSD	34,548,202	4.55
8	Citibank Nominees (New Zealand) Limited - NZCSD	22,519,319	2.96
9	HSBC Nominees (New Zealand) Limited A/C State Street - NZCSD	19,057,392	2.51
10	BNP Paribas Nominees Pty Ltd	17,912,456	2.36
11	HSBC Nominees (New Zealand) Limited - NZCSD	17,239,404	2.27
12	New Zealand Depository Nominee Limited	16,843,013	2.22
13	ANZ Custodial Services New Zealand Limited - NZCSD	11,081,262	1.46
14	Citicorp Nominees Pty Limited	10,741,689	1.41
15	ANZ Wholesale Australasian Share Fund - NZCSD	10,222,706	1.35
16	Tea Custodians Limited Client Property Trust Account - NZCSD	8,096,774	1.07
17	FNZ Custodians Limited	7,190,532	0.95
18	Masfen Securities Limited	5,750,986	0.76
19	Custodial Services Limited	5,531,182	0.73
20	Forsyth Barr Custodians Limited	5,027,516	0.66
<b>TOTAL</b>		<b>591,048,526</b>	<b>77.75</b>

Total ordinary shares on issue as at 1 August 2024 were 760,205,209 of which 1,471,616 were held in aggregate by the Public Trust on behalf of eligible and future participants pursuant to the SkyCity Senior Executive Long Term Incentive Plan and 2018 SkyCity Executive Long Term Incentive Plan.

The ordinary shares are quoted on both the NZX Main Board and ASX under the ticker code 'SKC'.

No shares were held by the company directly as treasury stock (i.e. where SkyCity is the registered owner).

## Distribution of Ordinary Shares and Registered Shareholdings as at 1 August 2024

	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES	% OF TOTAL ORDINARY SHARES IN THE COMPANY
<b>1-1,000</b>	4,518	1,737,129	0.23
<b>1,001-5,000</b>	5,902	16,194,291	2.13
<b>5,001-10,000</b>	2,322	16,785,192	2.21
<b>10,001-100,000</b>	2,633	65,925,731	8.67
<b>&gt; 100,000</b>	181	659,562,866	86.76
<b>Total</b>	<b>15,556</b>	<b>760,205,209</b>	<b>100</b>

As at 1 August 2024, there were 2,436 shareholders (with a total of 324,038 shares) holding less than a marketable parcel of shares under the ASX Listing Rules, based on the closing share price of A\$1.44. The ASX Listing Rules define a marketable parcel of shares as a parcel of shares of not less than A\$500.

## Substantial Product Holders

The following persons had given notice as at 30 June 2024, in accordance with subpart 5 of Part 5 of the New Zealand Financial Markets Conduct Act 2013, that they were substantial product holders in the company and held a relevant interest in the number of ordinary shares shown below.

	DATE OF SUBSTANTIAL PRODUCT HOLDER NOTICE	RELEVANT INTEREST IN NUMBER OF SHARES	% OF SHARES HELD AT DATE OF NOTICE
Allan Gray Group	3 June 2024	97,514,403	12.863
AustralianSuper Pty Ltd	22 September 2023	63,705,099	8.38
Accident Compensation Corporation	22 November 2023	58,266,888	7.665
Investors Mutual Limited	4 August 2023	47,843,314	6.29
Tyndall Asset Management (Yarra Capital Management Group)	2 May 2024	45,957,326	6.05

Substantial product holder notices received since 30 June 2024 can be viewed at [www.nzx.com/companies/SKC/announcements](http://www.nzx.com/companies/SKC/announcements).

The total number of quoted voting securities of SkyCity Entertainment Group Limited as at 30 June 2024 was 760,205,209.



## Twenty Largest Registered Bondholders as at 1 August 2024

		NUMBER OF BONDS	% OF BONDS
1	Forsyth Barr Custodians Limited	65,801,000	37.60
2	Custodial Services Limited	30,621,000	17.50
3	FNZ Custodians Limited	25,872,000	14.78
4	Forsyth Barr Custodians Limited	7,731,000	4.42
5	Investment Custodial Services Limited	5,691,000	3.25
6	JBWere (NZ) Nominees Limited	3,877,000	2.22
7	HSBC Nominees (New Zealand) Limited O/A Euroclear Bank - NZCSD	2,000,000	1.14
8	FNZ Custodians Limited	1,898,000	1.09
9	Forsyth Barr Custodians Limited	1,630,000	0.93
10	NZX WT Nominees Limited	1,182,000	0.68
11	FNZ Custodians Limited	1,147,000	0.66
12	Public Trust Class 10 Nominees Limited - NZCSD	1,120,000	0.64
13	Woolf Fisher Trust Incorporated	815,000	0.47
14	Forsyth Barr Custodians Limited	807,000	0.46
15	ANZ Custodial Services New Zealand Limited - NZCSD	792,000	0.45
16	Richard Barton Adams & Allison Ruth Adams	750,000	0.43
17	Leveraged Equities Finance Limited	750,000	0.43
18	BNP Paribas Nominees (NZ) Limited - NZCSD	680,000	0.39
19	Junwen Wang	658,000	0.38
20	Westpac Banking Corporate NZ Financial Markets Group - NZCSD	555,000	0.32
<b>TOTAL</b>		<b>154,377,000</b>	<b>88.22</b>

On 21 May 2021, SkyCity issued 175 million unsecured, unsubordinated, fixed rate, 6 year bonds at an issue price of \$1.00 per bond. The bonds pay a fixed rate of interest of 3.02% per annum until the maturity date and are quoted on the NZX Debt Market under the ticker code 'SKC050'.

## Distribution of Bonds and Registered Holdings as at 1 August 2024

	NUMBER OF BONDHOLDERS	NUMBER OF BONDS	% OF TOTAL BONDS ISSUED
1,001-5,000	34	170,000	0.10
5,001-10,000	122	1,161,000	0.66
10,001-100,000	393	12,505,000	7.15
> 100,000	51	161,164,000	92.09
<b>TOTAL</b>	<b>600</b>	<b>175,000,000</b>	<b>100</b>

# Directors' DISCLOSURES

## DISCLOSURE OF DIRECTORS' INTERESTS

Section 140(1) of the New Zealand Companies Act 1993 requires a director of a company to disclose certain interests. Under section 140(2) of the Act, a director can make disclosure by giving a general notice in writing to the company of a position held by a director in another named company or entity.

The following are particulars included in the company's Interests Register as at 30 June 2024 (notices given by directors during the financial year ended 30 June 2024 are marked with an asterisk):

### JULIAN COOK (CHAIR)

Deakin TopCo Pty Limited	Director
Motutapu Investments Limited	Director
WEL Networks Limited	Director
Winton Land Limited	Director

### CHAD BARTON

Casheaw Pty Limited	Chair and Shareholder
Nuix Canada Inc	Director*
Nuix Holding Pty Limited	Director
Nuix Ireland Limited	Director
Nuix Limited	Chief Operating Officer and Chief Financial Officer
Nuix North America Inc	Director
Nuix Philippines ROHQ (Brand of Nuix Holding Pty Limited)	Director
Nuix Pte. Ltd	Director
Nuix SaleCo Limited	Director
Nuix Technology UK Limited	Director
Nuix USG Inc	Director

### KATE HUGHES

Australian Prudential Regulation Authority	Chair of Audit and Risk Committee
Comcare (Australia)	Chair of Audit and Risk Committee
Department of Health (VIC)	Chair of Audit and Risk Committee
Lower Murray Water	Director
SuniTAFE	Director

### GLENN DAVIS

A Raptis & Sons Group	Director
Adrad Holdings Ltd	Chair
DMAW Lawyers Pty Ltd	Chair
iTech Minerals Ltd	Chair
Mitolo Family Farms	Chair
Mort & Co Holdings Ltd	Director
Stratco Group	Chair

### DAVID ATTENBOROUGH

DRAMLA Pty Ltd	Director
Host-Plus Pty Limited	Director
JJJ Family Pty Ltd	Director

### DONNA COOPER

Green Sheep Consultancy Limited	Director and Shareholder
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The following details included in the Interests Register as at 30 June 2023, or entered during the financial year ended 30 June 2024, have been removed during the financial year ended 30 June 2024:

- Glenn Davis is no longer the Chair of Beach Energy Ltd.



## Directors' and Senior Managers' Indemnities

Indemnities have been given to directors and senior managers of the company and its subsidiaries to cover acts or omissions of those persons in carrying out their duties and responsibilities as directors and senior managers.

## Disclosure of Directors' Interests in Securities Transactions

Directors disclosed, pursuant to section 148 of the New Zealand Companies Act 1993, the following acquisitions and disposals of relevant interests in SkyCity securities during the period to 30 June 2024:

DIRECTOR	NATURE OF RELEVANT INTEREST	NATURE OF SECURITY	DATE OF TRANSACTION DURING PERIOD	CONSIDERATION (PER SECURITY)	ACQUIRED/ (DISPOSED)
Julian Cook	Beneficially owned	Shares	29 August 2023	NZ\$2.27	15,000
Kate Hughes	Beneficially owned	Shares	24 August 2023	A\$2.08	9,000
			1 March 2024	A\$1.81	33,000
Glenn Davis	Beneficially owned	Shares	25 August 2023	A\$2.09	10,000
			25 August 2023	A\$2.09	40,000
			28 August 2023	A\$2.09	20,000
David Attenborough	Beneficially owned	Shares	24 August 2023	A\$2.10	100,000
Donna Cooper	Beneficially owned	Shares	24 August 2023	NZ\$2.25	57,109

Details of the directors' relevant interests in SkyCity securities as at 30 June 2024 are outlined on page 94 of this annual report.

SkyBar,  
SkyCity Auckland



# Company DISCLOSURES

## Stock Exchange Listings

SkyCity Entertainment Group Limited is a listed issuer with ordinary shares quoted on both the NZX Main Board and ASX (in each case, under the ticker code 'SKC') and bonds quoted on the NZX Debt Market (under the ticker code 'SKC050').

SkyCity Entertainment Group Limited has been designated as 'Non-Standard' by NZX Limited due to certain restrictions in the company's constitution. In particular, the constitution places restrictions on the transfer of shares in the company in certain circumstances and provides that votes and other rights attached to shares may be disregarded and shares may be sold if these restrictions are breached, as more particularly described on page 109 of this annual report.

SkyCity is listed as a 'Foreign Exempt Listing' on the ASX.

## Directorships

### SKYCITY ENTERTAINMENT GROUP LIMITED

The following persons held office as directors of SkyCity Entertainment Group Limited as at 30 June 2024:

DIRECTORS	APPOINTMENT TO OFFICE
Julian Cook (Chair)	8 June 2021
Chad Barton	8 June 2021
Kate Hughes	8 September 2022
Glenn Davis	8 September 2022
David Attenborough	3 March 2023
Donna Cooper	28 September 2023

Sue Suckling ceased to hold office as a director of SkyCity Entertainment Group Limited effective from 27 October 2023.

## SUBSIDIARY COMPANIES

The following persons held office as directors of subsidiaries of SkyCity Entertainment Group Limited as at 30 June 2024:

NEW ZEALAND SUBSIDIARIES	
Directors	Callum Mallett and Jo Wong
Companies	Cashel Asset Management Limited
	Horizon Tourism (New Zealand) Limited
	New Zealand International Convention Centre Limited
	Otago Casinos Limited
	Queenstown Casinos Limited
	Sky Tower Limited
	SkyCity Action Management Limited
	SkyCity Auckland Holdings Limited
	SkyCity Auckland Limited
	SkyCity Casino Management Limited
	SkyCity Development Limited
	SkyCity Enterprises Limited
	SkyCity Hamilton Limited
	SkyCity Holdings Limited
	SkyCity International Holdings Limited
	SkyCity Investments Australia Limited
	SkyCity Investments Queenstown Limited
	SkyCity Management Limited
	SkyCity Precinct Limited
	SkyCity Projects Limited
	SkyCity Properties Limited
	SkyCity Properties Albert St Limited
	SkyCity Properties Victoria St Limited
	SkyCity Ventures Limited



## OVERSEAS SUBSIDIARIES

<b>Directors</b>	Callum Mallett and Jo Wong
<b>Companies</b>	Horizon Tourism Limited SkyCity Investment Holdings Limited
<b>Directors</b>	Jo Wong and Avril Baynes
<b>Companies</b>	SkyCity Australia Finance Pty Limited SkyCity Australia Pty Limited SkyCity Treasury Australia Pty Limited
<b>Directors</b>	Glenn Davis, Julian Cook and Avril Baynes
<b>Company</b>	SkyCity Adelaide Pty Limited
<b>Directors</b>	Steve Salmon and Joe Borg
<b>Company</b>	SkyCity Malta Limited
<b>Directors</b>	Steve Salmon and WH Management Limited
<b>Company</b>	SkyCity Malta Holdings Limited
<b>Directors</b>	Steve Salmon and Callum Mallett
<b>Company</b>	SkyCity Management (UK) Limited

For the financial year ended 30 June 2024, SkyCity paid director's fees of:

- €12,000 (plus VAT) to WH Partners for professional services provided by Joe Borg in relation to his directorship of SkyCity Malta Limited; and
- €6,000 (plus VAT) to WH Management Limited for professional services provided in relation to its directorship of SkyCity Malta Holdings Limited.

Other than:

- director's fees paid to Glenn Davis in his capacity as the Chair of the Board of SkyCity Adelaide Pty Limited; and
- director's fees paid to Julian Cook in his capacity as a director of the Board of SkyCity Adelaide Pty Limited,

(as detailed on pages 93 and 94 of this annual report), no director's fees were paid to, or received by, any other director of a subsidiary company during the financial year ended 30 June 2024.

#### WAIVERS FROM THE NEW ZEALAND AND AUSTRALIAN STOCK EXCHANGES

The following waiver from the NZX and ASX Listing Rules was either granted and published by the NZX or ASX (as the case may be) within, or relied upon by the company during, the 12-month period preceding the balance date:

- on 17 September 2019, the NZX granted SkyCity a waiver from NZX Listing Rule 8.1.5 (which provides that no benefit or right attaching to a quoted financial product may be cancelled or varied by reason only of a transfer of that quoted financial product) to the extent that that rule would otherwise prevent SkyCity from suspending voting rights or requiring a transfer of shares in accordance with the provisions set out in the company's constitution. Further details of those provisions are set out below. The waiver was granted following the introduction of new NZX Listing Rules on 1 January 2019 and effectively re-documents prior decisions of NZX Regulation in respect of the same matters.

All other waivers granted prior to the 12-month period preceding the balance date had ceased to have effect or were not relied upon during the period.

#### VOTING RIGHTS ATTACHED TO SECURITIES

Each share gives the holder a right to attend and vote at a meeting of shareholders. Holders have the right to cast one vote per share on a poll of any resolution put to the shareholders.

There are no voting rights attached to SkyCity's debt securities although bondholders are welcome to attend the annual meeting of shareholders.

#### LIMITATIONS ON ACQUISITIONS OF ORDINARY SHARES

The company's constitution contains various provisions which are included to take into account the application of the:

- Gambling Act 2003 (New Zealand);
- Casino Act 1997 (South Australia); and
- legislation providing for the establishment, operation and regulation of casinos in any other jurisdiction in which SkyCity or any of its subsidiaries may hold a casino licence.

SkyCity needs to ensure when it participates in gaming activities that:

- it has the power under its constitution to take such action as may be necessary to ensure that its suitability to do so in a particular jurisdiction is not affected by the identity or actions (including share dealings) of a shareholder; and
- there are appropriate protections to ensure that persons do not gain positions of significant influence or control over SkyCity or its business activities without obtaining any necessary statutory or regulatory approvals in those jurisdictions.

Accordingly, the constitution contains the following provisions restricting the acquisition of shares in the company to achieve this.

Clause 11.12 of the constitution provides that if a transfer of shares results in the transferee, and the persons associated with that transferee:

- holding more than 5% of the shares in SkyCity; or
- increasing their combined holding further beyond 5% if:
  - › they already hold more than 5% of the shares in SkyCity; and
  - › the transferee has not been approved by the relevant regulatory authority as an associated casino person of any casino licence holder,

then the votes attaching to all shares held by the transferee and the persons associated with that transferee are suspended unless and until either:

- each regulatory authority advises that approval is not needed; or
- any regulatory authority which determines that its approval is required approves the transferee, together with the persons associated with that transferee, as an associated casino person of any applicable casino licence holder; or
- the Board of the company is satisfied that registration of the proposed transfer will not prejudice any casino licence; or
- the transferee and the persons associated with that transferee dispose of such number of SkyCity shares as will result in their combined holding falling below 5% or, if the regulatory authorities approve in respect of the transferee and the persons associated with that transferee a higher percentage, the lowest such percentage approved by the regulatory authorities.

If a regulatory authority does not grant its approval to the proposed transfer, SkyCity may sell such number of the shares held by the transferee and by any persons associated with that transferee, as may be necessary to reduce their combined shareholding to a level that will not result in the transferee and the persons associated with that transferee being an associated casino person of that casino licence holder.

The power of sale can only be exercised if SkyCity has given one month's notice to the transferee of its intention to exercise that power and the transferee has not, during that one-month period, transferred the requisite number of shares in SkyCity to a person who is not associated with the transferees.

During the financial year ended 30 June 2024, the Board considered all such transfers and was satisfied in each case that the registration of the relevant transfer would not prejudice any casino licence.

#### DONATIONS

Donations of \$13,791.76 were made by the company during the financial year ended 30 June 2024 (\$115,266.38 during the financial year ended 30 June 2023).

SkyCity also provides a range of in-kind donations and contributions, directly and through the SkyCity Community Trusts, to a variety of community organisations as outlined elsewhere in this annual report.



### OTHER LEGISLATION AND REQUIREMENTS

General limitations on the acquisition of securities imposed by the jurisdiction in which SkyCity is incorporated (ie. New Zealand law) are outlined in the following paragraphs.

Other than the provisions included in the company's constitution, the only significant restrictions or limitations in relation to the acquisition of securities are those imposed by New Zealand laws relating to takeover, overseas investment and competition.

The New Zealand Takeovers Code creates a general rule under which the acquisition of more than 20% of the voting rights in SkyCity, or the increase of an existing holding of 20% or more of the voting rights in SkyCity, can only occur in certain permitted ways. These include a full takeover offer in accordance with the Takeovers Code, a partial takeover offer in accordance with the Takeovers Code, an acquisition approved by an ordinary resolution, an allotment approved by an ordinary resolution, a creeping acquisition (in certain circumstances), or compulsory acquisition if a shareholder holds 90% or more of the shares in the company.

The New Zealand Overseas Investment Act 2005 and the Overseas Investment Regulations 2005 regulate certain investments in New Zealand by overseas persons. In general terms, the consent of the New Zealand Overseas Investment Office

is likely to be required when an 'overseas person' acquires shares or an interest in shares in SkyCity Entertainment Group Limited that amount to 25% or more of the shares issued by the company or, if the overseas person already holds 25% or more, the acquisition increases that holding.

The New Zealand Commerce Act 1986 is likely to prevent a person from acquiring shares in SkyCity if the acquisition would have, or would be likely to have, the effect of substantially lessening competition in a market.

### ESCROW AND BUY BACK ARRANGEMENTS

SkyCity Entertainment Group Limited has no securities subject to an escrow arrangement.

From time to time, the Public Trust acquires shares in the company on-market for the purposes of the company's employee incentive plans as detailed in the Remuneration Report in this annual report. In addition, SkyCity (or a nominee or agent of SkyCity) may, from time to time, acquire existing shares in the company to satisfy its obligations to participating shareholders under the company's Dividend Reinvestment Plan established in February 2011.

### CREDIT RATING

As at the date of this annual report, SkyCity Entertainment Group Limited has a BBB- rating (stable outlook) from S&P Global Ratings.

