

SkyCity Entertainment Group Corporate Governance Roadshow

July 2023





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Some totals may not sum due to rounding



Snapshot of SkyCity Entertainment Group



~4,500 EMPLOYEES			
5 ¹ CASINOS	4 ² HOTELS	34 ² FOOD & BEVERAGE OUTLETS	~34,000 ² sqm CONVENTION SPACE
5 INVESTMENT PROPERTIES	3 ² THEATRES	4 TOWER EXPERIENCES	~4,300 ² CUSTOMER CARPARKS

¹Excludes SkyCity Wharf Casino. SkyCity Online Casino is operated out of Malta by Gaming Innovation Group Inc on behalf of SkyCity Malta Limited

²Including developments/concepts currently in progress



Board of Directors



Julian Cook - Chair

Kate Hughes

Chad Barton

Glenn Davis

David Attenborough

Sue Suckling - retiring

Donna Cooper

Appointed June 2021
Chair from January 2022

Appointed Sept 2022

Appointed June 2021

Appointed Sept 2022

Appointed March 2023

Appointed May 2011

To be formally appointed
post regulatory approvals

Summerset CEO 2014 to 2021, CFO from 2010

Corporate finance at Macquarie Group for 11 years prior to Summerset

Other directorships: WEL Networks, Winton Property, Levande (formerly Stockland's retirement village business)

Chair of Risk & Compliance Committee

Number of senior risk management roles: Telstra, AWB, Pacific Brands

Other directorships: the Victorian Department of Health, SuniTAFE and Lower Murray Water

Kate also holds committee roles with two Commonwealth entities: Comcare Authority and APRA

Chair of APRA's Audit Committee

Chair of Audit Committee

Extensive experience across finance, capital markets, mergers, acquisitions and property development

Currently the COO and CFO of Nuix

CFO at The Star Entertainment Group 2014 to 2019 and Salmat 2009 to 2014

Chair of SkyCity Adelaide

Solicitor in corporate and risk throughout Australia for over 35 years with expertise in large transactions, risk management and corporate activity regulated by the Australian Corporations Act and the ASX

Other directorships: Chair of ASX-listed companies Beach Energy and iTech Minerals. He is also Chair of a number of large private companies

CEO and MD at Tabcorp Holdings for 12 years, stepping down in June 2022

Prior to Tabcorp, CEO Phumelela Gaming and Leisure in South Africa and various senior roles with a variety of casino and racing organisations

Other directorships: Host Plus

Sue will be retiring from the board once Donna Cooper is formally elected as a director

Sue is recognised for her leadership in the technology innovation space and her deep governance experience

Currently the Chair of the Insurance & Financial Services Ombudsman Scheme Commission

Previous directorships include: Restaurant Brands, Westpac Investments and the New Zealand Dairy Board

OBE for her contribution to New Zealand business

25+ years experience in the financial services industry

Has held positions as CEO of TSB Bank (up until 2023), The Warehouse Financial Services Group and MD and GM New Zealand of Baycorp (NZ)

Member of the New Zealand Institute of Directors and a member of the Global Women's Leadership Network



Governance Reset

- Largely new board over the last two years
- Key focus on strengthening governance in key risk areas such as financial crime / anti-money laundering (AML)
- Dedicated Risk & Compliance Committee established
- Dedicated SkyCity Adelaide board with majority of independent non-executive directors
- Appointment of Chief Risk Officer, increased resourcing into risk / internal audit functions
- Stronger board oversight of key assurance areas for financial crime / AML, host responsibility, health & safety
- Direct board engagement with regulators
- Executive remuneration linked more closely to key risk areas





Group Governance Structure

Direct management of key group assurance partners by committees, includes appointment, scope of work and fee setting, reporting back



Audit Committee

Key roles:

- Financial accounts/reports
- Tax
- Internal audit

Members:

- Chad Barton*
- Julian Cook
- Kate Hughes
- David Attenborough

Key assurance:

- Auditor – PwC



Risk & Compliance Committee

Key roles:

- AML / financial crime
- Host responsibility
- Health & Safety
- Risk mgmt systems

Members:

- Kate Hughes*
- Julian Cook
- Sue Suckling
- Glenn Davis

Key assurance:

- AML assurance audits
- Host responsibility
- H&S reviews and audits
- ICT assurance testing



People & Culture Committee

Key roles:

- Executive remuneration
- Succession planning

Members:

- Julian Cook*
- Chad Barton
- David Attenborough

Key assurance:

- Executive remuneration benchmarking



Governance & Nominations Committee

Key roles:

- Board reviews
- Director appointments
- Succession planning

Members:

- Julian Cook*
- Sue Suckling
- Chad Barton
- Kate Hughes
- David Attenborough
- Glenn Davies

Key assurance:

- Board reviews



Board Focus Areas

Key focus on retaining our “social licence”

Resolution of current issues and subsequent rebase of compliance structure:

- AUSTRAC claim and CBS process
- Completion of NZICC and resolution of carpark
- Adelaide enhancement programme – AML / financial crime and host responsibility
- AML / financial crime enhancements for NZ
- Ongoing investment in host responsibility across NZ sites

Focus on development of core business:

- Strengthened governance of key risk areas, including stronger board oversight of key assurance areas
- Gaming technology, mandatory carded, enhanced cashless gaming
- Online gaming regulation
- Restructure of executive remuneration structure
- Capital investment programme control
- Shareholder dividends