Horizon by SkyCity,  
SkyCity Auckland



# FINANCIAL STATEMENTS AND NOTES

## for the Year ended 30 June 2024

These financial statements were signed on 21 August 2024 on behalf of the Board of directors of SkyCity Entertainment Group Limited by:

Julian Cook  
Chair of the SkyCity Board

Chad Barton  
Chair of the Audit Committee





## Independent auditor's report

To the shareholders of SkyCity Entertainment Group Limited

### Our opinion

In our opinion, the accompanying financial statements of SkyCity Entertainment Group Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 30 June 2024, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

### What we have audited

The Group's financial statements comprise:

- the balance sheet as at 30 June 2024;
- the income statement for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for the Group in the areas of tax compliance, executive remuneration benchmarking, preliminary gap analysis in relation to climate reporting requirements, specified reporting to the Supervisor of the Group's retail bond and agreed-upon-procedure services in relation to the allocation of Community Trust Revenue, compliance with banking and debt covenants, the reconciliation of underlying results to reported results, scrutineering of the vote count at the Annual Shareholder Meeting and the testing of share-based payment calculations. The provision of these other services and relationships have not impaired our independence as auditor of the Group.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Description of the key audit matter	How our audit addressed the key audit matter
<p><b>Accounting considerations in respect of SkyCity Adelaide</b></p> <p><b>Impairment of the SkyCity Adelaide CGU</b></p> <p>As disclosed in Note 24 of the financial statements, the carrying amount of the SkyCity Adelaide cash generating unit (CGU) has been impaired by \$94.3 million at 30 June 2024 (2023: \$49.7 million).</p> <p>The SkyCity Adelaide casino licence has a finite useful life and, as such, accounting standards require the Group to assess at the end of each reporting period whether there is any indication that it may be impaired.</p> <p>An impairment assessment was prepared in relation to the Adelaide CGU which includes the SkyCity Adelaide casino licence. This was prepared as the Group considered there to be indications that the CGU may be impaired, including the impact of the ongoing regulatory matters on the business and planned future enhancements such as mandatory carded play. The Group engaged an external valuation expert to calculate impairment using the fair value less cost of disposal (FVLCO) method.</p> <p>Management and their external valuation expert made a number of key assumptions that impact the CGU's recoverable value. As described in Note 24, this includes the compound annual EBITDA growth rate of 6.0%, terminal growth rate of 2.5%, and post-tax discount rate of 11.0%.</p> <p>The impairment expense recognised represents the difference between the carrying value of the Adelaide CGU as at 30 June 2024 and the recoverable amount. The recoverable amount adopted by management and the Board falls within the indicative valuation range determined by management's valuation expert under the FVLCO method.</p>	<p>Our procedures in relation to the impairment of the SkyCity Adelaide CGU included the following:</p> <ul style="list-style-type: none"> <li>• Understood the process undertaken by management to prepare the forecast cash flows;</li> <li>• Compared the forecast cash flows used in the impairment assessment to the forecast adopted by the Board;</li> <li>• Considered the appropriateness and accuracy of the ten-year forecast cash flows included in management's expert's valuation, as adopted by the Board, by comparing historical performance against previous budgets;</li> <li>• Considered and challenged key assumptions in the cash flow forecasts, with reference to external evidence where possible;</li> <li>• Engaged our auditor's valuation expert to: <ul style="list-style-type: none"> <li>– Review and challenge key assumptions, including the post-tax discount and terminal growth rates based on their experience and external market evidence;</li> <li>– Assess the reasonableness of the cost of disposal assumption applied under the FVLCO method based on their experience and industry knowledge; and</li> <li>– Evaluate the final conclusions reached with reference to external market evidence;</li> </ul> </li> <li>• In conjunction with our auditor's valuation expert, we assessed the valuation report prepared by management's valuation expert and considered management's and their expert's key sensitivities over the model. In doing so, we met with management and their expert to understand and challenge their approach and assumptions;</li> <li>• Assessed the professional competence, independence and objectivity of management's valuation expert; and</li> <li>• Assessed the appropriateness of the associated disclosures made in the financial statements, including those for key assumptions and sensitivities.</li> </ul>



**Description of the key audit matter**

**Recognition of deferred tax assets**

In addition, as disclosed in Note 19 of the financial statements, the Group has recognised a deferred tax asset of \$30.5 million as at 30 June 2024 (2023: \$30.6 million) in relation to unused tax losses in Australia. Under Australian tax legislation, tax losses can be carried forward indefinitely, however it must be probable that future taxable income will become available in order to recognise a deferred tax asset for the unused tax losses.

Management's forecasts, including consideration of key sensitivities, indicate that the Adelaide business will generate future taxable income. On this basis, the Group has considered it is probable that sufficient future taxable income will be generated to utilise the tax losses recognised.

There is an inherent level of uncertainty associated with management's forecasting and the continued recognition of the deferred tax asset is a significant area of judgement.

The impairment of the SkyCity Adelaide CGU and recognition of deferred tax assets were key focus areas of our audit and considered to be a key audit matter due to the inherent estimation uncertainties and significant judgement involved, including the impact of future regulatory changes and planned enhancements, such as mandatory carded play, on the assumptions applied.

**Provisions and contingent liabilities relating to legal and regulatory matters**

The Group operates in a highly regulated environment. Given the extent of scrutiny by regulators and the general nature of casino operations across both New Zealand and Australia, there remains a high degree of risk in respect of legal and regulatory compliance.

As disclosed in Note 29 and Note 37 of the financial statements, the Group is subject to several ongoing legal and regulatory matters. The assessment of these matters involves complexity and uncertainty as to their outcome and quantification of any associated future economic outflows.

**How our audit addressed the key audit matter**

Our procedures in relation to the recognition of deferred tax assets for the unused tax losses included performing the following:

- Considered the forecast accuracy of the Board approved forecasts by comparing historical performance against previous budgets;
- Assessed the forecasts to determine the expected timing for future utilisation of tax losses in Australia, and considered the impact of key sensitivities on this assessment; and
- Considered and challenged management's assessment of the recoverability of the deferred tax asset with reference to the recognition criteria in NZ IAS 12 *Income Taxes*.

Our procedures included the following:

- Held meetings with management, including in-house legal counsel, to obtain the most recent facts and circumstances in relation to ongoing regulatory matters;
- Assessed our obligations under auditing and ethical standards and relevant legislation to determine whether the matters are required to be reported to third parties;
- Read meeting minutes from relevant committees to identify and consider information relating to regulatory matters;
- Discussed the matters with the Group's external legal counsel, where applicable, to

**Description of the key audit matter**

NZ IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* (NZ IAS 37) outlines the criteria for the recognition of a provision or disclosure of a contingent liability. The application of this standard required judgement to be applied to determine if a provision for these matters should be recognised, and the extent of disclosures required.

Due to the significance of the matters disclosed in Note 29 and Note 37, their subjective nature and the associated uncertainties, any related assumptions have the potential to be subject to bias, error or inconsistent application by management. This was therefore considered to be an area of focus for our audit and considered to be a key audit matter.

**How our audit addressed the key audit matter**

- corroborate the information provided by management;
- Read correspondence between the Group and the applicable regulatory bodies;
  - Agreed the payment of regulatory penalties subsequent to balance date to supporting documentation;
  - Evaluated management's assessment of whether the various regulatory matters should be recognised as a provision or disclosed as a contingent liability, against the criteria in NZ IAS 37; and
  - Assessed the appropriateness of the associated disclosures in the financial statements against the requirements of NZ IAS 37.

**Our audit approach**

**Overview**



Overall group materiality: \$8.0 million, which represents approximately 5% of profit before tax, excluding impairment of Adelaide assets and regulatory penalties.

We chose profit before tax, which is a generally accepted benchmark, as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users.

We chose to adjust this benchmark as described above, because, in our view, it provides a more stable measure of the Group's performance.

We selected transactions and balances to audit based on the overall group materiality to SkyCity Entertainment Group rather than determining the scope of procedures to perform by auditing only specific subsidiaries or entities.

As reported above, we have two key audit matters, being:

- Accounting considerations in respect of SkyCity Adelaide; and
- Provisions and contingent liabilities relating to legal and regulatory matters.





As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

#### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

#### How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

#### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Directors for the financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS Accounting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.



#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/>

This description forms part of our auditor's report.

#### Who we report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Richard Day.

For and on behalf of:

Chartered Accountants  
21 August 2024

Auckland



**INCOME STATEMENT**

For the year ended 30 June 2024

	NOTES	2024 \$'000	2023 \$'000
<b>Revenue</b>	5	861,037	855,785
Other income	6	21,422	7,449
NZICC fire related income	7,a	45,926	61,882
NZICC fire related expenses	7,b	(52,390)	(63,828)
Employee benefits expense		(314,714)	(303,067)
Asset impairments	8	(94,326)	(50,856)
Other expenses	8	(123,548)	(134,884)
Directors' fees		(1,327)	(1,198)
Gaming taxes and levies	29	(64,354)	(52,833)
Direct consumables		(62,879)	(59,514)
Marketing and communications		(21,505)	(22,730)
Regulatory penalties	29	(41,300)	(49,009)
Community contributions, sponsorships and donations		(10,064)	(10,110)
Fair value losses on investment properties	16	(3,979)	(12,252)
Share of profits from associate		158	1,064
<b>Earnings Before Interest, Tax, Depreciation and Amortisation Expenses (EBITDA)</b>		138,157	165,899
Depreciation and amortisation	8	(85,601)	(84,363)
Depreciation on right-of-use assets	11	(6,420)	(6,309)
<b>Earnings Before Interest and Tax (EBIT)</b>		46,136	75,227
Net finance costs	12	(15,996)	(23,492)
<b>(Loss)/Profit Before Income Tax</b>		30,140	51,735
Income tax expense	18	(173,488)	(43,760)
<b>(Loss)/Profit for the Year Attributable to Shareholders of the Company</b>		(143,348)	7,975
<b>EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY</b>		<b>CENTS</b>	<b>CENTS</b>
Basic and diluted (loss)/earnings per share	9	(18.9)	1.1

The above income statement should be read in conjunction with the accompanying notes.

**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 30 June 2024

	NOTES	2024 \$'000	2023 \$'000
<b>(Loss)/Profit for the Year</b>		(143,348)	7,975
<b>Other Comprehensive Income</b> <b>Items that may be subsequently reclassified to profit or loss</b>			
<b>Foreign Currency Translation Reserve</b>	31		
Exchange differences on translation of overseas subsidiaries		214	(4,877)
<b>Cash Flow Hedge Reserve</b>	31		
Cash flow hedges - revaluations		(1,587)	(10,734)
Cash flow hedges - transfer to finance costs		1,628	12,408
Cash flow hedges - income tax		(11)	(469)
<b>Cost of Hedging Reserve</b>	31		
Cost of hedging reserve - costs incurred/revaluations		2,650	(3,913)
Cost of hedging reserve - transfer to finance costs		1,157	694
Cost of hedging reserve - income tax		(1,066)	901
<b>Other Comprehensive Income for the Year, Net of Tax</b>		2,985	(5,990)
<b>Total Comprehensive Income for the Year</b>		(140,363)	1,985

The above statement of comprehensive income should be read in conjunction with the accompanying notes.



**BALANCE SHEET**

As at 30 June 2024

ASSETS	NOTES	2024 \$'000	2023 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	27	60,536	245,013
Receivables and prepayments	26	86,878	50,833
Inventories		8,375	8,582
Derivative financial instruments	32	17,913	489
Current tax receivables		7	12
NZICC fire recoveries	7,c	2,480	11,613
Other current assets		-	2,000
Assets held for sale	28	13,000	-
<b>Total Current Assets</b>		<b>189,189</b>	<b>318,542</b>
<b>Non-current Assets</b>			
Deferred tax assets	19	52,350	25,465
Finance lease receivable		-	13,978
Derivative financial instruments	32	550	11,943
Investments in associates	25	-	43,200
Investment properties	16	78,800	108,803
Property, plant and equipment	23	1,816,961	1,652,476
Intangible assets	24	544,607	566,553
Right-of-use assets	11	98,579	122,538
<b>Total Non-current Assets</b>		<b>2,591,847</b>	<b>2,544,956</b>
<b>Total Assets</b>		<b>2,781,036</b>	<b>2,863,498</b>

The above balance sheet should be read in conjunction with the accompanying notes.

**BALANCE SHEET**

As at 30 June 2024

LIABILITIES	NOTES	2024 \$'000	2023 \$'000
<b>Current Liabilities</b>			
Payables and provisions	29	226,796	215,997
Interest bearing liabilities	14	241,116	45,814
Current tax liabilities		34,707	42,849
Derivative financial instruments	32	366	17
Lease income in advance	22	-	39,815
Lease liabilities	11	3,285	3,045
<b>Total Current Liabilities</b>		<b>506,270</b>	<b>347,537</b>
<b>Non-current Liabilities</b>			
Interest bearing liabilities	13	368,381	525,666
Non-current payables		20,052	19,097
Derivative financial instruments	32	7,178	5,617
Deferred tax liabilities	20	210,739	56,100
Lease liabilities	11	118,147	116,840
Deferred licence value	17	246,408	262,444
<b>Total Non-current Liabilities</b>		<b>970,905</b>	<b>985,764</b>
<b>Total Liabilities</b>		<b>1,477,175</b>	<b>1,333,301</b>
<b>Net Assets</b>		<b>1,303,861</b>	<b>1,530,197</b>
<b>EQUITY</b>			
Share capital	30	1,342,436	1,343,027
Reserves	31	(7,450)	(10,435)
Retained earnings		(31,125)	197,605
<b>Total Equity</b>		<b>1,303,861</b>	<b>1,530,197</b>

The above balance sheet should be read in conjunction with the accompanying notes.



## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	NOTES	SHARE CAPITAL \$'000	RESERVES \$'000	RETAINED EARNINGS \$'000	TOTAL EQUITY \$'000
<b>Balance as at 1 July 2022</b>		1,340,556	(4,445)	235,163	1,571,274
Total comprehensive income		–	(5,990)	7,975	1,985
Dividends paid	10	–	–	(45,533)	(45,533)
Shares issued under employee share schemes	30	2,446	–	–	2,446
Net movement in treasury shares	30	25	–	–	25
<b>Balance as at 30 June 2023</b>		1,343,027	(10,435)	197,605	1,530,197
<b>Balance as at 1 July 2023</b>		1,343,027	(10,435)	197,605	1,530,197
Total comprehensive income		–	2,985	(143,348)	(140,363)
Dividends paid	10	–	–	(85,382)	(85,382)
Shares issued under employee share schemes	30	(620)	–	–	(620)
Net movement in treasury shares	30	29	–	–	29
<b>Balance as at 30 June 2024</b>		1,342,436	(7,450)	(31,125)	1,303,861

The above statement of changes in equity should be read in conjunction with the accompanying notes.

## STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	NOTES	2024 \$'000	2023 \$'000
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		858,009	859,631
Payments to suppliers and employees		(540,773)	(528,466)
Government grants received		475	560
Other insurance income received		–	1,744
Gaming taxes and levies paid		(59,465)	(46,338)
Income taxes paid		(54,672)	(7,034)
<b>Net Cash Inflow from Operating Activities</b>	39	203,574	280,097
<b>Cash Flows from Investing Activities</b>			
Purchases of property, plant and equipment		(303,689)	(254,746)
Investment property additions		(7,859)	–
Purchased intangible assets		(7,047)	(8,113)
Proceeds from disposal of assets held for sale		–	7,812
NZICC fire related income		–	299,067
NZICC fire related expenses		(817)	(95,456)
<b>Net Cash Outflow from Investing Activities</b>		(319,412)	(51,436)
<b>Cash Flows from Financing Activities</b>			
Cash flows associated with net derivatives		2,295	632
Proceeds from borrowings		110,000	148,999
Repayment of borrowings		(75,814)	(98,000)
Movement in treasury shares		29	25
Dividends paid to company shareholders	10	(85,382)	(45,533)
Interest paid		(9,118)	(28,362)
Lease interest paid		(6,523)	(6,378)
Repayment of lease liabilities		(4,126)	(3,729)
<b>Net Cash Outflow from Financing Activities</b>		(68,639)	(32,346)
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	15	(184,477)	196,315
Cash and cash equivalents at the beginning of the year		245,013	48,698
<b>Cash and Cash Equivalents at the End of the Year</b>	27	60,536	245,013

The above statement of cash flows should be read in conjunction with the accompanying notes.

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## 1. General Information

SkyCity Entertainment Group Limited (the **Company**) and its subsidiaries (together, **SkyCity** or the **Group**) operate in the gaming, entertainment, hotel, convention, hospitality and tourism sectors. The Group has operations in New Zealand and Australia.

The Company is a limited liability company incorporated and domiciled in New Zealand. The Company is registered under the Companies Act 1993 and is an FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The address of its registered office is 99 Albert Street, Auckland. The Company is listed on the New Zealand stock exchange and has a foreign exempt listing on the Australian stock exchange (**NZX** and **ASX** respectively).

These consolidated financial statements were approved for issue by the Board of Directors (**Board**) on 21 August 2024. For the purposes of complying with generally accepted accounting practice in New Zealand (**GAAP**), the Group is a for-profit entity.

## 2. Basis of Preparation

The financial statements of the Group have been prepared in accordance with GAAP. They comply with New Zealand Equivalents to International Financial Reporting Standards (**NZ IFRS**), International Financial Reporting Standards (**IFRS Accounting Standards**), the requirements of Part 7 of the Financial Markets Conduct Act 2013 and the NZX Listing Rules. The Group financial statements incorporate the assets and liabilities of all subsidiaries of the Group as at 30 June 2024 and the results of all subsidiaries for the year then ended.

### MEASUREMENT BASIS

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets and liabilities, as identified in specific accounting policies below and in the notes.

### PRESENTATION CURRENCY

The financial statements are presented in New Zealand dollars, which is the Company's functional currency. Amounts are rounded to the nearest thousand dollars, unless otherwise stated.

### NON-GAAP FINANCIAL INFORMATION

The Group's standard profit measure prepared under GAAP is profit for the year. When discussing financial performance, the Group also uses non-GAAP financial information, which is not prepared in accordance with NZ IFRS and therefore may not be comparable to similar financial information presented by other entities. The directors and

management believe that this non-GAAP financial information provides useful information to readers of the financial statements to assist them in understanding the Group's financial performance and is consistent with the information used internally to evaluate the performance of business units.

Definitions of non-GAAP financial information used in these financial statements are:

- EBITDA: earnings before interest, tax, depreciation and amortisation; and
- EBIT: earnings before interest and tax.

### GOING CONCERN

The Group has negative working capital of \$317.1 million at balance date, largely as a result of the reclassification to current liabilities of \$80.0 million of drawn banking facilities that mature on 15 June 2025 and US\$100.0 million of United States private placement (**USPP**) notes that mature on 17 March 2025, as well as the impact of accrued/provided for regulatory penalty payments (refer to note 29). The Group has available undrawn banking facilities totalling \$252.5 million as at 30 June 2024 (refer note 13), of which \$115.0 million was due to mature within 12 months of the issuance of these financial statements. Subsequent to balance date, the Group successfully refinanced the US\$100.0 million USPP notes into a new US\$150.0 million 7-year USPP note and extended the maturity date of \$217.5 million of the syndicated bank facility to September 2027 and September 2028 (refer note 13). The Company's directors have assessed the forecast cash flows of the Group, taking into account the refinancing events noted above, and concluded that there are no material uncertainties related to the Group being a going concern and that the Group has the ability to pay all debts as they fall due. Accordingly, these financial statements are prepared on a going concern basis.

### CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of certain critical accounting estimates and the exercise of judgement regarding the application of accounting policies. The critical estimates and judgements made in the preparation of these financial statements relate to the following:

- goodwill and casino licences that have an indefinite useful life are impairment tested annually, which requires the use of key estimates. Details of the estimates made are provided in note 24;
- the SkyCity Adelaide Pty Ltd (SkyCity Adelaide) casino licence, which has a finite useful life, was impaired in a prior period and consequently was tested for impairment in the current period, which resulted in the recognition of additional impairment. For further detail on the basis of valuation refer to note 24(c);



- while the New Zealand International Convention Centre (NZICC) is still under construction the Group has used judgement and estimations in relation to the value of the NZICC car parks in service (note 23);
- investment properties are carried at fair value. Determining the fair value of properties requires the use of estimates and assumptions. Details of the estimates and assumptions made are provided in note 16;
- in some instances, judgement is required to determine whether a payment that may occur in the future constitutes a provision or a contingent liability. A provision is recognised where an obligating event that gives rise to a requirement to make a payment has occurred. Where a provision is recognised, estimation of the value at which it will be recognised is required. Information on the Group's provisions is provided in note 29 and information on the Group's contingent liabilities is provided in note 37;
- judgement and estimation are required when determining the amount of deferred tax assets to be recognised in respect of SkyCity Adelaide's tax losses and the recent change in New Zealand tax legislation which eliminates the deduction of building structure depreciation as part of the tax calculation. Further information is provided in note 19; and
- the Group has used judgement and estimations in relation to the value of amounts recognised as construction work in progress that are expected to ultimately be allocated to the structure on completion of the NZICC and Horizon Hotel as at 30 June 2024, for use in tax calculations (note 20).

### 3. Material Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below and in the notes to the financial statements. These policies have been consistently applied to all periods presented, unless otherwise stated.

#### (a) Principles of Consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated in the Group financial statements. Unrealised losses are also eliminated. When necessary, amounts

reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

#### (b) Foreign Currency Translation

##### (i) Transactions and Balances

Items included in the financial statements of each Group entity are measured using that entity's functional currency (which is the currency that best reflects the economic substance of the events and circumstances relevant to that operation). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Translation differences on financial assets and liabilities carried at fair value through profit or loss are recognised in the Income Statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equity instruments classified at fair value through other comprehensive income are included in the Statement of Comprehensive Income.

##### (ii) Foreign Operations

The results and financial position of foreign entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as outlined below:

- assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;
- income and expenses for each Income Statement are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity.

#### (c) Goods and Services Tax (GST)

The Income Statement, Statement of Comprehensive Income and Statement of Changes in Equity have been prepared so that all components are stated exclusive of GST. All items in the Balance Sheet are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

#### (d) Statement of Cash Flows

Cash flows associated with derivatives that are part of a hedging relationship are off-set against cash flows associated with the hedged item.

#### (e) Impairment of Non-Financial Assets

Intangible assets, including goodwill, that have an indefinite useful life are tested for impairment annually (or more frequently if events or changes in circumstances indicate that the asset might be impaired). Goodwill and casino licences are allocated to cash generating units for the purpose of impairment testing.

Intangible assets that have a finite useful life, items of property, plant and equipment and investments in associates are assessed for indicators of impairment annually and tested for impairment if an indicator of impairment is found.

Impairment testing is done by comparing the carrying value of the asset to its recoverable amount, which is the higher of value in use and fair value less costs of disposal. Any impairment is recognised immediately as an expense. Impairment on goodwill is not subsequently reversed, but impairment on other assets may be reversed.

#### (f) Fair Value Hierarchy

Some of the items in the financial statements are carried at fair value. In addition, for some items carried under a different measurement basis, fair value is disclosed. Where a fair value measurement is made, the measurement is categorised as falling within one of three levels on the fair value hierarchy, with categorisation based on the nature of the significant inputs to the valuation:

- **Level 1** - unadjusted quoted prices in an active market for identical assets or liabilities;
- **Level 2** - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. as information derived from prices); and
- **Level 3** - inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

#### (g) Standards, Amendments and Interpretations to Existing Standards that are not yet Effective

There are no published new or amended standards or interpretations that become effective on or after 1 July 2024 that would have a material impact on the Group's financial statements.

## 4. Segment Information

Operating segments are reported in a manner consistent with the internal reports that the Chief Executive Officer (CEO), who is the chief operating decision maker, uses to assess performance and allocate resources. From 1 July 2023, the Group restructured to reflect its decision to materially reduce SkyCity's international activities. As a consequence of this restructure, there is no longer a separate International Business operating segment. Comparative information has been restated and amounts previously recognised in the International Business segment are incorporated into the operating segment to which they now relate.

Online gaming historically included in the Other NZ Operations segment is now shown separately to better reflect its potential for material growth in the future. Comparative information for the Other NZ Operations segment has been restated to reflect that change.

(a) Primary Reporting Format - Business Segments

2024	SKYCITY AUCKLAND \$'000	OTHER NZ OPERATIONS \$'000	SKYCITY ADELAIDE \$'000	ONLINE \$'000	CORPORATE /GROUP \$'000	TOTAL \$'000
Gaming revenue	397,419	66,574	168,218	–	–	632,211
Online revenue	–	–	–	9,336	–	9,336
Non-gaming revenue	143,011	10,375	69,274	–	70	222,730
Other income	11,320	31	20	–	10,051	21,422
NZICC fire income	45,926	–	–	–	–	45,926
Share of profit of associate	–	–	–	–	158	158
<b>Total income</b>	<b>597,676</b>	<b>76,980</b>	<b>237,512</b>	<b>9,336</b>	<b>10,279</b>	<b>931,783</b>
Expenses	(320,635)	(41,971)	(239,078)	(5,165)	(40,061)	(646,910)
Impairment	–	–	(94,326)	–	–	(94,326)
NZICC fire expenses	(52,390)	–	–	–	–	(52,390)
Depreciation and amortisation	(40,678)	(5,423)	(32,157)	–	(13,763)	(92,021)
<b>Segment profit/(loss) (EBIT)</b>	<b>183,973</b>	<b>29,586</b>	<b>(128,049)</b>	<b>4,171</b>	<b>(43,545)</b>	<b>46,136</b>
Net finance costs	–	–	–	–	–	(15,996)
<b>Profit before income tax</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>30,140</b>
Segment assets	2,015,633	97,184	425,735	3,193	239,291	2,781,036
Net additions to non-current assets (other than financial assets and deferred tax)	292,073	6,869	12,246	–	13,141	324,329

RESTATED 2023	SKYCITY AUCKLAND \$'000	OTHER NZ OPERATIONS \$'000	SKYCITY ADELAIDE \$'000	ONLINE \$'000	CORPORATE /GROUP \$'000	TOTAL \$'000
Gaming revenue	400,460	67,174	178,530	–	–	646,164
Online revenue	–	–	–	15,354	–	15,354
Non-gaming revenue	121,607	10,689	68,967	–	54	201,317
Other income	4,123	31	2,884	–	411	7,449
NZICC fire income	61,882	–	–	–	–	61,882
Share of profit of associate	–	–	–	–	1,064	1,064
<b>Total income</b>	<b>588,072</b>	<b>77,894</b>	<b>250,381</b>	<b>15,354</b>	<b>1,529</b>	<b>933,230</b>
Expenses	(311,219)	(38,621)	(263,759)	(4,619)	(34,429)	(652,647)
Impairment	1,056	–	(49,662)	–	(2,250)	(50,856)
NZICC fire expenses	(63,828)	–	–	–	–	(63,828)
Depreciation and amortisation	(38,025)	(5,393)	(33,624)	–	(13,630)	(90,672)
<b>Segment profit/(loss) (EBIT)</b>	<b>176,056</b>	<b>33,880</b>	<b>(96,664)</b>	<b>10,735</b>	<b>(48,780)</b>	<b>75,227</b>
Net finance costs	–	–	–	–	–	(23,492)
<b>Profit before income tax</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>51,735</b>
Segment assets	1,837,663	93,239	509,472	4,305	418,819	2,863,498
Net additions to non-current assets (other than financial assets and deferred tax)	226,285	3,485	10,991	–	13,051	253,812

The gaming revenue shown above has not been adjusted for gaming rebates. Note 5 shows gaming revenue adjusted for gaming rebates, which is consistent with the manner in which the revenue is presented in the Income Statement.

(b) Secondary Reporting Format - Geographical Segments

	TOTAL REVENUE		NON-CURRENT ASSETS EXCLUDING FINANCIAL INSTRUMENTS AND DEFERRED TAX ASSETS	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
New Zealand	694,270	682,850	1,429,233	2,019,291
Australia	237,513	250,380	1,109,714	488,257
	<b>931,783</b>	<b>933,230</b>	<b>2,538,947</b>	<b>2,507,548</b>

(c) Description of Segments

The Group is organised into the following main operating segments:

**SkyCity Auckland**

This segment consists of the Group's Auckland operations and includes casino operations, hotels and conventions, (including the NZICC), food and beverage, the Sky Tower, investment properties and a number of other related activities.

**Other NZ Operations**

This segment consists of the Group's operations at SkyCity Hamilton, SkyCity Queenstown and SkyCity Wharf and includes casino operations, conventions, and food and beverage.

**SkyCity Adelaide**

This segment consists of the Group's Adelaide operations, and includes casino operations, a hotel and conventions and food and beverage.

**Online**

This segment consists of the Group's online gaming operations.

**Corporate/Group**

This segment includes head office functions, funding entities and the Group's investment in its associate Gaming Innovation Group Inc. (GiG) (note 25). It is not considered an operating segment.

## 5. Revenue

### ACCOUNTING POLICY

Gaming revenues represent the net win to the Group's land-based casinos from gaming activities, being the difference between amounts wagered and amounts won by casino patrons. Revenue is recognised at the conclusion of each game.

Gaming rebates are accounted for as a reduction in gaming revenue. Revenue from the online casino is derived from gaming activities by New Zealand based players using an online platform developed by GiG and operated under a Malta gaming licence held by Silvereye Entertainment Limited (a subsidiary of GiG).

GiG is therefore the principal transacting with the online casino customers (and not SkyCity). Revenue is reported net of costs payable to GiG under contractual arrangements agreed with GiG.

Non-gaming revenues include revenues arising from hotels and conventions, food and beverage, the Sky Tower, car parking and other sources. These revenues are recognised when the associated goods or services have been provided.

	2024 \$'000	2023 \$'000
Gaming	628,971	639,114
Non-gaming	222,730	201,317
Online gaming	9,336	15,354
<b>Total revenue</b>	<b>861,037</b>	<b>855,785</b>



The Group provides complimentary hotel accommodation, food and beverage and other goods and services to certain groups of customers. As the goods and services offered under these arrangements are tailored to meet the needs of individual customers, it is not practical to allocate total revenue received to all of the goods and services provided. Consequently, this revenue is all recognised as gaming revenue. The retail value of complimentary items provided in the current year was \$23.2 million (2023: \$21.4 million).

RECONCILIATION TO THE SEGMENT NOTE	NOTES	2024 \$'000	2023 \$'000
Total revenue	5	861,037	855,785
Other income	6	21,422	7,449
Share of profit from associate		158	1,064
NZICC fire income	7	45,926	61,882
<b>Total income as per Income Statement</b>		<b>928,543</b>	<b>926,180</b>
Gaming rebates		3,240	7,050
<b>Total income as per segment note</b>		<b>931,783</b>	<b>933,230</b>

## 6. Other Income

	2024 \$'000	2023 \$'000
Gain on disposal of property, plant and equipment	124	108
Dividend income	7	5
Rental income from investment properties	3,866	2,153
Government grants	475	560
Other insurance income	2,480	4,623
Gain on sale of shares in associate	9,633	–
Gain on termination of Car Park Concession Agreement	4,837	–
<b>Total other income</b>	<b>21,422</b>	<b>7,449</b>

### GOVERNMENT GRANTS

The New Zealand Government provides wage subsidies to assist people into employment. SkyCity received \$0.5 million in subsidies for the current financial year under those schemes (2023: \$0.4 million). In the prior year the Group also received \$0.1 million in wage subsidies from the New Zealand Government COVID-19 scheme.

### OTHER INSURANCE INCOME

In the current year, \$2.5 million of other income has been recognised in relation to business interruption insurance to cover costs incurred as a result of the fire at the NZICC in October 2019. In the prior year, other insurance income was recognised in relation to the insurer's partial payment of the Group's claim in relation to payments made to compensate MPF Parking NZ Limited (**Macquarie**) for car parks that were not available to it under a concession agreement signed in April 2019, pursuant to which Macquarie was granted a long term concession until 2048 over the SkyCity Auckland car parks located at both the SkyCity Auckland main site and the NZICC construction site in return for consideration of \$220.0 million (plus GST) (**Car Park Concession Agreement**).

## 7. NZICC Fire

On 22 October 2019, there was a significant fire at the NZICC construction site which caused extensive damage to the NZICC and also damaged the Horizon Hotel, which was being constructed on the adjacent site. Both the NZICC and Horizon Hotel projects were insured under a contract works insurance policy at the time of the fire.

In June 2024, the insurers, The Fletcher Construction Company Limited (FCC or the **Contractor**) and SkyCity reached a full and final settlement of all remaining contract works insurance claims relating to the NZICC and Horizon Hotel projects with the final proceeds received from the insurers in the year ended 30 June 2024.

### (a) Income

	2024 \$'000	2023 \$'000
Contract works insurance recovery (remediation and pre-remediation costs)	45,926	61,882
<b>Total income</b>	<b>45,926</b>	<b>61,882</b>

### CONTRACT WORKS INSURANCE RECOVERY

The Group has previously recognised an insurance receivable for the associated costs assessed as virtually certain under the contract works insurance policy. These have been adjusted for the final settlement with a further \$45.9 million recorded as income.

The majority of pre-remediation and remediation/reconstruction costs are expected to be incurred by the Contractor. However, costs are also incurred by SkyCity. Where SkyCity's costs are not recoverable under the Group's insurance policies, recovery of these costs will be sought from the Contractor.

### (b) Expenses

	2024 \$'000	2023 \$'000
Add back of NZICC and Horizon Hotel capitalised work-in-progress	–	(52,752)
Reversal of release from deferred licence value liability	–	42,449
Site preparation, demolition and other costs	34,013	74,131
Abnormal delay costs	18,377	–
<b>Total expenses</b>	<b>52,390</b>	<b>63,828</b>

### ADD BACK OF NZICC AND HORIZON HOTEL CAPITALISED WORK-IN-PROGRESS

In the prior financial year, the final damage assessment was provided by Rider Levett Bucknall (**RLB**) which resulted in a decrease of \$52.8 million to the impairment expense recognised in relation to the fire.

### DEFERRED LICENCE VALUE LIABILITY

The agreement between SkyCity and the Crown under which the NZICC is being built provides SkyCity with casino licence enhancements in return for SkyCity building the NZICC. In 2016, SkyCity accounted for the granting of the NZICC Auckland casino licence enhancements and recognised a deferred licence value liability of \$405.0 million. Based on the Group's accounting policy, this amount was to be accounted for as a reduction in the carrying value of the NZICC upon completion. Therefore, when derecognising the parts of the building that were destroyed in the fire, there is also a requirement under the Group's accounting policy to release a portion of the deferred licence value liability. As a result of damage estimates being finalised at 30 June 2023, no change has been recognised to the deferred licence value in the current period (30 June 2023: increase of \$42.4 million).

**SITE PREPARATION, DEMOLITION AND OTHER COSTS**

As at 30 June 2024, the site preparation, demolition, and damage assessment costs have now been fully settled by the insurers.

**ABNORMAL DELAY COSTS**

The Group has identified \$18.4 million of additional costs incurred during the current year in relation to the NZICC and Horizon Hotel projects. In the Group's view, these costs have only been incurred due to abnormal delays in the completion of the projects, and would not have been incurred if the projects had been completed within a reasonable time frame. These additional costs have been expensed during the current year, and will be excluded from the final attributable cost of the NZICC and Horizon Hotel assets.

**(c) Current Assets**

	2024 \$'000	2023 \$'000
Insurance recoveries for damages to the NZICC and Horizon Hotel	–	657,074
Payments received from the insurers	–	(664,601)
Payments reclassified as income in advance	–	19,140
Insurance recoveries for MDBI claim	2,480	–
<b>Total current assets</b>	<b>2,480</b>	<b>11,613</b>

As at 30 June 2024, due to confirmation from the insurers that the claim had been approved, \$2.5 million had been recognised as a receivable from SkyCity's business interruption insurance to cover costs incurred as a result of the fire in October 2019.

**8.  
Expenses**

	2024 \$'000	2023 \$'000
<b>Other Expenses</b>		
Utilities, insurance and rates	30,867	31,515
Onerous contract expense (relating to the Wharf Casino lease)	1,264	
Other property expenses	19,516	18,262
ICT related expenses	21,729	19,746
Professional fees	20,291	18,279
Reinstatement of lease income in advance	–	13,734
Other items	29,073	32,529
Expenses relating to short term leases	807	554
Impairment of receivables	1	265
<b>Total other expenses</b>	<b>123,548</b>	<b>134,884</b>
<b>Depreciation and Amortisation (excluding right-of-use assets)</b>		
Depreciation (note 23)	73,846	71,034
Casino licence amortisation (Adelaide) (note 24)	1,721	2,712
Computer software amortisation (note 24)	9,908	10,490
Gaming machine entitlements amortisation (note 24)	126	127
<b>Total depreciation and amortisation</b>	<b>85,601</b>	<b>84,363</b>
<b>Impairment</b>		
Impairment of property, plant and equipment (note 23)	53,168	1,194
Impairment of intangible assets (note 24)	17,963	49,662
Impairment of right-of-use assets (note 11)	23,195	–
<b>Total impairments</b>	<b>94,326</b>	<b>50,856</b>

**AUDITOR'S FEES**

During the year, the fees outlined in the table below were incurred for services provided by the Company's auditor and its related practices.

The Group engages PricewaterhouseCoopers (PwC) on assignments additional to its statutory audit duties where PwC's expertise and experience with the Group are important and auditor independence is not impaired. For other work, the Group's External Auditor Independence Policy requires advisers other than PwC to be engaged wherever practicable.

PwC is engaged to provide tax compliance services, which relate to ad-hoc queries covering a range of tax-related matters, and services in relation to executive remuneration benchmarking.

During the financial year, PwC also undertook:

- agreed-upon procedures in relation to the Group's allocation of revenue from the SkyCity Community Trusts, assessment of the underlying results disclosed in the annual report, verification procedures in relation to share-based payments, and procedures in relation to the vote count at the annual meeting;
- other assurance, agreed-upon procedure engagements and specified reporting in relation to compliance with banking and debt covenants; and
- other assurance services in relation to preliminary gap analysis in relation to climate reporting requirements.



**(a) Assurance and Agreed-upon Procedure Services**

	2024 \$'000	2023 \$'000
<b>Audit and review of financial statements</b>		
PwC New Zealand	1,330	1,264
PwC Hong Kong	33	31
PwC Malta	69	65
<b>Total remuneration for audit services</b>	<b>1,432</b>	<b>1,360</b>
<b>Performed by PwC New Zealand</b>		
Specified reporting to retail bond supervisor	9	9
Agreed-upon procedures	68	64
<b>Total remuneration for assurance related services</b>	<b>77</b>	<b>73</b>
	<b>1,509</b>	<b>1,433</b>

**(b) Other Services**

	2024 \$'000	2023 \$'000
<b>Performed by PwC New Zealand</b>		
Services in relation to executive remuneration benchmarking	75	57
Preliminary gap analysis in relation to climate reporting requirements	50	–
<b>Performed by PwC Australia</b>		
Tax compliance services	46	58
<b>Total remuneration for other services</b>	<b>171</b>	<b>115</b>
	<b>1,680</b>	<b>1,548</b>

## 9. Earnings per Share

**ACCOUNTING POLICY****(i) Basic Earnings per Share**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

**(ii) Diluted Earnings per Share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

There are no dilutive potential ordinary shares and therefore basic and diluted earnings per share are the same.

<b>EARNINGS PER SHARE</b>	2024 \$'000	2023 \$'000
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	758,733,593	758,117,231
(Loss)/profit from continuing operations attributable to the ordinary equity holders of the company used in calculating basic and diluted earnings per share (\$'000)	(143,348)	7,975
Basic and diluted earnings (cents) per share	(18.9)	1.1

## 10. Dividends

**ACCOUNTING POLICY**

Dividends are recognised when declared.

<b>DIVIDENDS PAID</b>	<b>CENTS PER SHARE</b>	<b>\$'000</b>
2022 final	–	–
2023 interim	6.0	45,533
30 June 2023	6.0	45,533
2023 final	6.0	45,541
2024 interim	5.25	39,841
<b>30 June 2024</b>	<b>11.25</b>	<b>85,382</b>

During the current year, supplementary dividends of \$8.8 million were paid on shares held by non-resident shareholders, for which the Group received an equivalent foreign investor tax credit entitlement. The foreign investor tax credit entitlement is included in income taxes paid within the Statement of Cash Flows.

The Board has not declared a final dividend in respect of the financial year ended 30 June 2024.

## 11. Leases

**ACCOUNTING POLICY**

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate; and
- payments to be made under reasonably certain extension options.

The lease payments are discounted using the interest rate implicit in the lease. If, as is generally the case, that rate cannot be readily determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The incremental borrowing rate is calculated as follows:

- where possible, using recent third party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since the third party financing was received;
- using a build-up approach that starts with a risk free interest rate adjusted for credit risk; and
- making adjustments specific to the lease (e.g. term, country, currency and security).

The weighted average incremental borrowing rate for the Group's leases is 5.3% (2023: 5.3%), with rates ranging from 3.3% to 6.0%.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs; and
- restoration costs.

Subsequent to initial recognition:

- lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made; and
- right-of-use assets are amortised on a straight-line basis over the remaining term of the lease (or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term).

A small number of short term leases have not been included in the calculation of lease liabilities or right-of-use assets.

Payments made in relation to these leases are recognised on a straight-line basis over the lease term.

**LEASE ARRANGEMENTS**

The Group has a small number of long term leases. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

The Balance Sheet shows the following amounts relating to leases:

	2024 \$'000	2023 \$'000
<b>Right-of-use assets net book value</b>		
SkyCity Auckland - Subsoil	4,126	3,085
SkyCity Auckland - Airbridges	3,058	3,020
SkyCity Queenstown - Stratton House	986	1,750
SkyCity Adelaide - Railway Building and Extension	48,687	58,381
SkyCity Adelaide - Car Park	41,722	56,302
<b>Total right-of-use assets</b>	<b>98,579</b>	<b>122,538</b>
<b>Lease liabilities</b>		
Current	3,285	3,045
Non-current	118,147	116,840
<b>Total lease liabilities</b>	<b>121,432</b>	<b>119,885</b>

The Income Statement shows the following amounts relating to leases:

	2024 \$'000	2023 \$'000
Depreciation of right-of-use assets	6,420	6,309
Impairment of right-of-use assets	23,195	-
Interest expense on lease liabilities (part of net finance costs)	6,523	6,378

**12.  
Net Finance Costs**

	2024 \$'000	2023 \$'000
Finance costs	47,739	36,881
Foreign exchange gains	(241)	(291)
Interest income	(6,251)	(6,165)
Capitalised interest (note 23)	(25,251)	(6,933)
<b>Total net finance costs</b>	<b>15,996</b>	<b>23,492</b>

**13.  
Non-current Liabilities - Interest Bearing Liabilities****ACCOUNTING POLICY**

Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. They are subsequently carried at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the period of the borrowings using the effective interest method. However, the interest margin on US dollar denominated USPP notes maturing in March 2025 and February 2030 are accounted for as a fair value hedge and the carrying value of the borrowings is adjusted for fair value changes attributable to the risk being hedged.