Adelaide

- Significant investment in AML / financial crime and host responsibility since mid 2021
- Dedicated SkyCity Adelaide board
 - Non-executive directors Julian Cook & Glenn Davis plus David Christian (COO Australia)
- Good progress on enhancements and uplift but the work is not yet finished
- AUSTRAC civil penalty proceedings remain ongoing
- CBS independent expert to be appointed by SkyCity with the Commissioner's approval – an appointment is pending



New Zealand

- Financial crime/AML and host responsibility systems and controls well established
- Proactively moving to further strengthen risk management through improvement in processes, investment in new technology and increase in resource
- Reporting lines for AML / financial crime and host responsibility teams moved to CRO
- Proactive and regular engagement continues with Department of Internal Affairs (DIA - NZ regulator)





Executive Remuneration

Performance pay philosophy and strong risk linkage

STI

- Performance gates – financial, group risk/compliance and behaviour
- STI is based on a balanced scorecard with deferred component for senior executives and managers

Goal Category	Goal	Weighting	Max
Financial	Achievement of company NPAT target	50%	125%
Individual	A number of objectives based on the strategic priorities for the Group	30%	125%
Compliance	Goals specifically relating to anti-money laundering, host responsibility, and health and safety	20%	100%

LTI

- Three year vesting period based:
 - 50% on TSR outperforming a cost of equity hurdle: and
 - 50% on TSR outperformance versus NZX50/ASX200
- Board discretion to grant at outset, no retesting of hurdles





Executive Remuneration

Number of additions to plans in last two years

Type of Adjustment	Applies to	Description of changes
In year adjustment	STI and LTI	<ul style="list-style-type: none">This may be utilised on an individual basis or across all or a subset of participants
Pre-Vesting Adjustment	Currently LTI Plan only, will be included in STI Deferred Equity plan from FY24	<ul style="list-style-type: none">Broad discretion to adjust including for regulatory risk and compliance outcomes
Malus	STI and LTI	<ul style="list-style-type: none">Malus is an adjustment to reduce the value of all or part of deferred remuneration before it has vested or delay the vesting whilst an investigation is underwayUsed in cases of more serious performance or behaviour issues with the ability to be applied over a number of periods
Clawback	STI and LTI	<ul style="list-style-type: none">Clawback is the recovery of variable remuneration that has already vested or been paid, typically only considered in severe situations





Director Remuneration

- Current Director fee pool of \$1,440,000 (plus GST if any)
- Last increase to fee pool was 5 years ago in 2018 (5.5% increase from \$1,365,000), and prior to that in 2014 (5% increase from \$1,300,000)
- Current non-executive director fees are:
 - SkyCity Group Board fees: \$280,000 (Chair), \$128,500 (director)
 - SkyCity Adelaide fees¹: \$130,000 (Chair), \$65,000 (director)
 - SkyCity Group Committee fees: \$35,000 (Chair), \$15,000 (member)
- During the relevant period (Q1 2019 –Q1 2023) CPI inflation increased by 18.7%
- External benchmarking of peer comparators indicates a median increase from 2019 to 2023 in non-executive fees of 10-16%
- Significant additional workload in current regulatory regime; additional Adelaide fees
- An additional director is expected to be appointed in the current year, establishing a board membership of 7 directors, leaving little capacity in current fee pool

Intention of board is to propose an increase in fee pool at the AGM in October

¹ The separate Adelaide board and payment of fees to directors was not contemplated when the previous director fee pool was set. This is expected to reduce once current complexities are substantially resolved



Appendix: Who We Are & What We Do



AUCKLAND¹



HAMILTON



QUEENSTOWN



ONLINE



ADELAIDE

New Zealand 1H23 earnings 86%²

- | AUCKLAND ¹ | HAMILTON | QUEENSTOWN | ONLINE | ADELAIDE |
|--|--|--|--|---|
| New Zealand 1H23 earnings 86%² | | | | |
| <ul style="list-style-type: none">• exclusive casino venue licence to 2048• 1,877 electronic gaming machines (EGMs)• 150 table games• 240 automated table games• 5 VIP salons• 17 food & beverage outlets• 3 hotels offering 938 rooms• ~32,500sqm convention space• ~20,000sqm tenant space• ~3,200 customer carparks• ~2,700 employees | <ul style="list-style-type: none">• exclusive casino venue licence to 2027• 339 EGMs• 23 table games• 6 food & beverage outlets• 2 restaurant tenant spaces• 1 bowling alley• ~500sqm convention space• ~330 customer carparks• ~300 employees | <ul style="list-style-type: none">• exclusive casino venue licence to 2025• 86 EGMs• 12 table games• 1 food & beverage outlet• ~50 employees | <ul style="list-style-type: none">• operated offshore, NZ focused• managed agreement with Gaming Innovation Group (GiG)• B2C gaming service licence until 2031• over 2,000 slot products• live casino table games• virtual sports games | Australia 1H23 earnings 13%² <ul style="list-style-type: none">• casino licensing agreement to 2085, with exclusivity to 2035• 1,075 EGMs• 118 table games• 138 automated table games• 6 VIP salons• 10 food & beverage outlets• 120 hotel rooms• ~750sqm convention space• ~750 customer carparks• ~1,400 employees |

International Business VIP Programmes leveraging property VIP rooms with hosted experiences (IB 1H23 earnings 1%²)

¹ Including developments/concepts currently in progress

² 1H23 earnings percentages represent business normalised EBITDA as a percentage of Group normalised EBITDA (excluding corporate and pre-opening costs)