Borrowings are only classified as non-current liabilities if the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

	2024 \$'000	2023 \$'000
<b>Unsecured Interest Bearing Liabilities</b>		
USPP notes	195,924	353,812
New Zealand bonds	175,000	175,000
Deferred funding expenses	(2,543)	(3,146)
<b>Total non-current interest bearing liabilities</b>	<b>368,381</b>	<b>525,666</b>

**(a) USPP Notes**

As at 30 June 2024, SkyCity had outstanding USPP debt of:

- US\$100.0 million maturing on 17 March 2025;
- A\$65.4 million maturing on 15 March 2028; and
- US\$75.0 million maturing on 28 February 2030.

Subsequent to balance date, in August 2024, SkyCity entered into agreements with USPP investors to issue US\$150.0 million of USPP notes that will mature on 15 September 2031. These notes will be drawn on 15 September 2024 and the proceeds used to repay US\$100.0 million of USPP notes due for repayment on 17 March 2025. Following that transaction SkyCity will have outstanding USPP debt of:

- A\$65.4 million maturing on 15 March 2028;
- US\$75.0 million maturing on 28 February 2030; and
- US\$150.0 million maturing on 15 September 2031.

Movements in the carrying value of the outstanding balance in the current year relate to movements in exchange rates and interest rates.

The US dollar USPP notes have been hedged to NZ dollars by way of cross currency interest rate swaps to eliminate foreign exchange exposure to the US dollar. The offsetting changes in the value of the cross currency interest rate swaps are included within derivative financial instruments (note 32).

The fair value of USPP debt is estimated at NZ\$371.9 million (2023: NZ\$375.5 million) compared to a carrying value of NZ\$357.0 million (2023: NZ\$353.8 million). Fair value has been calculated based on the present value of future principal and interest cash flows, using market interest rates and credit margins at balance date. This is a level 2 valuation in the fair value hierarchy.

All financial covenants were met at 30 June 2024.



**(b) Syndicated Bank Facility**

The Group has an unsecured syndicated banking facility that is provided by ANZ (New Zealand and Australia), Commonwealth Bank of Australia, Bank of New Zealand, National Australia Bank and Westpac (New Zealand and Australia).

As at 30 June 2024, SkyCity had in place revolving credit facilities totalling NZ\$332.5 million of:

- NZ\$175.0 million maturing on 15 June 2025 (\$80.0 million drawn at the reporting date);
- NZ\$20.0 million maturing on 15 July 2025 (undrawn at the reporting date);
- NZ\$80.0 million maturing on 15 June 2026 (undrawn at the reporting date); and
- NZ\$57.5 million maturing on 15 July 2027 (undrawn at the reporting date).

Subsequent to balance date, in August 2024, certain tranches totalling NZ\$275.0 million of the syndicated bank facility were extended as follows:

- NZ\$175.0 million maturing on 15 June 2025 was extended and/or replaced;
- NZ\$20.0 million maturing on 15 July 2025 was extended and/or replaced; and
- NZ\$80.0 million maturing on 15 June 2026 was extended and/or replaced.

Following this extension, SkyCity had in place revolving credit facilities totalling NZ\$275.0 million of:

- NZ\$57.5 million maturing on 15 July 2027;
- NZ\$80.0 million maturing on 15 September 2027; and
- NZ\$137.5 million maturing on 15 September 2028.

**(c) New Zealand Bonds**

\$175.0 million of six-year unsubordinated, unsecured redeemable fixed rate bonds were issued on 21 May 2021.

The bonds are quoted on the NZDX. As at 30 June 2024, the closing price was \$0.89546 (2023: \$0.86705) per \$1 bond. The bonds are carried at amortised cost. The total fair value of the bonds is \$156.7 million (2023: \$151.7 million) which is a level 1 valuation in the fair value hierarchy as they are listed securities.

**(d) Negative Pledge Deeds**

A negative pledge deed has been executed in relation to each of the funding facilities - bank facilities, USPP notes and New Zealand bonds. In each deed, there are requirements for minimum guaranteeing group participation and financial covenants. All requirements of the negative pledge deeds have been met as at 30 June 2024.

**(e) Weighted Average Interest Rate**

	2024 %	2024 \$'000	2023 %	2023 \$'000
Interest bearing liabilities	5.59%	733,472	5.31%	694,511

The weighted average debt interest rate includes lease liabilities and the impact of interest rate and foreign currency hedging.

## 14. Current Liabilities - Interest Bearing Liabilities

**ACCOUNTING POLICY**

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months from the reporting date.

	2024 \$'000	2023 \$'000
<b>Unsecured Interest Bearing Liabilities</b>		
Syndicated bank facility	80,000	-
USPP notes	161,116	-
Car park concession (main site nested car parks)	-	45,814
<b>Total current interest bearing borrowings</b>	<b>241,116</b>	<b>45,814</b>

Subsequent to balance date, following the extension of syndicated bank facility and USPP notes, the \$241.1 million of current interest bearing liabilities has been reclassified to non-current liabilities.

Refer note 13(a) for details concerning the USPP notes and 13(b) for details concerning the syndicated bank facility.

## 15. Net Debt Reconciliation

	CASH AND BANK BALANCES \$'000	BORROWINGS DUE WITHIN 1 YEAR \$'000	BORROWINGS DUE AFTER 1 YEAR \$'000	TOTAL \$'000
<b>Net debt as at 1 July 2022</b>	(48,698)	81,576	568,901	601,779
Movement in cash and cash equivalents	(196,315)	-	-	(196,315)
Movement in car park concession liability	-	45,814	(49,195)	(3,381)
Revaluation of USPP notes	-	-	(5,058)	(5,058)
Movement in USPP notes	-	-	128,999	128,999
Amortisation of deferred funding expenses	-	-	(451)	(451)
Net movement in bank drawings	-	(78,000)	-	(78,000)
Movement in lease liabilities	-	(531)	(690)	(1,221)
<b>Net debt as at 30 June 2023</b>	<b>(245,013)</b>	<b>48,859</b>	<b>642,506</b>	<b>446,352</b>
Movement in cash and cash equivalents	184,477	-	-	184,477
Movement in car park concession liability	-	(45,814)	-	(45,814)
Revaluation of USPP notes	-	5,004	(1,773)	3,231
Movement in USPP notes	-	156,112	(156,112)	-
Amortisation of deferred funding expenses	-	-	599	599
Net movement in bank drawings	-	80,000	-	80,000
Movement in lease liabilities	-	241	1,307	1,548
<b>Net debt as at 30 June 2024</b>	<b>(60,536)</b>	<b>244,402</b>	<b>486,527</b>	<b>670,393</b>

## 16. Investment Properties

### ACCOUNTING POLICY

Investment property, principally comprising freehold office buildings and display space, is held for long term rental yields.

Completed investment property is carried at fair value, which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices in less active markets, or discounted cash flow projections which are level 3 valuations in the fair value hierarchy. Changes in fair value are recorded in the Income Statement.

Investment property under construction is carried at cost if its fair value is unable to be reliably determined during construction but will be reliably determinable when construction is complete. In the prior year the NZICC car parks were carried at cost on that basis, while in the current year they have been transferred to property, plant and equipment following settlement of the Car Park Concession Agreement (note 23).

	2024 \$'000	2023 \$'000
<b>Opening balance at 1 July</b>	108,803	119,720
Additions	7,859	220
Net loss from fair value adjustment	(3,979)	(12,252)
Transfer to property, plant and equipment - NZICC car parks (note 23)	(30,483)	1,115
Transfer to property, plant and equipment - 99 Albert Street (note 23)	(3,400)	-
<b>Closing balance at 30 June</b>	78,800	108,803

### (a) Amounts Recognised in Profit or Loss for Investment Property

	2024 \$'000	2023 \$'000
Rental income	3,866	2,153
Direct operating expenses from property that generated rental income	(2,465)	2,153
Net loss from fair value adjustment	(3,979)	(12,252)
<b>Total recognised in profit or loss</b>	(2,578)	(12,329)

### (b) Investment Properties held at 30 June 2024

Investment properties were revalued to fair value on 30 June 2023 and 30 June 2024 by CBRE Ltd (CBRE), a registered valuer and member of the New Zealand Institute of Valuers and the Property Institute of New Zealand that has recent experience in the location and category of the property being valued.

At 30 June 2023, the fair value of these investment properties (excluding the NZICC car parks) was \$78.3 million. The significant assumptions used in the valuation were:

- capitalisation rate – range from 5.0% to 7.0%; and
- passing yield (calculated as net rent divided by fair value) – range from 2.74% to 6.77%.

At 30 June 2024, the fair value of these investment properties was \$78.8 million. The significant assumptions used in the valuation were:

- capitalisation rate – range from 5.38% to 7.50%; and
- passing yield (calculated as net rent divided by fair value) – range from 2.02% to 7.52%.

The 30 June 2023 and 30 June 2024 valuations are sensitive to movements in estimated capitalisation rate and passing yield. If the assumed capitalisation rate is increased or the passing yield is decreased, the fair value would decrease.

## 17. Deferred Licence Value

	TOTAL \$'000
<b>2024</b>	
<b>Opening balance at 1 July</b>	262,444
Adjustment to property, plant and equipment re NZICC car parks (note 23)	(16,036)
<b>Closing balance at 30 June</b>	246,408
<b>2023</b>	TOTAL \$'000
<b>Opening balance 1 July</b>	219,996
Impact of NZICC fire (note 7)	42,448
<b>Closing balance at 30 June</b>	262,444

### SKYCITY AUCKLAND

In 2016, SkyCity's accounting for the granting of the NZICC Auckland casino licence enhancements resulted in the recognition of a deferred licence value liability of \$405.0 million. Based on the Group's accounting policy, this amount was to be accounted for as a reduction in the carrying value of the NZICC upon completion. Following the NZICC fire in October 2019, the damaged portion of the NZICC was disposed of for financial reporting purposes. As a result of this disposal, \$160.8 million of the deferred licence value was released to the Income Statement in the years ended 30 June 2020 to 30 June 2022.

In the prior financial year, as a result of the final damage assessment prepared by RLB (note 7), \$42.4 million of the above \$160.8 million adjustment was reversed, taking the total adjustment to \$118.3 million.

In the current year, as a result of NZICC car parks being in service, \$16.0 million of the remaining balance has been released against the assets (note 23).

## 18. Income Tax Expense

### ACCOUNTING POLICY

The income tax expense for the year is the tax payable on the current year's taxable income, based on the income tax rate for each jurisdiction. This is then adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

### (a) Income Tax Expense

	2024 \$'000	2023 \$'000
Current tax expense	46,684	54,232
Deferred tax expense/(benefit)	126,804	(10,472)
<b>Total income tax expense</b>	173,488	43,760



**(b) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable/(Receivable)**

	2024 \$'000	2023 \$'000
Profit from continuing operations before income tax expense	30,140	51,735
Prima facie income tax @ 28%	8,439	14,486
Tax effects of:		
New Zealand tax law changes to depreciation	129,599	-
Auckland car park asset deferred tax liability	19,373	-
Non-deductible regulatory provision	8,130	14,703
Adelaide impairment adjustments	7,096	15,531
Australian tax group losses not recognised	4,004	-
Non-deductible miscellaneous expenses	2,793	3,093
Prior period adjustments	2,172	3
Non-deductible NZICC fire capital receipts/expenses	1,810	545
Controlled foreign company regime	1,342	2,806
Investment property fair value adjustments	166	2,285
Other	114	12
Non-deductible gain on Auckland car park buy back	(1,390)	-
Non-taxable gain on sale of associate shares	(2,697)	-
Items non-assessable for tax purposes	(3,123)	(4,723)
Difference in overseas tax rates	(4,340)	(4,981)
<b>Total income tax expense</b>	<b>173,488</b>	<b>43,760</b>

The weighted average applicable tax rate was 575.6% (2023: 84.6%). The weighted average tax rate has been significantly impacted by:

- New Zealand tax law changes to depreciation;
- Auckland car park asset deferred tax liability;
- non-deductible regulatory penalties;
- Adelaide impairment adjustments;
- Australian Group tax losses not recognised;
- non-taxable sale of shares; and
- NZICC fire capital receipts/expenses.

Excluding these items, the weighted average tax rate would have been 27.4% (2023: 27.4%).

**19.  
Deferred Tax Assets**

	2024 \$'000	2023 \$'000
<b>The balance comprises temporary differences attributable to:</b>		
Provisions and accruals	9,928	6,299
Depreciation	3,561	(12,785)
Foreign exchange variances	36	4
Cash flow hedges	-	80
Lease liability	33,860	33,425
Right-of-use assets	(25,524)	(32,164)
Tax losses	30,489	30,606
<b>Net deferred tax assets</b>	<b>52,350</b>	<b>25,465</b>
<b>Movements:</b>		
Balance at beginning of the year	25,465	19,372
Foreign exchange differences	127	(321)
Charged to the Income Statement (note 18)	26,758	6,414
<b>Closing balance at 30 June</b>	<b>52,350</b>	<b>25,465</b>

Deferred tax assets relate to the Australian and other foreign operations (excluding Malta).

The Group has recognised a deferred tax asset of \$52.3 million (A\$47.8 million) in relation to tax losses and other deductible timing differences. A deferred tax asset has been recognised on tax losses of \$102.5 million (A\$93.7 million) (2023: \$102.0 million, A\$93.7 million) in relation to Australia. The Group has a further \$13.3 million (A\$12.2 million) of tax losses which are not recognised as deferred tax assets because it has been assessed that it is not probable that future taxable profits will be available against which the Group can utilise the tax losses. The tax losses have predominantly arisen as a result of the COVID-19 pandemic impacting SkyCity Adelaide's operations and South Australian tourism, with the expanded SkyCity Adelaide property largely not able to operate at full capacity for the majority of time since opening in December 2020. In addition, accelerated tax depreciation on the Adelaide property expansion and expenditure incurred in relation to ongoing SkyCity Adelaide regulatory reviews have also contributed to the tax loss position.

The Group's forecasts, including consideration of key sensitivities, indicate that the Adelaide business will generate future taxable income. On this basis, the Group has considered it is probable that sufficient future taxable income will be generated to utilise the tax losses recognised.

It is possible to carry forward Australian tax losses indefinitely, subject to ownership and same business tests, and these losses do not have an expiry date.

The Group reviews future loss utilisation at each reporting date.

## 20. Deferred Tax Liabilities

	2024 \$'000	2023 \$'000
<b>The balance comprises temporary differences attributable to:</b>		
Provisions and accruals	(8,175)	(7,633)
Depreciation	218,208	64,166
Lease liabilities	(2,398)	(2,371)
Right-of-use assets	2,288	2,199
Cash flow hedges	(1,105)	(2,182)
Asset revaluation reserve	1,921	1,921
<b>Net deferred tax liabilities</b>	<b>210,739</b>	<b>56,100</b>
<b>Movements:</b>		
Balance at beginning of the year	56,100	60,591
Charged to the Income Statement (note 18)	153,562	(4,059)
Tax debited/(credited) directly to other comprehensive income (note 31)	1,077	(432)
<b>Closing balance at 30 June</b>	<b>210,739</b>	<b>56,100</b>

Deferred tax liabilities relate to the New Zealand and Malta operations.

On 28 March 2024, the New Zealand Government enacted changes to tax legislation which removed the ability to depreciate buildings with a life over 50 years for tax purposes. For the Group the application of this taxation change under NZ IAS 12 Income Taxes results in an increase to the deferred taxation liability of \$129.6 million and a corresponding one-off increase to tax expense of \$129.6 million as the tax base of New Zealand buildings has reduced to nil. The deferred taxation liability adjustment relates to New Zealand buildings except for certain investment properties and also impacts building structure assets that are classified as construction work-in-progress, including the Group's NZICC and Horizon Hotel projects. As these projects were yet to be completed at 30 June 2024, there is significant judgement involved in estimating the value of the building structure assets for these projects. Due to the judgement involved, the final impact may differ materially from the amount included in these financial statements.

## 21. Imputation and Franking Credits

	2024 \$'000	2023 \$'000
<b>Balances available for use in subsequent reporting periods</b>		
Imputation credit account (New Zealand)	85,079	71,487
Franking credit account (Australia) (A\$)	13,951	13,951

As required by the Income Tax Act 2007, the imputation credit account had a credit balance as at 31 March 2024.

## 22. Lease Income in Advance

	2024 \$'000	2023 \$'000
Lease income in advance	-	39,815
<b>Total lease income in advance</b>	<b>-</b>	<b>39,815</b>

In the prior year, the 624 further NZICC car parks that were to have been delivered to Macquarie as part of the Car Park Concession Agreement were accounted for as an operating lease, with the underlying car parks classified as investment property and the payment received from Macquarie in relation to those car parks (determined by allocating the amount paid by Macquarie under the Car Park Concession Agreement between the various car parks that Macquarie was granted a concession to, based on their respective fair values) recognised as lease income in advance. Macquarie served a notice of termination in relation to the Car Park Concession Agreement and, as payment for termination of the Car Park Concession Agreement was expected in the next 12 months, lease income in advance was classified as a current liability.

In the current year, the Car Park Concession Agreement was terminated on 31 January 2024 and the liability was settled.

## 23. Property, Plant and Equipment

### ACCOUNTING POLICY

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as below:

Buildings and fit out	5-75 years
Plant, equipment and motor vehicles	2-75 years
Fixtures and fittings	3-20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.



## AS AT 1 JULY 2022

	LAND \$'000	BUILDINGS AND FITOUT \$'000	PLANT, EQUIPMENT AND MOTOR VEHICLES \$'000	FIXTURES AND FITTINGS \$'000	CAPITAL WORK IN PROGRESS \$'000	TOTAL \$'000
Cost	167,752	996,587	402,639	146,724	493,659	2,207,361
Accumulated depreciation and impairment	-	(368,166)	(294,505)	(102,010)	-	(764,681)
<b>Net book amount</b>	<b>167,752</b>	<b>628,421</b>	<b>108,134</b>	<b>44,714</b>	<b>493,659</b>	<b>1,442,680</b>
<b>Year ended 30 June 2023</b>						
Opening net book amount	167,752	628,421	108,134	44,714	493,659	1,442,680
Exchange differences	-	(3,850)	(694)	(374)	(366)	(5,284)
Net additions/transfers/disposals	-	6,039	23,650	1,341	209,090	240,120
Transfer to NZICC obligation	-	-	-	-	(19,699)	(19,699)
(Impairment)/reversal of impairment (note 8)	(2,250)	1,056	-	-	-	(1,194)
Transfer to investment properties - NZICC car parks (note 16)	-	-	-	-	(1,115)	(1,115)
Transfer from assets held for sale (note 28)	14,100	-	-	-	1,150	15,250
NZICC fire adjustment (note 7)	-	-	-	-	52,752	52,752
Depreciation charge	-	(28,704)	(33,317)	(9,013)	-	(71,034)
<b>Closing net book amount</b>	<b>179,602</b>	<b>602,962</b>	<b>97,773</b>	<b>36,668</b>	<b>735,471</b>	<b>1,652,476</b>

## At 30 June 2023

Cost	179,602	999,241	420,326	147,236	735,471	2,481,876
Accumulated depreciation and impairment	-	(396,279)	(322,553)	(110,568)	-	(829,400)
<b>Net book amount</b>	<b>179,602</b>	<b>602,962</b>	<b>97,773</b>	<b>36,668</b>	<b>735,471</b>	<b>1,652,476</b>
<b>Year ended 30 June 2024</b>						
Opening net book amount	179,602	602,962	97,773	36,668	735,471	1,652,476
Exchange differences	-	908	106	28	12	1,054
Net additions/transfers/disposals	1,146	13,636	26,865	3,146	38,771	83,564
Transfer from investment properties - NZICC car parks (note 16)	-	30,483	-	-	-	30,483
Car park asset additions	-	186,612	1,480	-	13,942	202,034
Release from deferred licence (note 17)	-	(16,036)	-	-	-	(16,036)
Transfer from investment properties 99 Albert Street (note 16)	1,928	1,316	112	44	-	3,400
Impairment charge (note 8)	-	(43,913)	(6,215)	(3,040)	-	(53,168)
Transfer to assets held for sale (note 28)	(13,000)	-	-	-	-	(13,000)
Depreciation charge	-	(32,225)	(33,183)	(8,438)	-	(73,846)
<b>Closing net book amount</b>	<b>169,676</b>	<b>743,743</b>	<b>86,938</b>	<b>28,408</b>	<b>788,196</b>	<b>1,816,961</b>

## At 30 June 2024

Cost	169,676	1,197,072	376,109	139,047	788,196	2,670,100
Accumulated depreciation and impairment	-	(453,329)	(289,171)	(110,639)	-	(853,139)
<b>Net book amount</b>	<b>169,676</b>	<b>743,743</b>	<b>86,938</b>	<b>28,408</b>	<b>788,196</b>	<b>1,816,961</b>

**(a) Capitalised Borrowing Costs**

Borrowing costs of \$25.3 million have been capitalised in the current year relating to capital projects (2023: \$6.9 million) using the Group's weighted average cost of debt of 5.59% across the year (2023: 5.31%).

**(b) Queenstown Land**

At 30 June 2023, the Queenstown land was reclassified to property, plant and equipment from assets held for sale (note 28), as a sale was no longer expected within the next year. In May 2024, a sale and purchase agreement was entered into and the land has been reclassified from property, plant and equipment to held for sale at 30 June 2024.

**(c) Capitalisation of Auckland Car Parks**

In the current year as a result of the termination of the Car Park Concession Agreement on 31 January 2024, car parks in the Auckland main site and those in service in the NZICC, have been capitalised to property, plant and equipment.

As a result of capitalising the in service NZICC car parks, a release of the deferred licence value (\$16.0 million) has been made against these assets (note 17).

As the NZICC is still a construction site, and the information required to accurately assess the car park asset values will not be received from FCC until following practical completion, significant judgment is required to estimate the asset value and asset classification. The estimates were based on the building works contract and the cost of remediation post the fire in October 2019, at the NZICC construction site. The most significant risk to the judgments and estimates used, relate to the final allocation of costs once construction is complete. These judgements and estimates will continue to be reviewed as new information becomes available and as a result may change materially.

**(d) Encumbrances**

A memorandum of encumbrance is registered against the certificate of title for the Auckland casino in favour of Auckland Council. Auckland Council requires prior written consent before any transfer, assignment or disposition of the land. The intent of the covenant is to protect the Council's rights under the resource consent, relating to the provision of the bus terminus, public car park and public footpaths around the complex.

A further encumbrance records the Council's interest in relation to the subsoil areas under Federal and Hobson Streets used by SkyCity as car parking and a vehicle tunnel. The encumbrance is to notify any transferee of the Council's interest as lessor of the subsoil areas.

There are four encumbrances relating to the NZICC site land. One encumbrance protects the rights of the Crown under the agreement between the Crown and the Group for the construction of the NZICC (NZICC Agreement), two relate to firewalls between buildings that have now been demolished

and the final encumbrance protects the underground vehicle entrance to the car park on the main Auckland casino site. The NZICC site land is also subject to a covenant in favour of the Crown which restricts the subdivision and use of the site to that permitted under the NZICC Agreement.

**24. Intangible Assets****ACCOUNTING POLICY****(i) Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill is included in intangible assets. Goodwill is not amortised but is instead tested for impairment annually (or more frequently if events or changes in circumstances indicate that it might be impaired) and is carried at cost less accumulated impairment losses.

**(ii) Acquired Software**

Acquired computer software (other than that licensed under a software as a service arrangement) is capitalised at cost (which includes acquisition cost and any costs incurred in bringing the software into use). Subsequent to initial recognition, it is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated on a straight-line basis over the useful life, which ranges from three to 15 years.

**(iii) Gaming Machine Entitlements**

Gaming machine entitlements (GMEs) are required to operate gaming machines in South Australia. Each GME gives the licensee the right to own and operate a single gaming machine at the licensee's venue.

The number of GMEs held by a licensee cannot exceed the maximum number of gaming machines which have been approved for the venue. SkyCity Adelaide currently owns 1,080 GMEs and is licensed to hold a maximum of 1,500.

GMEs can be purchased or sold during trading rounds by an eligible person via the South Australian Government's approved trading system. Trading rounds are usually held at least twice a year at the discretion of the South Australian Liquor and Gambling Commissioner. The trading price of a GME is determined by a number of factors, including the number of sellers and buyers and the minimum and maximum prices offered.

SkyCity Adelaide's GMEs are carried at cost less accumulated amortisation and impairment losses. They are amortised over the term of the exclusivity period (which is the period over which SkyCity Adelaide is exclusively permitted to provide casino gaming, except for interactive gaming, in South Australia), which is to 30 June 2035.

**(iv) Casino Licences and Regulatory Reforms**

The Group's casino licences that have:

- a finite useful life are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to profit or loss on a straight-line basis over the legal licence term; and
- an indefinite useful life are carried at cost less accumulated impairment losses.

Determining whether a casino licence has a finite or indefinite useful life is a key judgement and involves assessment of the terms and conditions, and in particular the renewal terms, of the relevant licence.

Regulatory reforms granted by a government that are specific to the Group are accounted for as intangible assets arising from a government grant and included within the value of casino licences. The reforms are initially recognised at their fair value when there is reasonable assurance that the reforms will be received, and the Group will comply with all conditions attached to them.

Where a regulatory reform is related to property, plant and equipment, once constructed the carrying value of that property, plant and equipment is reduced by the value of the regulatory reforms. Prior to completion of the related property, plant and equipment, the value of the regulatory reforms is accounted for as deferred licence value.

	GOODWILL \$'000	CASINO LICENCES \$'000	COMPUTER SOFTWARE \$'000	GAMING MACHINE ENTITLEMENTS \$'000	TOTAL \$'000
<b>At 1 July 2022</b>					
Cost	35,786	785,310	132,656	1,879	955,631
Accumulated amortisation and impairment	–	(238,423)	(93,107)	(204)	(331,734)
<b>Net book amount</b>	<b>35,786</b>	<b>546,887</b>	<b>39,549</b>	<b>1,675</b>	<b>623,897</b>
<b>Movements in the Year Ended 30 June 2023</b>					
Exchange differences	–	(2,322)	(103)	(27)	(2,452)
Additions	–	–	8,099	–	8,099
Impairment charge	–	(49,662)	–	–	(49,662)
Amortisation charge	–	(2,712)	(10,490)	(127)	(13,329)
<b>Closing net book amount</b>	<b>35,786</b>	<b>492,191</b>	<b>37,055</b>	<b>1,521</b>	<b>566,553</b>
<b>At 30 June 2023</b>					
Cost	35,786	779,055	140,450	1,848	957,139
Accumulated amortisation and impairment	–	(286,864)	(103,395)	(327)	(390,586)
<b>Net book amount</b>	<b>35,786</b>	<b>492,191</b>	<b>37,055</b>	<b>1,521</b>	<b>566,553</b>
<b>Movements in the Year Ended 30 June 2024</b>					
Exchange differences	–	398	4	6	408
Additions	–	–	6,520	–	6,520
Car park asset additions	–	–	844	–	844
Impairment charge	–	(17,533)	(144)	(286)	(17,963)
Amortisation charge	–	(1,721)	(9,908)	(126)	(11,755)
<b>Closing net book amount</b>	<b>35,786</b>	<b>473,335</b>	<b>34,371</b>	<b>1,115</b>	<b>544,607</b>
<b>At 30 June 2024</b>					
Cost	35,786	780,836	114,187	1,857	932,666
Accumulated amortisation and impairment	–	(307,501)	(79,816)	(742)	(388,059)
<b>Net book amount</b>	<b>35,786</b>	<b>473,335</b>	<b>34,371</b>	<b>1,115</b>	<b>544,607</b>

**CASINO LICENCE****CONTRACT TERM****SkyCity Auckland Casino (indefinite useful life)**

SkyCity Auckland Limited holds a casino premises licence for the Auckland premises.

The initial licence was granted in 1996 for nil consideration, and hence there was no associated initial carrying value.

Pursuant to the terms of the NZICC Agreement, the initial term of the licence was extended to 30 June 2048.

The licence can be renewed for further periods of 15 years pursuant to section 138 of the Gambling Act 2003 (NZ).

In addition to the licence extension, the casino premises licence was amended to (a) permit the implementation of account-based cashless gaming and ticket in ticket out (TITO) gaming systems; (b) permit an increase in the number of gaming machines, gaming tables and automated table games; and (c) implement various other operational improvements. Under the NZICC Agreement, the Company has agreed to construct the NZICC for a total cost of at least \$430.0 million.

The reforms (a to c above) are exclusive to the Group and were recorded at fair value based on the estimated incremental benefit over the life of the reforms. The fair value was determined using a discounted cash flow model falling within level 3 of the fair value hierarchy over the life of the reforms.

The carrying amount of the casino licence is \$405.0 million (2023: \$405.0 million).

**SkyCity Adelaide Casino (finite useful life)**

The casino and associated operations are carried out by SkyCity Adelaide under a casino licence (the Approved Licensing Agreement (ALA)) dated October 1999 (as amended). Unless terminated earlier, the expiry date of the ALA is 30 June 2085. The term of the ALA can be renewed for a further fixed term pursuant to section 9 of the Casino Act 1997 (SA). The carrying value of the casino licence is amortised over the life of the ALA.

The casino licence and associated regulatory reforms asset are amortised over 20 years or 71 years depending on whether the incremental benefit is associated with the exclusivity period (which is to 30 June 2035 and is the period over which SkyCity Adelaide is exclusively permitted to provide casino gaming, except for interactive gaming, in South Australia) or the full licence period.

The carrying value of the casino licence is A\$62.4 million, NZ\$68.3 million (2023: A\$80.1 million, NZ\$87.2 million).

**SkyCity Hamilton Casino (indefinite useful life)**

SkyCity Hamilton Limited holds a casino premises licence for the Hamilton premises. The casino premises licence is for an initial 25 year term from 19 September 2002. The licence can be renewed for further periods of 15 years pursuant to section 138 of the Gambling Act 2003 (NZ). As the licence was initially granted for nil consideration, there is no associated carrying value.

**SkyCity Queenstown Casino (indefinite useful life)**

Queenstown Casinos Limited holds a casino premises licence for the Queenstown premises. The casino premises licence is for an initial 25 year term from 7 December 2000. The licence can be renewed for further periods of 15 years pursuant to section 138 of the Gambling Act 2003 (NZ). As the licence was initially granted for nil consideration, there is no associated carrying value.



**(a) Impairment Tests for Intangibles Assets with Indefinite Useful Lives**

Goodwill and the casino licences of SkyCity Auckland and SkyCity Hamilton have indefinite useful lives and consequently are tested annually for impairment.

	SKYCITY AUCKLAND \$'000	SKYCITY HAMILTON * \$'000	TOTAL \$'000
<b>2024</b>			
Goodwill	–	35,786	35,786
Casino licence	405,000	–	405,000
<b>Total</b>	<b>405,000</b>	<b>35,786</b>	<b>440,786</b>
<b>2023</b>			
Goodwill	–	35,786	35,786
Casino licence	405,000	–	405,000
<b>Total</b>	<b>405,000</b>	<b>35,786</b>	<b>440,786</b>

These intangible assets are tested for impairment in the cash generating unit (CGU) to which they belong. The recoverable amount of each CGU is determined on the basis of value in use. These calculations use cash flow projections using updated five-year forecasts for each site. For all of these assets, the calculated value in use significantly exceeds carrying value.

The entire Auckland precinct is treated as a single CGU due to the close and interconnected relationship of the cash flows across all of SkyCity's Auckland businesses.

\* SkyCity Hamilton is included within the "Other NZ Operations" segment in note 4.

**(b) Key Assumptions used for Value in Use Calculations of Cash Generating Units**

	EBITDA MARGIN		TERMINAL GROWTH RATE		PRE-TAX DISCOUNT RATE	
	2024	2023	2024	2023	2024	2023
SkyCity Auckland	40.0%	43.4%	2.5%	2.5%	12.3%	14.2%
SkyCity Hamilton	44.3%	47.0%	2.5%	2.5%	12.3%	14.2%

These assumptions are consistent with past experience adjusted for economic indicators. The discount rates are pre-tax and reflect specific risks relating to the relevant CGU.

For each CGU, there is sufficient headroom between the value in use of the CGU and the carrying value of the related CGU assets that significant changes in the assumptions used would not require an impairment.

**(c) Impairment Review of the SkyCity Adelaide CGU**

At each reporting period the Group undertakes a fair value (less costs of disposal) assessment of its Adelaide CGU to identify if any indicators of impairment are identified and require adjustment.

Deloitte was engaged to undertake an indicative enterprise valuation of the Adelaide CGU at 30 June 2024 with an approach consistent with previous years, utilising SkyCity Adelaide's ten-year outlook that is premised on casino license ownership continuity.

The most significant assumption change in SkyCity Adelaide's outlook from the previous valuation is the introduction of mandatory carded play (MCP) and other long play requirements for gaming customers in early 2026. This assumption has a significant level of uncertainty as it requires an estimation of the potential impact on Customer behaviour and Adelaide's competitive positioning in the South Australian market, to estimate the financial implications for Adelaide's future revenue and cashflow generation.

Due to the significant uncertainty inherent in these estimates, several sensitivities on the ten-year outlook were undertaken and analysed for consideration as part of impairment assessment, including a range of 15%-20% impact on uncarded revenue of introducing MCP.

The enterprise value prepared by Deloitte indicated an asset impairment range of between A\$76.0 million (NZ\$83.2 million) and A\$118.0 million (NZ\$129.2 million), premised on the following financial settings:

- compound annual EBITDA growth rate from 2025 to 2034 of 6.0% (30 June 2023: 2024 to 2028 of 6.0%);
- terminal growth rate of 2.5 % (30 June 2023 of 2.5%); and
- post-tax discount rate of 11.0% (30 June 2023 of 12.0%).

SkyCity Entertainment Group Directors adopted the ten-year outlook and an enterprise value for SkyCity Adelaide that falls within the enterprise value range as determined by Deloitte and after considering key sensitivities over the more significant uncertainties in the ten-year outlook assumptions.

This has resulted in an impairment of the Adelaide assets of A\$86.2 million (NZ\$94.3 million) at 30 June 2024, apportioned across Adelaide's fixed assets as follows:

- Property, Plant, and Equipment: A\$48.6 million (NZ\$53.2 million);
- Intangible assets: A\$16.4 million (NZ\$17.9 million); and
- Right-of-use assets: A\$21.2 million (NZ\$23.2 million).

Deloitte has independently determined the post-tax discount rate, which reflects their current market assessment of the increased uncertainty in the Australian casino industry, risks specific to SkyCity Adelaide, time value of money and the consideration of uncertainties that do form part of the underlying future cashflow assumptions.

The indicative enterprise value is highly sensitive to changes in its key assumptions and estimates. The sensitivities below illustrate the range of the potential impact of +/- changes against the mid-point of the Deloitte enterprise value:

- a MCP impact assumption change of +/- 2.5% results in an approximate change in enterprise value of A\$11.0 million/NZ\$12.0 million with all other factors remaining unchanged;
- an EBITDA change of +/- 5.0% results in an approximate change in enterprise value in the range of A\$15.0-\$16.0 million/NZ\$16.0-\$17.0 million (2023: A\$20.0-\$21.0 million/NZ\$23.0-\$24.0 million);
- a terminal growth rate change of +/- 0.5% results in an approximate change in enterprise value in the range of A\$7.0-\$8.0 million/NZ\$8.0-\$9.0 million (2023: A\$13.0-\$14.0 million/NZ\$14.0-\$15.0 million); and
- a discount rate change of +/- 0.75% results in an approximate change in enterprise value in the range of A\$18.0-\$22.0 million/NZ\$20.0-\$24.0 million (2023 at 0.5%: A\$15.0-\$17.0 million/NZ\$16.0-\$18 million).

The Group will continue to complete annual impairment reviews of the SkyCity Adelaide CGU. Increases in the fair value less costs of disposal could result in a partial reversal of impairment recognised to date. Decreases in the fair value less costs of disposal may result in the recognition of an additional impairment charge.

## 25. Investments in Associates

An associate is an entity over which the Group is able to exert significant influence. Investments in associates are equity accounted.

The Group previously held a 10.02% shareholding interest in GiG. This interest was sold on 28 June 2024 for \$56.8 million, and as a result a gain on disposal of \$9.6 million has been recognised in the current year (note 6).

	2024 \$'000	2023 \$'000
Shares in associates	–	43,200

For the 12-months ended 31 March 2024, GiG had:

- total revenue of €98.2 million (31 March 2023: €116.5 million); and
- total net profit after tax of €13.2 million (31 March 2023: €5.7 million).

As at 31 March 2024, GiG had:

- total current assets of €28.7 million (31 March 2023 restated: €17.7 million);
- total non-current assets of €109.0 million (31 March 2023 restated: €86.5 million);
- total current liabilities of €43.3 million (31 March 2023 restated: €12.1 million); and
- total non-current liabilities of €98.6 million (31 March 2023 restated: €80.2 million).

### MOVEMENTS IN CARRYING AMOUNTS

	2024 \$'000	2023 \$'000
Opening balance at 1 July	43,200	42,136
Share of total recognised revenues and expenses	2,157	1,064
Net proceeds from sale of associate	(54,990)	–
Gain on sale of associate	9,633	–
<b>Closing balance at 30 June</b>	<b>–</b>	<b>43,200</b>

## 26. Receivables and Prepayments

### ACCOUNTING POLICY

Trade receivables are recognised initially at transaction value and subsequently measured at amortised cost less impairment.

	2024 \$'000	2023 \$'000
<b>Net trade receivables</b>		
Trade receivables (gross)	8,143	8,867
Impairment	(1,052)	(876)
<b>Trade receivables (net)</b>	<b>7,091</b>	<b>7,991</b>
Other receivables	60,871	5,230
Prepayments	18,916	37,612
<b>Total receivables and prepayments</b>	<b>86,878</b>	<b>50,833</b>

Due to the short term nature of these receivables, and the fact that they are assessed for impairment, their carrying value approximates fair value.

Included in other receivables is \$56.8 million relating to the sale of the shares in GiG (note 25 and note 40).

## 27. Cash and Cash Equivalents

	2024 \$'000	2023 \$'000
Cash at bank	18,998	202,965
Cash in house	41,538	42,048
<b>Total cash and cash equivalents</b>	<b>60,536</b>	<b>245,013</b>

## 28. Assets Held for Sale

### ACCOUNTING POLICY

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

	2024 \$'000	2023 \$'000
Land	13,000	–
<b>Total assets held for sale</b>	<b>13,000</b>	<b>–</b>

At 30 June 2024, the Queenstown land was reclassified from property, plant and equipment (note 23), as a sale and purchase agreement has been entered into and settlement is expected within the next year.

## 29. Payables and Provisions

### ACCOUNTING POLICY

Accounts payable are initially recognised at fair value, net of transaction costs, and thereafter carried at amortised cost.

A provision is recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

	2024 \$'000	2023 \$'000
Trade payables	20,846	23,639
Deferred income	18,216	36,671
Accrued expenses	116,400	36,226
Employee benefits	47,346	51,686
NZICC obligation	–	10,788
Provisions	14,469	7,978
Regulatory provisions	9,519	49,009
<b>Total payables and provisions</b>	<b>226,796</b>	<b>215,997</b>

The carrying amounts of trade and other payables approximates their fair value, due to their short term nature.



## PROVISIONS

Provisions are recognised in relation to a number of matters, including a workers' compensation claim in Adelaide, the civil penalty proceedings commenced by the Department of Internal Affairs (**Department** or **DIA**) against SkyCity Casino Management Limited (**SCML**) and the longstanding contractual dispute between SkyCity Adelaide and Revenue South Australia concerning the proper interpretation of the Casino Duty Agreement for the purpose of calculating casino duty at the SkyCity Adelaide casino.

In the prior year, provisions were also recognised in relation to the SkyCity Auckland car parks and the onerous contract for the Queenstown Wharf casino.

## NZICC OBLIGATION

As at 30 June 2023, the Group had recognised a provision to reconstruct the assets associated with the initial 600 NZICC car parks that were transferred to Macquarie under the Car Park Concession Agreement but were subsequently damaged in the NZICC fire in October 2019.

The assets associated with those car parks were fully repaired and completed in the current year and, accordingly, there is no provision recorded in respect of them as at 30 June 2024.

The Car Park Concession Agreement was terminated on 31 January 2024.

## REGULATORY ACCRUAL - AUSTRAC PROCEEDINGS

As detailed in the Group's financial statements for the year ended 30 June 2023, the Australian Transaction Reports and Analysis Centre (**AUSTRAC**) commenced civil penalty proceedings in the Federal Court of Australia (**Court**) against SkyCity Adelaide on 7 December 2022 for alleged serious and systemic non compliance with the Australian AML/CFT Act.

As at 30 June 2023, SkyCity had recognised a provision of A\$45.0 million (NZ\$49.0 million) in relation to the potential exposure to penalties and legal costs associated with the proceedings. This represented an estimate at the time of the potential exposure to penalties and legal costs arising from the proceedings having regard to a wide range of factors relevant to the determination of any penalty that may ultimately become payable by SkyCity Adelaide and external legal advice obtained by SkyCity and SkyCity Adelaide.

SkyCity subsequently increased the provision to A\$73.0 million (NZ\$78.7 million) as at 31 December 2023 following discussions with AUSTRAC and a case management hearing on 1 February 2024 where SkyCity Adelaide and AUSTRAC jointly informed the Court that the parties had come to

an agreement in relation to the contraventions that SkyCity Adelaide would admit in the proceedings and the amount of a civil penalty they would jointly propose as appropriate in the circumstances subject to finalisation of a Statement of Agreed Facts and Admissions.

On 17 May 2024, SkyCity Adelaide and AUSTRAC filed a Statement of Agreed Facts and Admissions with the Court outlining SkyCity Adelaide's admitted contraventions of the Australian AML/CFT laws during the period from 7 December 2016 to 14 December 2022 and the parties' proposal that SkyCity Adelaide pay a pecuniary penalty of A\$67.0 million in relation to those contraventions. On 7 June 2024, the Court approved the agreement reached by SkyCity Adelaide and AUSTRAC.

The A\$67.0 million (NZ\$73.3 million) pecuniary penalty was reclassified from regulatory penalty provisions to accrued expenses at 30 June 2024, and was paid by SkyCity Adelaide to the Commonwealth of Australia on 4 July 2024 (note 40).

## REGULATORY PROVISION - DIA MATTERS

On 16 February 2024, the Department filed civil penalty proceedings in the New Zealand High Court against SCML for non compliance by SCML with the New Zealand Anti Money Laundering and Countering Financing of Terrorism Act 2009 (**AML/CFT Act**) following a review of SCML's compliance with the AML/CFT Act. The pleadings set out five separate causes of action, being that SCML did not meet its obligations relating to its risk assessment, establishing, implementing and maintaining an AML/CFT compliance programme, monitoring accounts and transactions, conducting enhanced customer due diligence, and terminating existing business relationships. These alleged failures relate to largely, although not exclusively, historical matters and some matters relate to incidents of non-compliance which have previously been self-reported to the Department.

SCML is a subsidiary of SkyCity and the holder of the casino operator's licence for the SkyCity Auckland, SkyCity Hamilton and SkyCity Queenstown casinos in New Zealand.

As at 31 December 2023, SkyCity had recognised a provision for a potential civil penalty and associated legal fees of \$5.0 million in relation to the proceedings. This represented at the time an estimate of the potential exposure to penalties and legal costs arising from the proceedings having regard to a wide range of factors relevant to the determination of any penalty that may ultimately become payable by SCML and external legal advice obtained by SkyCity.

On 21 May 2024, SkyCity announced that SCML and the Department had reached an agreement to resolve the proceedings. Under the agreement:

- SCML has admitted that it breached its obligations under the AML/CFT Act to undertake and review a fully-compliant risk assessment, establish, implement, and maintain a fully-compliant AML/CFT compliance programme, adequately conduct account monitoring, conduct compliant enhanced customer due diligence, and terminate business relationships when required over the period from 2018 to 2023; and
- SCML and the Department have agreed to jointly recommend that the High Court impose a civil pecuniary penalty of \$4.16 million in respect of SCML's admitted breaches of the AML/CFT Act.

The agreement remains subject to approval by the High Court of New Zealand at a penalty hearing set down for 5 September 2024.

In addition, as at 30 June 2024, the Group has recognised a provision in relation to the estimated financial impacts associated with the 5 day closure of the gambling area of the SkyCity Auckland casino.

## CASINO DUTY PROVISION

SkyCity Adelaide has a longstanding contractual dispute with Revenue South Australia concerning the interpretation of the Casino Duty Agreement (**CDA**) in relation to the treatment of loyalty points converted to gaming machine play and the deduction of loyalty points earned for the purpose of calculating casino duty at the SkyCity Adelaide casino.

The parties agreed to seek declaratory relief from the South Australian Courts as to the proper construction of the CDA to determine the correct interpretation on both issues. Consequently, on 9 September 2022, SkyCity Adelaide filed a Statement of Claim in the Supreme Court of South Australia seeking relief in the nature of declarations relating to the dispute. On 17 November 2022, the Crown Solicitor's Office filed a cross claim which formulates Revenue South Australia's claim for the unpaid duty and interest in the event that Revenue South Australia's position as to the interpretation of the CDA is accepted.

The parties subsequently agreed that it would be appropriate to refer certain questions of law to the South Australian Court of Appeal and sought the approval of the Supreme Court to reserve those questions of law to the Court of Appeal. The Supreme Court agreed to the parties' request given the complexity of the issues involved and the likelihood of appeal from the Supreme Court.

The proceedings were heard in the Court of Appeal on 13 October 2023 and the Court of Appeal's judgment was delivered on 22 February 2024, with the Court of Appeal ruling:

- in favour of Revenue South Australia's interpretation of the CDA by finding that credits on gaming machines arising from the conversion of loyalty points, when played by customers, are to be included in gaming revenue for the purpose of calculating casino duty at the SkyCity Adelaide casino, and that loyalty points earned by customers for gaming machine play may not be deducted from gaming revenue; and
- in favour of SkyCity Adelaide's position on the characterisation of the CDA, which leaves it open for SkyCity Adelaide to argue that the interest clause in the CDA is unenforceable as a penalty.

On 21 March 2024, SkyCity Adelaide sought special leave from the High Court of Australia to appeal the Court of Appeal's judgment on the interpretation of the relevant provisions in the CDA which determine the treatment of loyalty points converted to gaming machine play for the purpose of calculating casino duty at the SkyCity Adelaide casino. Special leave was granted by the High Court on 6 June 2024.

On 27 June 2024, the Crown Solicitor's Office filed a cross claim seeking special leave from the High Court to appeal the Court of Appeal's judgment on the interpretation of the interest clause in the CDA.

The proceedings remain in progress and there are a range of potential outcomes arising from these proceedings, including an unfavourable ruling from the High Court that complimentary bets on gaming machines arising from the conversion of loyalty points should be included in gaming revenue for the purpose of calculating casino duty. Based on the potential outcomes, the estimated range of additional casino duty payable is from A\$2.8 million to A\$13.1 million and the estimated range of penalty interest payable is from nil to A\$23.4 million as at 30 June 2024. Following the Court of Appeal judgment on 22 February 2024, SkyCity has recognised a provision of A\$13.1 million (NZ\$14.0 million) in relation to the potential exposure to casino duty payable. However, no provision has been recognised in relation to the potential exposure to penalty interest as there remain a range of potential outcomes and no present obligation exists (note 37).

## 30. Share Capital

	2024 SHARES	2023 SHARES	2024 \$'000	2023 \$'000
<b>Issues of ordinary shares during the year</b>				
Opening balance of ordinary shares issued	760,205,209	760,205,209	1,343,027	1,340,556
Share rights issued for employee services	-	-	(620)	2,446
Net issue of treasury shares	-	-	29	25
<b>Closing balance of ordinary shares issued</b>	<b>760,205,209</b>	<b>760,205,209</b>	<b>1,342,436</b>	<b>1,343,027</b>

All ordinary shares rank equally, carry one vote per share and carry the right to dividends.

Included within the number of shares is 1,471,616 treasury shares (2023: 2,087,978) held by a third party in connection with the Company's employee share schemes. The movement in treasury shares during the year related to the issuance of shares under the employee incentive plans, and the exercise of share rights/options.

## 31. Reserves

	2024 \$'000	2023 \$'000
Asset revaluation reserve	12,770	12,770
Hedging reserve - cash flow hedges	(3,329)	(3,359)
Foreign currency translation reserve	(16,460)	(16,674)
Cost of hedging reserve	(431)	(3,172)
<b>Total reserves</b>	<b>(7,450)</b>	<b>(10,435)</b>
<b>MOVEMENTS:</b>		
<b>Asset Revaluation Reserve</b>		
Opening balance	12,770	12,770
<b>Closing balance</b>	<b>12,770</b>	<b>12,770</b>
<b>Hedging Reserve - Cash Flow Hedges</b>		
Opening balance	(3,359)	(4,564)
Revaluation	(1,587)	(10,734)
Transfer to net profit - finance costs (net)	1,628	12,408
Deferred tax	(11)	(469)
<b>Closing balance</b>	<b>(3,329)</b>	<b>(3,359)</b>
<b>Foreign Currency Translation Reserve</b>		
Opening balance	(16,674)	(11,797)
Exchange difference on translation of overseas subsidiaries	214	(4,877)
<b>Closing balance</b>	<b>(16,460)</b>	<b>(16,674)</b>
<b>Cost of Hedging Reserve</b>		
Opening balance	(3,172)	(854)
Revaluations	2,650	(3,913)
Transfer to finance costs	1,157	694
Deferred tax	(1,066)	901
<b>Closing balance</b>	<b>(431)</b>	<b>(3,172)</b>

## 32. Derivative Financial Instruments

### ACCOUNTING POLICY

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- (2) hedges of exposures to variability in cash flows associated with recognised assets or liabilities or highly probable forecast transactions (cash flow hedges).

### FAIR VALUE HEDGE

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the Income Statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

### CASH FLOW HEDGE

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised as equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement.

Amounts accumulated in equity are recognised in the Income Statement in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place).

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised in the Income Statement when the forecast transaction is ultimately recognised in the Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is transferred to the Income Statement.

### DERIVATIVES THAT DO NOT QUALIFY FOR HEDGE ACCOUNTING

Changes in the fair value of any derivative instrument that do not qualify for hedge accounting are recognised in the Income Statement.

	2024 \$'000 NOTIONAL VALUE	2023 \$'000 NOTIONAL VALUE	2024 \$'000 FAIR VALUE	2023 \$'000 FAIR VALUE
<b>Current Assets</b>				
Interest rate swaps - cash flow hedges	80,000	-	591	-
Forward foreign exchange contracts	85,143	40,371	1,892	489
Cross currency interest rate swaps - cash flow hedges*	146,630	-	15,430	-
<b>Total current derivative financial instrument assets</b>	<b>311,773</b>	<b>40,371</b>	<b>17,913</b>	<b>489</b>
<b>Non-current Assets</b>				
Interest rate swaps - cash flow hedges	140,000	80,000	550	2,407
Cross currency interest rate swaps - cash flow hedges*	-	146,630	-	9,536
<b>Total non-current derivative financial instrument assets</b>	<b>140,000</b>	<b>226,630</b>	<b>550</b>	<b>11,943</b>
<b>Total derivative financial instrument assets</b>			<b>18,463</b>	<b>12,432</b>
<b>Current Liabilities</b>				
Forward foreign currency contracts	81,838	5,352	366	17
<b>Total current derivative financial instrument liabilities</b>	<b>81,838</b>	<b>5,352</b>	<b>366</b>	<b>17</b>
<b>Non-current Liabilities</b>				
Cross currency interest rate swaps - cash flow hedges*	128,999	128,999	7,171	5,617
Interest rate swaps - cash flow hedges	20,000	-	7	-
<b>Total non-current derivative financial instrument liabilities</b>	<b>148,999</b>	<b>128,999</b>	<b>7,178</b>	<b>5,617</b>
<b>Total derivative financial instrument liabilities</b>			<b>7,544</b>	<b>5,634</b>
<b>Total net derivative financial instruments</b>			<b>10,919</b>	<b>6,798</b>

\*A component of the interest margin in US\$175.0 million of these cross currency interest rate swaps (CCIRS) is treated as a fair value hedge.



### 33. Financial Risk Management

The Group's activities expose it to a variety of financial risks - market risks (including currency and interest rate risk), liquidity risk, and credit risk. The Group's overall risk management programme recognises the nature of these risks and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out under a formal Treasury Policy approved by the Board. The Treasury Policy sets out written principles for overall risk management, as well as policies covering specific areas such as currency risk, interest rate risk, and credit risk.

#### (a) Market Risk

##### (i) Currency Risk

The Group operates internationally and is exposed to currency risk, primarily with respect to Australian and US dollars. Exposure to the Australian dollar arises from the Group's investment in, and intercompany loans to, its Australian operations. Exposure to the US dollar arises from USPP funding denominated in that currency.

The Group utilises natural hedges wherever possible with forward foreign exchange contracts used to manage any significant residual risk to the Income Statement.

The Group's exposure to the US dollar (refer to the USPP notes detailed in note 13) has been fully hedged by way of CCIRS, hedging US dollar exposure on both principal and interest. The CCIRS correspond in amount and maturity to the US dollar borrowings with no residual US dollar exposure.

##### (ii) Interest Rate Risk

The Group's interest rate risk arises from long term borrowings.

Interest rate swaps (IRS) and CCIRS are utilised to modify the interest repricing profile of the Group's debt to match the profile required by the Treasury Policy. All IRS and CCIRS are in designated hedging relationships that are highly effective.

As the Group has no significant interest bearing assets, the Group's income is substantially independent of changes in market interest rates.

##### (b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its financial obligations. SkyCity is largely a cash-based business and its material credit risks arise mainly from financial instruments utilised in funding activity.

Financial instruments that potentially create a credit exposure can only be entered into with counterparties that are explicitly approved by the Board.

The maximum credit risk of any financial instrument at any time is the fair value where that instrument is an asset. All derivatives are carried at fair value in the Balance Sheet. Trade receivables are presented net of impairment.

##### (c) Liquidity Risk

Liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of unutilised committed credit facilities. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties and maturities.

### MATURITIES OF COMMITTED FUNDING FACILITIES

Debt maturities are detailed in note 13.

	LESS THAN 6 MONTHS \$'000	6 - 12 MONTHS \$'000	BETWEEN 1 AND 2 YEARS \$'000	BETWEEN 2 AND 5 YEARS \$'000	OVER 5 YEARS \$'000	TOTAL \$'000
<b>30 JUNE 2024</b>						
Bank facility	–	175,000	100,000	57,500	–	332,500
USPP	–	161,116	–	71,549	124,375	357,040
New Zealand bonds	–	–	–	175,000	–	175,000
Lease liabilities	961	2,324	4,506	14,883	98,758	121,432
<b>Total committed debt facilities</b>	<b>961</b>	<b>338,440</b>	<b>104,506</b>	<b>318,932</b>	<b>223,133</b>	<b>985,972</b>
Total drawn debt	961	243,440	4,506	261,432	223,133	733,472
Future contracted interest on drawn debt	13,400	18,718	34,821	53,467	5,667	126,073
Future interest of lease liabilities	3,251	3,199	6,235	17,400	373,268	403,353
Future contracted interest on CCIRS/IRS	2,533	2,335	3,624	13,738	1,934	24,164
<b>Total drawn debt and derivatives</b>	<b>20,145</b>	<b>267,692</b>	<b>49,186</b>	<b>346,037</b>	<b>604,002</b>	<b>1,287,062</b>
<b>30 JUNE 2023</b>						
Bank facility	–	135,000	175,000	80,000	–	390,000
USPP	–	–	156,112	71,210	126,490	353,812
New Zealand bonds	–	–	–	175,000	–	175,000
Car park concession liability	45,814	–	–	–	–	45,814
Lease liabilities	1,119	3,045	4,416	12,481	98,824	119,885
<b>Total committed debt facilities</b>	<b>46,933</b>	<b>138,045</b>	<b>335,528</b>	<b>338,691</b>	<b>225,314</b>	<b>1,084,511</b>
Total drawn debt	46,933	3,045	160,528	258,691	225,314	694,511
Future contracted interest on drawn debt	12,024	23,918	39,408	62,374	14,190	151,914
Future interest of lease liabilities	3,160	3,135	6,155	17,302	312,179	341,931
Future contracted interest on CCIRS/IRS	3,134	6,234	8,979	15,154	5,043	38,544
<b>Total drawn debt and derivatives</b>	<b>65,251</b>	<b>36,332</b>	<b>215,070</b>	<b>353,521</b>	<b>556,726</b>	<b>1,226,900</b>

**(d) Fair Value Estimation**

Other than the New Zealand bonds, which are listed on the NZDX and therefore level 1 in the fair value hierarchy, all SkyCity financial instruments that are carried at fair value, which includes CCIRS, IRS and forward foreign currency contracts, are valued using level 2 in the fair value hierarchy.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

Specific valuation techniques used to value financial instruments include:

- the fair value of IRS and CCIRS is calculated as the present value of the estimated future cash flows based on observable yield curves; and
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back to present value.

Further details on derivatives are provided in note 32.

**(e) Capital Risk Management**

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and to maximise returns for shareholders and benefits for other stakeholders over the long term.

In order to optimise its capital structure, the Group manages actual and forecast operational cash flows, capital expenditure and equity distributions.

The Group primarily manages capital on the basis of gearing measured as a ratio of net debt (debt at hedged exchange rates less cash at bank) to underlying EBITDA and interest coverage (underlying EBITDA relative to net interest cost). Underlying EBITDA is a non-GAAP measure used to report to the market. It is based on EBITDA as shown in the Income Statement with adjustments to eliminate fair value movements, impairments and impacts of unusual events such as the fire at the NZICC construction site in October 2019.

The primary ratios were as follows at 30 June:

	2024	2023
Gearing ratio	2.6x	1.6x
Interest cover ratio	6.7x	10.1x

## 34. Share-Based Payments

**ACCOUNTING POLICY**

SkyCity operates equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the share rights is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share rights granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). At each reporting date, the Company revises its estimates of the number of shares expected to be distributed. It recognises the impact of the revision of original estimates, if any, in the Income Statement, and a corresponding adjustment to equity over the remaining vesting period.

**CURRENT PLANS****Executive Long Term Incentive Restricted Share Rights Plan (LTI RSR Plan)**

Under the LTI RSR Plan, certain senior executives are granted with restricted share rights (RSRs). The grants are subject to the rules of the SkyCity Restricted Share Rights Long Term Incentive Plan (FY23 and FY24). Each RSR granted confers a right to receive one ordinary share in the Company, which will only vest if the relevant employee remains continuously employed by the Company (or a company within the Group) from the date of issue until the relevant vesting date and provided that certain performance measures are met. Performance measures relate to the total shareholder return relative to the cost of equity for the Group and other comparable companies. If those vesting conditions are not met, the RSRs will lapse and no shares will be awarded to the participating executives. No dividends will be paid on the RSRs.

**CEO Restricted Share Rights (CEO RSR Grant)**

On 21 December 2021, a one-off issue of RSRs was granted to the former CEO, Michael Ahearne. This grant was subject to the rules of the SkyCity Restricted Share Rights Plan, as amended by the specific terms of the CEO RSR Grant. These RSRs were forfeited in the current year following the resignation and departure of Mr Ahearne.

**Long Term Incentive Retention Restricted Share Rights (LTI Retention RSRs)**

On 30 November 2022, a one-off issue of RSRs was granted to the New Zealand Chief Operating Officer in lieu of an entitlement to LTI RSRs. The grant is subject to the rules of the SkyCity Restricted Share Rights Long Term Incentive Plan (FY23), as amended by the specific terms of the LTI Retention RSRs grant.

Each RSR confers a right to receive one ordinary share in the Company. There are no performance measures associated with the vesting of the RSRs under the LTI Retention RSRs grant other than continued employment by the Company at the respective vesting dates being:

- 8 September 2025 in respect of 50% of the RSRs; and
- 8 September 2026 in respect of the remaining 50% of the RSRs.

Each vested RSR may be exercised on or before the termination date (being 8 September 2027) by paying the exercise price of \$2.85657 per RSR, as reduced by the aggregate cash amount per share of any dividends paid by the Company between 8 September 2022 and the relevant date of exercise of the RSR. No dividends will be paid on the RSRs.

**Performance Incentive Plan (PIP)**

The PIP includes both cash (the short term incentive scheme component of the PIP) and deferred equity components (the deferred short term incentive component of the PIP).

The deferred short term incentive scheme under the PIP offers participants, subject to the relevant performance conditions being met, the opportunity to acquire RSRs of an amount equivalent to between 10% and 50% of their base salary. RSRs (if any) issued to a participant on a short term incentive cash payment date (**Declaration Date**) will only vest if that participant remains an employee up and until:

- the first anniversary of the Declaration Date in respect of 50% of the RSRs; and
- the second anniversary of the Declaration Date in respect of the remaining 50% of the RSRs.

However, if a participant's deferred short term incentive entitlement in any financial year is to RSRs having a value of \$10,000 or less (calculated using the volume-weighted average sale price of the Company's shares used to determine the number of RSRs to be issued to the participant), the RSRs will not be split out equally into two separate tranches, but will instead comprise one tranche and (subject to the vesting criteria being satisfied) vest to the participant on the first anniversary of the Declaration Date. These RSRs will be issued to staff after the finalisation of the Group's results.

**Executive Long Term Incentive Plan (LTI Plan)**

A prior plan, the LTI Plan, was replaced with the LTI RSR plan from 2023. Under the LTI Plan, executives purchased ordinary shares of the Company funded by an interest-free loan from the Group. The shares purchased by the executives are held by a trustee company with executives entitled to exercise the voting rights attached to the shares and receive dividends, the proceeds of which are used to repay the interest-free loan.

At the end of the restricted period (three years), the Group pays a bonus to each executive to the extent their performance targets have been met which is sufficient to repay the initial interest-free loan associated with the shares which vest. The shares upon which performance targets have been met will then fully vest to the executives. The loan owing on shares upon which performance targets have not been met (the forfeited shares) will be novated from the executives to the trustee company and will be fully repaid by the transfer of the forfeited shares. Performance measures relate to the total shareholder return relative to the cost of equity for the Group and other comparable companies.

At 30 June 2024, the interest-free loans relating to the LTI Plan total \$463,595 (2023: \$1,883,607).



## OUTSTANDING SHARE RIGHTS

Movements in the number of RSRs outstanding are as follows:

GRANT DATE	EXPIRY DATE	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	EXERCISED DURING THE YEAR	EXPIRED DURING THE YEAR	BALANCE AT END OF THE YEAR
		NUMBER	NUMBER	NUMBER	NUMBER	NUMBER
<b>2024</b>						
<b>LTI PLAN</b>						
17/09/20	17/09/23	498,128	-	(83,022)	(415,106)	-
08/09/21	08/09/24	150,690	-	-	-	150,690
<b>LTI RSR PLAN</b>						
08/09/22	08/09/25	136,810	-	-	-	136,810
06/09/23	06/09/26	-	385,849	-	-	385,849
<b>CEO RSR GRANT</b>						
08/09/21	08/09/26	3,947,368	-	-	(3,947,368)	-
<b>LTI RETENTION RSRs</b>						
08/09/22	08/09/27	675,676	-	-	-	675,676
<b>PIP</b>						
07/09/21	07/09/22	316,289	-	(314,482)	(1,807)	-
21/09/22	21/09/23	218,858	-	(218,858)	-	-
21/09/22	21/09/24	87,540	-	-	(19,006)	68,534
13/09/23	13/09/24	-	410,310	-	(21,020)	389,290
13/09/23	13/09/25	-	379,040	-	(51,555)	327,485
19/09/23	19/09/24	-	55,489	-	(41,998)	13,491
19/09/23	19/09/25	-	51,687	-	(38,196)	13,491
<b>Total</b>		<b>6,031,359</b>	<b>1,282,375</b>	<b>(616,362)</b>	<b>(4,536,056)</b>	<b>2,161,316</b>

GRANT DATE	EXPIRY DATE	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	EXERCISED DURING THE YEAR	EXPIRED DURING THE YEAR	BALANCE AT END OF THE YEAR
		NUMBER	NUMBER	NUMBER	NUMBER	NUMBER
<b>2023</b>						
<b>LTI PLAN</b>						
28/08/19	28/08/22	420,418	-	(70,070)	(350,348)	-
17/09/20	17/09/23	556,986	-	-	(58,858)	498,128
08/09/21	08/09/24	233,805	-	-	(83,115)	150,690
<b>LTI RSR PLAN</b>						
08/09/22	08/09/25	-	198,596	-	(61,786)	136,810
<b>CEO PLAN</b>						
16/11/21	16/11/22	157,347	-	(157,347)	-	-
<b>CEO RSR GRANT</b>						
08/09/21	08/09/26	3,947,368	-	-	-	3,947,368
<b>LTI RETENTION RSRs</b>						
08/09/22	08/09/27	-	675,676	-	-	675,676
<b>PIP</b>						
07/09/21	07/09/22	390,044	-	(381,943)	(8,101)	-
07/09/21	07/09/23	379,550	-	-	(63,261)	316,289
21/09/22	21/09/23	-	262,027	-	(43,169)	218,858
21/09/22	21/09/24	-	109,017	-	(21,477)	87,540
<b>Total</b>		<b>6,085,518</b>	<b>1,245,316</b>	<b>(609,360)</b>	<b>(690,115)</b>	<b>6,031,359</b>

The weighted average remaining contractual life of rights outstanding at the end of the period was 1.68 years (2023: 2.66 years).

## FAIR VALUES

### Fair Value of Share Rights Granted (LTI RSR Plan)

The assessed fair value at grant date of the rights granted on 6 September 2023 was \$0.61. This was calculated using the single index model by Ernst & Young Transaction Advisory Services Limited.

The valuation inputs for the rights granted on 6 September 2023 included:

- (a) rights are granted for no cash consideration;
- (b) exercise price: nil; and
- (c) share price at grant date: \$2.03.

The expected price volatility is derived by analysing the historic volatility over a recent historical period similar to the term of the right.

### Fair Value of SkyCity Deferred Share Rights (PIP Plan)

The assessed value of each 2023 right was determined by Ernst & Young Transaction Advisory Services Limited. RSRs vesting one year after year-end were valued at \$2.50 (2023: \$2.65) and RSRs vesting two years after year-end were valued at \$2.24 (2023: \$2.35).

**EXPENSES ARISING FROM SHARE-BASED PAYMENT TRANSACTIONS**

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2024 \$'000	2023 \$'000
Rights issued under share rights plans	(620)	2,446

## 35. Related Party Transactions

**(a) Key Management Personnel Compensation**

Key management personnel compensation is set out below. The key management personnel are all the directors of the Company, the CEO and the Senior Leadership Team.

	SHORT TERM BENEFITS \$'000	SHARE-BASED PAYMENTS \$'000	TOTAL \$'000
2024	8,381	649	9,030
2023	10,156	1,958	12,114

**(b) Other Transactions with Key Management Personnel or Entities Related to Them**

Certain directors and management have relevant interests in a number of companies with which SkyCity has transactions in the normal course of business. A number of SkyCity directors are also non executive directors of other companies – some of which are disclosed in a register of directors' interests maintained by SkyCity. Any transactions undertaken with these entities have been entered into in the normal course of business.

Certain directors and management hold shares in SkyCity and receive dividends in the normal course of business.

In the current year, \$24,937 (2023: \$49,022) was paid to an incoming director for consultancy services provided over the period from 21 July 2023 to 27 September 2023 (inclusive), prior to their appointment as a director.

From time to time, certain directors provide additional services to the Group outside of their capacity as directors. Additional fees of \$190,038 were paid in the current year to two directors (2023: Nil), comprising \$161,538 to Julian Cook for the provision of executive support to the Company over the period from 26 February 2024 to 30 June 2024 pending the commencement of the new CEO and \$28,500 to Donna Cooper for the provision of consultancy services to the Company in relation to strategic communications and the organisational risk management programme.

**(c) Subsidiaries**

Interests in subsidiaries are set out in note 36.

**(d) Associates**

As outlined in note 25, the Group acquired an associate, GiG, on 1 April 2022. As outlined in note 5, the Group also earns revenue from online gaming operations under a Maltese gaming licence held by a subsidiary of GiG. For the year ended 30 June 2024, the Group earned revenue of €5.2 million (NZ\$9.4 million) (2023: €9.0 million (NZ\$15.4 million)) from those online gaming operations. At 30 June 2024, the Group has a receivable of €0.3 million (NZ\$0.5 million) (30 June 2023: €0.8 million (NZ\$1.3 million)) from GiG in relation to online gaming.

## 36. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 3(a):

NAME OF ENTITY	PRINCIPAL PLACE OF BUSINESS	CLASS OF SHARES	EQUITY HOLDING	
			2024 %	2023 %
Cashel Asset Management Limited	New Zealand	Ordinary	100%	100%
Horizon Tourism New Zealand Limited (formerly SkyCity Wellington Limited)	New Zealand	Ordinary	100%	100%
New Zealand International Convention Centre Limited	New Zealand	Ordinary	100%	100%
Otago Casinos Limited	New Zealand	Ordinary	100%	100%
Queenstown Casinos Limited	New Zealand	Ordinary	100%	100%
Sky Tower Limited	New Zealand	Ordinary	100%	100%
SkyCity Action Management Limited	New Zealand	Ordinary	100%	100%
SkyCity Auckland Holdings Limited	New Zealand	Ordinary	100%	100%
SkyCity Auckland Limited	New Zealand	Ordinary	100%	100%
SkyCity Casino Management Limited	New Zealand	Ordinary	100%	100%
SkyCity Development Limited	New Zealand	Ordinary	100%	100%
SkyCity Enterprises Limited	New Zealand	Ordinary	100%	100%
SkyCity Hamilton Limited	New Zealand	Ordinary	100%	100%
SkyCity Holdings Limited	New Zealand	Ordinary	100%	100%
SkyCity International Holdings Limited	New Zealand	Ordinary	100%	100%
SkyCity Investments Australia Limited	New Zealand	Ordinary	100%	100%
SkyCity Investments Queenstown Limited	New Zealand	Ordinary	100%	100%
SkyCity Management Limited	New Zealand	Ordinary	100%	100%
SkyCity Precinct Limited	New Zealand	Ordinary	100%	100%
SkyCity Projects Limited	New Zealand	Ordinary	100%	100%
SkyCity Properties Limited	New Zealand	Ordinary	100%	100%
SkyCity Properties Albert St Limited	New Zealand	Ordinary	100%	100%
SkyCity Properties Victoria St Limited	New Zealand	Ordinary	100%	100%
SkyCity Ventures Limited	New Zealand	Ordinary	100%	100%
SkyCity Adelaide Pty Limited	Australia	Ordinary	100%	100%
SkyCity Australia Finance Pty Limited	Australia	Ordinary	100%	100%
SkyCity Australian Limited Partnership	Australia	Ordinary	100%	100%
SkyCity Australia Pty Limited	Australia	Ordinary	100%	100%
SkyCity Treasury Australia Pty Limited	Australia	Ordinary	100%	100%
Horizon Tourism Limited	Hong Kong	Ordinary	100%	100%
SkyCity Investment Holdings Limited	Hong Kong	Ordinary	100%	100%
SkyCity Malta Holdings Limited	Malta	Ordinary	100%	100%
SkyCity Malta Limited	Malta	Ordinary	100%	100%
SkyCity Management (UK) Limited	United Kingdom	Ordinary	100%	100%

All subsidiaries have balance dates of 30 June.



## 37. Contingencies

### (a) Contingent Liabilities

SkyCity operates in a highly regulated industry. During the current financial year, there has been continued focus on the casino industry in both New Zealand and Australia.

SkyCity takes its regulatory obligations seriously and continues to engage proactively with its regulators and respond to their inquiries.

### INDEPENDENT REVIEW

As detailed in the Group's financial statements for the year ended 30 June 2023:

- on 1 July 2022, Consumer and Business Services (CBS) (the South Australian gaming regulator) advised that the South Australian Liquor and Gambling Commissioner (Commissioner) had appointed the Honourable Brian Martin AO KC to undertake an independent review of SkyCity Adelaide in accordance with Part 3 of the Casino Act 1997 (SA) to consider, amongst other things, whether SkyCity Adelaide is a suitable person to continue to hold the casino licence in South Australia, whether the Company is a suitable person to continue to be a close associate of SkyCity Adelaide, and, if SkyCity Adelaide or the Company is not a suitable person, what changes (if any) are required for that party to become a suitable person;
- on 6 February 2023, CBS advised that Mr Martin was of the view that it was not possible to reliably determine the question of suitability until the resolution of the civil penalty proceedings filed by AUSTRAC against SkyCity Adelaide on 7 December 2022 and, accordingly, the Commissioner had decided to put the independent review on hold until after the conclusion of those proceedings; and
- on 26 May 2023, the Commissioner issued a direction notice under section 10 of the Gambling Administration Act 2019 (SA), requiring SkyCity Adelaide to appoint a suitably qualified independent expert approved by the Commissioner to, amongst other things, review SkyCity Adelaide's AML/CFT and host responsibility enhancement programmes (together the enhancement programmes) and, if required, make amendments to those enhancement programmes, and monitor the implementation of those enhancement programmes by SkyCity Adelaide and SkyCity Adelaide's compliance with its AML/CFT and gambling harm minimisation obligations.

On 25 August 2023, Kroll Australia Pty Limited (Kroll) was appointed as the independent expert by SkyCity Adelaide. Since its appointment, Kroll has reviewed SkyCity Adelaide's enhancement programmes and engaged with SkyCity Adelaide in the development of a new Building a Better

Business Programme of Work, which includes SkyCity Adelaide's structure and processes across the key pillars of risk, culture and governance, to ensure sustainable compliance across financial crime and gambling harm minimisation.

On 11 June 2024, the Acting Commissioner advised he had determined to recommence the independent review from 11 June 2024 and that Mr Martin is due to report back with his findings by 31 December 2024 (subject to any extension agreed by the Commissioner and Mr Martin).

Prior to any findings being made or a final report being provided by Mr Martin, it is not possible to determine what regulatory action, if any, might be applied to SkyCity Adelaide as a result of the independent review. Consequently, at the reporting date there is no present obligation and a provision has not been recognised in relation to this matter.

The Company and SkyCity Adelaide will continue to cooperate with CBS, Mr Martin and Kroll and any further requests for information and/or documents.

### CASINO DUTY - INTEREST

As outlined in note 29, SkyCity Adelaide has a longstanding contractual dispute with Revenue South Australia concerning the interpretation of the CDA in relation to the treatment of loyalty points converted to gaming machine play and the deduction of loyalty points earned for the purpose of calculating casino duty at the SkyCity Adelaide casino. The parties also dispute the interpretation and enforceability of the interest clause in the CDA.

The South Australian Court of Appeal's ruling on 22 February 2024 in favour of SkyCity Adelaide's position on the characterisation of the CDA leaves it open for SkyCity Adelaide to argue that the interest clause in the CDA is unenforceable as a penalty. As a result, the questions of whether the interest provision in the CDA is enforceable and, if not, what (if any) would be the applicable interest payable for outstanding duty remain to be heard and determined by a single Judge of the Supreme Court of South Australia at a later date.

In June 2024, the Crown Solicitor's Office filed a cross claim seeking special leave from the High Court of Australia to appeal the Court of Appeal's judgment on the interpretation of the interest clause in the CDA.

The proceedings remain in progress and there are a range of potential outcomes regarding the amount of interest payable (if any). The estimated range of interest payable is from nil to \$23.4 million, calculated at 30 June 2024. Given that no present obligation exists, the Group has not recognised a provision at 30 June 2024 in relation to potential interest payable.

### CASINO (PENALTIES) AMENDMENT BILL 2024 (SA)

On 1 May 2024, the Casino (Penalties) Amendment Bill 2024 (SA) (Penalties Bill) was introduced into

the South Australian Parliament House of Assembly by the South Australian Minister for Consumer and Business Affairs.

The Penalties Bill proposes to amend the Casino Act 1997 (SA) and Gambling Administration Act 2019 (SA) by introducing a range of new and significantly increased penalties for contraventions of those Acts in line with the penalty regimes in other Australian states, whether imposed for criminal offending, as expiation fees or as a fine imposed by taking disciplinary action.

The Penalties Bill also proposes to establish new causes for the South Australian Liquor and Gambling Commissioner to take disciplinary action against the holder of the Adelaide casino licence.

Of particular note, the Penalties Bill proposes to give the Commissioner power to impose a financial penalty on SkyCity Adelaide, as a casino licensee, either in the form of a default notice requiring payment of up to A\$1.0 million (increased from A\$10,000 currently) or by taking disciplinary action and issuing a fine not exceeding A\$75.0 million (increased from A\$100,000 currently).

The transitional provisions contained within the Penalties Bill clarify that the changes being made to the maximum fine that can be imposed by taking disciplinary action, as well as the new causes for taking disciplinary action, will apply to conduct which has occurred prior to commencement of the provisions (should such circumstances come to light), as well as to disciplinary action which has commenced but has not yet reached the stage of determining the penalty. However, the Penalties Bill expressly requires that the Commissioner, in imposing a penalty, must take into account any penalty already imposed in proceedings taken in relation to matters the subject of the disciplinary action, and preserves the Commissioner's discretion not to take any disciplinary action whatsoever.

### OTHER REGULATORY MATTERS

In addition to the matters outlined above and in note 29, the Group receives correspondence from and engages with its regulators from time to time as required regarding the Group's business operations, including in relation to regulator audits/reviews, adverse media about the Group's operations, and complaints made about the Group's business operations. In relation to these matters, the Group engages with the relevant regulator and responds to requests for information and documents as they arise.

In the case of any alleged wrongdoing by the Group, the appropriate regulatory response or action by a regulator (where contraventions are admitted or established) is very specific to the facts in each case and may include no action, a formal warning, the payment of a penalty/fine or, where the matter relates to the Group's casino operations, an application to suspend and/or cancel the relevant casino licence under the Gambling Act, Casino Act 1997 (SA) and/or Gambling Administration Act 2019 (SA) as applicable. Provisions are recognised in relation to such matters only where an obligation exists at the reporting date.

### (b) Contingent Assets

The Group will seek recovery from the Contractor for the NZICC and Horizon Hotel projects for additional costs and losses associated with the NZICC fire and delays that are not covered by the insurers. These include insurance excesses, payments to Macquarie under the Car Park Concession Agreement, additional project costs, and other items.

The Group has identified \$50.8 million (30 June 2023: \$55.8 million) of costs incurred to date where it does not believe that recovery is virtually certain at this time given the position currently being taken by the Contractor, and therefore no income has been recognised. However, these costs will be sought from the Contractor and as recovery of these costs is considered probable and are included as a contingent asset. This does not include the full extent of the costs and losses that have been incurred or that could be claimed from the Contractor relating to the fire and construction delays.

There are no other significant contingent assets at year end (2023: Nil).

## 38. Commitments

### CAPITAL COMMITMENTS

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as set out below.

	2024 \$'000	2023 \$'000
Property, plant and equipment	53,866	296,377

Capital commitments largely comprise estimations for NZICC and Horizon Hotel construction completion.

In the prior year capital commitments also included the sale and purchase agreement relating to SkyCity's acquisition of the remaining 15% interest in the AA Building (99 Albert Street, Auckland) and the termination of the Car Park Concession Agreement.

### 39. Reconciliation of Profit After Income Tax to Net Cash Inflow from Operating Activities

	2024 \$'000	2023 \$'000
Profit/(loss) for the year	(143,348)	7,975
Depreciation and amortisation	92,021	90,672
Net finance costs	15,996	23,492
Gain on sale of associate	(9,633)	-
Gain on termination of Car Park Concession Agreement	(4,837)	-
Current period employee share expense	(620)	2,446
Gain on sale of fixed assets	(124)	(108)
Fair value losses to investment property	3,979	12,252
NZICC fire related income	(45,926)	(61,882)
NZICC fire related costs	52,390	63,828
Asset impairment	94,326	50,856
Share of losses of associates	(158)	(1,064)
Change in operating assets and liabilities		
Change in receivables and prepayments	(26,912)	(25,007)
Change in inventories	207	(1,054)
Change in deferred tax asset	(26,886)	(6,093)
Change in current payables	10,799	28,798
Change in deferred tax liability	154,639	(4,491)
Change in tax receivable - current	5	4,419
Change in non-current payables	955	(5,460)
Change in tax payable - current	(8,142)	42,755
Investing and financing items included in working capital movements	44,843	57,763
<b>Net cash inflow from operating activities</b>	<b>203,574</b>	<b>280,097</b>

### 40. Events Occurring after the Reporting Date

#### (a) Sale of Associate

On 1 July 2024, SkyCity received \$56.8 million from the sale of its equity investment in GiG (note 25).

#### (b) AUSTRAC Penalty

The A\$67.0 million (NZ\$73.3 million) pecuniary penalty was paid by SkyCity Adelaide to the Commonwealth of Australia on 4 July 2024 (note 29).

#### (c) Suspension Application

On 2 August 2024, SkyCity announced, following agreement by SCML and the Secretary, that the gambling area of the SkyCity Auckland casino would temporarily close for five consecutive days from Monday 9 September 2024 to Friday 13 September 2024 (note 29).

#### (d) Syndicated Bank Facility and USPP Debt

Subsequent to the reporting date, SkyCity's syndicated bank facility was extended and USPP debt was extended and increased (note 13).

# RECONCILIATION of Underlying Results to Reported Results

SkyCity's objective of producing underlying financial information is to provide data that is useful to the investment community in understanding the underlying operations of the Group – the intention is to provide information which:

- is representative of SkyCity's underlying performance (as a potential indicator of future performance);
- can be compared across years; and
- can assist with comparison between publicly listed casino companies in New Zealand and Australia.

This objective is achieved by eliminating significant items such as property valuations, asset impairments, regulatory penalties, technical accounting adjustments, law changes and structural differences in the business between periods.

SkyCity believes that making these adjustments enables users of the financial information to better understand the underlying performance of the Group and form a view on future performance.

Non-GAAP information is prepared in accordance with a Board approved Non-GAAP Financial Information Reporting Policy and is reviewed by the Board at each reporting period.

SkyCity's Non-GAAP Financial Information Reporting Policy was approved in FY24 with a change to increase the financial threshold for adjustments to \$5.0 million.

	FY24				FY23*			
	REVENUE \$m	EBITDA \$m	EBIT \$m	NPAT \$m	REVENUE \$m	EBITDA \$m	EBIT \$m	NPAT \$m
<b>Reported results</b>	<b>928.5</b>	<b>138.2</b>	<b>46.2</b>	<b>(143.3)</b>	<b>926.2</b>	<b>165.9</b>	<b>75.2</b>	<b>8.0</b>
Reclassify premium revenue rebates	3.2	-	-	-	7.0	-	-	-
Reclassify gaming GST	85.8	-	-	-	87.5	-	-	-
Remove impact of NZICC fire accounting	(48.4)	9.2	9.2	8.4	(63.6)	22.8	22.8	12.3
Remove gain on sale of shares	(9.6)	(9.6)	(9.6)	(9.6)	-	-	-	-
Remove asset impairments	-	94.3	94.3	73.1	-	50.8	50.8	50.8
Remove property fair value adjustments	-	-	-	-	-	12.3	12.3	12.0
Remove labour restructure	-	-	-	-	-	1.0	1.0	0.7
Remove regulatory penalties	-	35.9	35.9	35.8	-	49.0	49.0	49.0
Remove provisions for prior year casino duty	-	9.8	9.8	9.8	-	-	-	-
Remove NZ deferred tax changes	-	-	-	149.0	-	-	-	-
<b>Underlying results</b>	<b>959.6</b>	<b>277.8</b>	<b>185.8</b>	<b>123.2</b>	<b>957.1</b>	<b>301.8</b>	<b>211.1</b>	<b>132.8</b>

\* The FY23 underlying results were restated to remove International Business normalisation.



ADJUSTMENT	DISCUSSION
<b>Reclassify NZ IFRS 15 Revenue from Contracts with Customers for premium patron rebates</b> <b>FY24 \$3.2 million</b> (FY23 \$7.0 million)	<ul style="list-style-type: none"> <li>Adjustment adds back premium player rebates to premium revenue and removes it from expenses, with no net impact to EBITDA, EBIT or NPAT</li> </ul>
<b>Reclassify gaming revenue GST</b> <b>FY24 \$85.8 million</b> (FY23 \$87.5 million)	<ul style="list-style-type: none"> <li>Reported revenue excludes gaming GST as per GAAP requirements, with GST reported in expenses. This adjustment adds gaming revenue GST back to revenue and removes it from expense to ensure underlying revenue better reflects gaming customer turnover. There is no net impact on EBITDA, EBIT or NPAT</li> </ul>
<b>Remove NZICC fire accounting impact</b> <b>FY24 \$8.4 million</b> (FY23 \$12.3 million)	<ul style="list-style-type: none"> <li>Reporting standards applicable to the accounting for the impact of the NZICC fire requires the recognition of insurance reinstatement and the delay costs which can vary significantly between financial years impacting the comparability</li> </ul>
<b>Remove gain on the sale of equity investment</b> <b>FY24 \$9.6 million</b> (FY23 \$0.0 million)	<ul style="list-style-type: none"> <li>This adjustment removes the one-off uplift reported in Other Income for the gain on sale of the Group's equity investment in Gaming Innovation Group Inc.</li> </ul>
<b>Remove asset impairment expense</b> <b>FY24 \$94.3 million</b> (FY23 \$50.8 million)	<ul style="list-style-type: none"> <li>Removes the Adelaide asset accounting impairment of \$94.3 million (A\$86.2 million) (FY23 \$49.7 million, A\$45.6 million)</li> <li>FY23 reflects the accounting adjustments related to the Auckland AA Centre building (FY23 \$1.1 million) and Queenstown land (FY23 \$2.3 million)</li> </ul>
<b>Remove investment property fair value expense</b>	<ul style="list-style-type: none"> <li>FY23 reflects the accounting adjustments related to the Auckland investment properties (FY23 \$12.0 million)</li> </ul>
<b>Remove labour restructure expense</b>	<ul style="list-style-type: none"> <li>FY23 reflects the adjustment to remove a one-off restructure in the Adelaide business (FY23 \$1.0 million)</li> </ul>
<b>Remove regulatory penalty expenses</b> <b>FY24 \$35.9 million</b> (FY23: \$49.0 million)	<ul style="list-style-type: none"> <li>Removes the provision recognised in relation to AUSTRAC and DIA regulatory penalties and associated legal costs to allow for better comparability between financial years</li> </ul>
<b>Remove casino duty back-payment provision</b> <b>FY24 \$9.8 million</b> (FY23 \$0.0 million)	<ul style="list-style-type: none"> <li>Removes \$9.8 million (A\$9.2 million) of the total casino duty provision of \$14.4 million (A\$13.2 million) recognized in FY24, which relates to the change in the casino duty calculation for prior years</li> </ul>
<b>Removes the New Zealand deferred charges</b> <b>FY24 \$149.0 million</b> (FY23 \$0.0 million)	<ul style="list-style-type: none"> <li>This adjustment includes the impact from the change to New Zealand tax legislation in FY24 removing the ability to claim tax depreciation on commercial buildings (FY24 \$129.6 million), and reflects the deferred tax liability recognised in relation to the buy back of the Auckland car park concession in January 2024 (FY24 \$19.4 million)</li> </ul>

# GRI Content Index

## UNIVERSAL STANDARDS DISCLOSURES (2021 STANDARDS)

SECTION	ASPECT/GRI DISCLOSURE	DESCRIPTION	PUBLICATION	PAGE(S)/LOCATION
<b>The organisation and its reporting practices</b>	2-1	Organisational details	Annual Report 2024	3, 22-31, 125, 177
	2-2	Entities included in the organisation's sustainability reporting	Annual Report 2024	107-108, 165
	2-3	Reporting period, frequency and contact point	Annual Report 2024	3
	2-4	Restatements of information	Annual Report 2024	n/a
<b>Activities and workers</b>	2-6	Activities, value chain and other business relationships	Annual Report 2024	14-18, 22-31, 43-51, 118, 120-121
	2-7	Employees	Annual Report 2024	43-51
<b>Governance</b>	2-9	Governance structure and composition	Annual Report 2024	37-42, 82-90
<b>Strategy, policies and practices</b>	2-22	Statement on sustainable development strategy	Annual Report 2024	4-7, 11, 20-21
	2-23	Policy commitments	SkyCity Code of Conduct	<a href="https://skycityentertainmentgroup.com/our-business">https://skycityentertainmentgroup.com/our-business</a>
<b>Stakeholder engagement</b>			Our Sustainability	89 <a href="https://skycityentertainmentgroup.com/our-sustainability">https://skycityentertainmentgroup.com/our-sustainability</a>
	2-29	Approach to stakeholder engagement	SkyCity Code of Conduct	<a href="https://skycityentertainmentgroup.com/our-business">https://skycityentertainmentgroup.com/our-business</a>
<b>Disclosures on material topics</b>	3-1	Process to determine material topics	Annual Report 2024	52-53
	3-2	List of material topics	Annual Report 2024	53
	3-3	Management of material topics	Annual Report 2024	refer table below

## MATERIAL ITEMS

SECTION	ASPECT/GRI DISCLOSURE	DESCRIPTION	PUBLICATION	PAGE(S)
<b>Conserve the environment</b>	3.3	Energy management approach	Annual Report 2024	78-81
	3.3	Emissions management approach	Annual Report 2024	78-81
	3.3	GHG emissions intensity	Annual Report 2024	78-81
<b>Source ethically and responsibly</b>	3.3	Ethical and sustainable procurement management approach	Annual Report 2024	81
	3.3	Health and safety management	Annual Report 2024	32 – 36 Risk Management 43 – 44 Health, Safety and Wellbeing
<b>Inspire our people</b>	3.3	Employee engagement management approach	Annual Report 2024	43 - 51
	3.3	Diversity, inclusion and belonging management approach	Annual Report 2024	43 - 51
<b>Host Responsibility</b>	3.3	Customer health and safety management approach	Annual Report 2024	54 - 66
	3.3	Socio-economic compliance management approach	Annual Report 2024	54 - 66

# CLIMATE-RELATED Disclosures Index

AOTEAROA NEW ZEALAND CLIMATE STANDARD	DISCLOSURES	DESCRIPTION	RELIANCE ON NZ CS 2: ADOPTION OF AOTEAROA NEW ZEALAND CLIMATE STANDARDS	ANNUAL REPORT 2024 PAGE(S)
NZ CS 1	7(a)	Identity of the governance body responsible for oversight of climate-related risks and opportunities		73
	7(b)	Description of the governance body's oversight of climate-related risks and opportunities		73
	7(c)	Description of management's role in assessing and managing climate-related risks and opportunities		74
	8(a)	Processes and frequency by which the governance body is informed about climate-related risks and opportunities		73
	8(b)	How the governance body ensures that the appropriate skills and competencies are available to provide oversight of climate-related risks and opportunities		73-74
	8(c)	How the governance body considers climate-related risks and opportunities when developing and overseeing implementation of the entity's strategy		74
	8(d)	How the governance body sets, monitors progress against, and oversees achievement of metrics and targets for managing climate-related risks and opportunities, including whether, and if so how, related performance metrics are incorporated into remuneration policies (see also paragraph 22(h))		74
	9(a)	How climate-related responsibilities are assigned to management-level positions or committees, and the process and frequency by which management-level positions or committees engage with the governance body		74
	9(b)	Related organisational structure(s) showing where these management-level positions and committees lie		83
	9(c)	Processes and frequency by which management is informed about, makes decisions on, and monitors, climate-related risks and opportunities		73-74
	11(a)	Description of the entity's current climate-related impacts		77
	11(b)	Description of the scenario analysis the entity has undertaken		76
	11(c)	Description of the climate-related risks and opportunities the entity has identified over the short, medium, and long term		74, 77-79
	11(d)	Description of the anticipated impacts of climate-related risks and opportunities		77-79
	11(e)	Description of how the entity will position itself as the global and domestic economy transitions towards a low-emissions, climate-resilient future state		20-21
	12(a)	Current physical and transition impacts		77
	12(b)	Current financial impacts of the entity's physical and transition impacts identified in paragraph 11(a)	*	175
	12(c)	If the entity is unable to disclose quantitative information for paragraph 11(b), an explanation of why that is the case	*	175
	14(a)	How the entity defines short, medium and long term and how the definitions are linked to its strategic planning horizons and capital deployment plans		74
	14(b)	Whether the climate-related risks and opportunities identified are physical or transition risks or opportunities, including, where relevant, their sector and geography		76-79
	14(c)	How climate-related risks and opportunities serve as an input to the entity's internal capital deployment and funding decision-making processes		74

\* SkyCity has relied on the adoption provisions in NZ CS 2: Adoption of Aotearoa New Zealand Climate Standards in relation to this climate-related disclosure.

AOTEAROA NEW ZEALAND CLIMATE STANDARD	DISCLOSURES	DESCRIPTION	RELIANCE ON NZ CS 2: ADOPTION OF AOTEAROA NEW ZEALAND CLIMATE STANDARDS	ANNUAL REPORT 2024 PAGE(S)
NZ CS 1	15(a)	Anticipated impacts of climate-related risks and opportunities reasonably expected by the entity		77-79
	15(b)	Anticipated financial impacts of climate-related risks and opportunities reasonably expected by the entity	*	175
	15(c)	Description of the time horizons over which the anticipated financial impacts of climate-related risks and opportunities could reasonably be expected to occur	*	175
	16(a)	Description of the entity's current business model and strategy		20-21
	16(b)	Transition plan aspects of the entity's strategy, including how its business model and strategy might change to address its climate-related risks and opportunities	*	175
	16(c)	Extent to which transition plan aspects of the entity's strategy are aligned with its internal capital deployment and funding decision making processes	*	175
	18(a)	Disclose for both transition risks and physical risks, a description of the entity's processes for identifying, assessing and managing climate-related risks		75-77
	18(b)	Disclose for both transition risks and physical risks, a description of how the entity's processes for identifying, assessing, and managing climate-related risks are integrated into its overall risk management processes		32, 52-53, 73, 77
	19(a)	Tools and methods used to identify, and to assess the scope, size, and impact of the entity's identified climate-related risks		75-77
	19(b)	Short term, medium term, and long term time horizons considered, including specifying the duration of each of these time horizons		75-79
	19(c)	Whether any parts of the value chain are excluded		80
	19(d)	Frequency of assessment		73
	19(e)	Processes for prioritising climate-related risks relative to other types of risks		32, 52-53, 73
	21(a)	Metrics that are relevant regardless of industry and business model		79-81
	21(b)	Industry-based metrics relevant to the entity's industry or business model used to measure and manage climate-related risks and opportunities		79
	21(c)	Any other key performance indicators used to measure and manage climate-related risks and opportunities		79
	21(d)	Targets used to manage climate-related risks and opportunities and performance against those targets		74, 80, 175
	22(a)	GHG emissions - gross emissions in metric tonnes of carbon dioxide equivalent (CO <sub>2</sub> e) classified as scope 1, scope 2 (calculated using the location-based method) and scope 3		80, 175
	22(b)	GHG emissions intensity		80
	22(c)	Amount or percentage of assets or business activities vulnerable to transition risks		79
	22(d)	Amount or percentage of assets or business activities vulnerable to physical risks		79
	22(e)	Amount or percentage of assets, or business activities aligned with climate-related opportunities		74
	22(f)	Amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities		74



AOTEAROA NEW ZEALAND CLIMATE STANDARD	DISCLOSURES	DESCRIPTION	RELIANCE ON NZ CS 2: ADOPTION OF AOTEAROA NEW ZEALAND CLIMATE STANDARDS	ANNUAL REPORT 2024 PAGE(S)
NZ CS 1	22(g)	Internal emissions price - price per metric tonne of CO <sub>2</sub> e used internally by the entity		79
	22(h)	Management remuneration linked to climate-related risks and opportunities in the current period, expressed as a percentage, weighting, description or amount		79
	23(a)	Timeframe over which the target applies		74, 80, 175
	23(b)	Any associated interim targets		72
	23(c)	Base year from which progress is measured		80, 175
	23(d)	Description of performance against the targets		80, 175
	23(e)	For each GHG emissions target: <ul style="list-style-type: none"> <li>whether the target is an absolute target or intensity target;</li> <li>the entity's view as to how the target contributes to limiting global warming to 1.5 degrees celsius;</li> <li>the entity's basis for the view expressed in 23(e)(ii), including any reliance on the opinion or methods provided by third parties; and</li> <li>the extent to which the target relies on offsets, whether the offsets are verified or certified, and if so, under which scheme or schemes</li> </ul>		80, 175
	24	Disclose the following in relation to its GHG emissions:		80, 175
	24(a)	<ul style="list-style-type: none"> <li>a statement describing the standard or standards that the entity's GHG emissions have been measured in accordance with;</li> </ul>		80, 175
	24(b)	<ul style="list-style-type: none"> <li>the GHG emissions consolidation approach used (equity share, financial control, or operational control);</li> </ul>		80, 175
	24(c)	<ul style="list-style-type: none"> <li>the source of emission factors and the global warming potential (GWP) rates used or a reference to the GWP source; and</li> </ul>		80, 175
	24(d)	<ul style="list-style-type: none"> <li>a summary of specific exclusions of sources, including facilities, operations or assets with a justification for their exclusion</li> </ul>		80, 175
	25	Disclosure of the entity's GHG emissions is the subject of an assurance engagement (a limited assurance engagement at a minimum)		Not currently applicable
	26	The following information is subject to an assurance engagement:		Not currently applicable
	26(a)	<ul style="list-style-type: none"> <li>gross emissions in metric tonnes of CO<sub>2</sub>e classified as scope 1, scope 2 and scope 3 (see paragraph 22(a))</li> </ul>		Not currently applicable
	26(b)	<ul style="list-style-type: none"> <li>additional requirements for the disclosure of GHG emissions (see paragraph 24)</li> </ul>		Not currently applicable
	26(c)	<ul style="list-style-type: none"> <li>GHG emissions methods, assumptions and estimation uncertainty</li> </ul>		Not currently applicable

# CLIMATE-RELATED

## Statement of Compliance and Document Index

This annual report includes SkyCity's first climate-related disclosures as required by the Aotearoa New Zealand Climate Standards released by the New Zealand External Reporting Board (XRB) in December 2022. As a first-time adopter, we acknowledge our early stage in our climate-related disclosure journey, and remain committed to enhancing the framework that governs our decisions around climate-related risks and opportunities.

In these initial climate-related disclosures, SkyCity has adopted the following provisions in NZ CS 2: Adoption of Aotearoa New Zealand Climate Standards. These provisions guide our approach to adopting and implementing accounting standards, reflecting our commitment to maintaining high standards of transparency and compliance in financial reporting. They also support the maturation of our processes as we prepare for our second year of reporting.

- **Adoption provision 1: Current financial impacts** – SkyCity is adopting this provision as we are unable to quantify the financial impacts due to our maturity in the process. SkyCity has however disclosed qualitative financial impacts in this annual report.
- **Adoption provision 2: Anticipated financial impacts** – SkyCity is adopting this provision as we are unable to quantify the financial impacts due to our maturity in the process. SkyCity has however disclosed qualitative financial impacts in this annual report.
- **Adoption provision 3: Transition planning** – SkyCity is adopting this provision as we are yet to formalise a process for transitioning to adaptation of SkyCity's climate-related scenarios. At the date of this annual report, SkyCity has not commenced the transition plan.
- **Adoption provision 4: Scope 3 GHG emissions** – SkyCity is adopting this provision pending further consideration of applicable Scope 3 categories that are material to SkyCity's GHG inventory but are not currently reported on.
- **Adoption provision 5: Comparatives for Scope 3 GHG emissions** – SkyCity is adopting this provision pending further consideration of applicable Scope 3 categories that are material to SkyCity's GHG inventory but are not currently reported on.

DOCUMENT	WEBSITE/LOCATION
<b>SkyCity Entertainment Group Limited – Inventory Management Report 2024</b>	Available in the Sustainability section at: <a href="https://skycityentertainmentgroup.com/our-commitment/our-sustainability">skycityentertainmentgroup.com/our-commitment/our-sustainability</a>
<b>SkyCity Entertainment Group Limited – Modern Slavery Statement</b>	Available in the Governance section at: <a href="https://skycityentertainmentgroup.com/our-business">skycityentertainmentgroup.com/our-business</a>
<b>SkyCity Entertainment Group Limited – Ethical Sourcing Code</b>	Available in the Governance section at: <a href="https://skycityentertainmentgroup.com/our-business">skycityentertainmentgroup.com/our-business</a>

# GLOSSARY

<b>Casino Win</b>	the amount lost or spent by players, calculated as Turnover minus amounts awarded to players
<b>EBIT</b>	earnings before interest and tax
<b>EBITDA</b>	earnings before interest, tax, depreciation and amortisation
<b>ESG</b>	environmental, social and governance
<b>GAAP</b>	generally accepted accounting principles
<b>GHG</b>	greenhouse gas
<b>Hold or Win Rate</b>	casino win expressed as a percentage of turnover
<b>NPAT</b>	net profit/(loss) after tax
<b>Reported EBITDA</b>	earnings before interest, tax, depreciation and amortisation calculated in accordance with GAAP in New Zealand
<b>Reported NPAT</b>	net profit after tax calculated in accordance with GAAP in New Zealand
<b>Reported Revenue</b>	revenue calculated in accordance with GAAP in New Zealand
<b>RevPar</b>	revenue per available room
<b>Turnover</b>	total amount wagered by players
<b>Underlying EBITDA</b>	earnings before interest, tax, depreciation and amortisation adjusted to take into account adjustments and calculated in accordance with SkyCity's Non-GAAP Financial Information Policy
<b>Underlying NPAT</b>	net profit/(loss) after tax adjusted to take into account adjustments and calculated in accordance with SkyCity's Non-GAAP Financial Information Policy
<b>Underlying Revenue</b>	revenue adjusted to take into account adjustments and calculated in accordance with SkyCity's Non-GAAP Financial Information Policy
<b>Underlying Win Rate</b>	the expected long term average hold

# DIRECTORY

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## SUPERVISOR FOR BONDS

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