

**SkyCity Entertainment Group Limited
Interim Financial Statements
for the six month period ended
31 December 2024**

For and on behalf of the Board:



Julian Cook
Chair of the SkyCity Board



Chad Barton
Chair of the Audit Committee

19 February 2025



Independent auditor's review report

To the shareholders of SkyCity Entertainment Group Limited

Report on the interim financial statements

Our conclusion

We have reviewed the interim financial statements of SkyCity Entertainment Group Limited (the Company) and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024, and the income statement, statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the six-month period ended on that date, and selected explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2024, and its financial performance and cash flows for the six-month period then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's responsibilities for the review of the interim financial statements* section of our report.

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. In our capacity as auditor, our firm provides review, specified procedures, agreed-upon procedures, and other assurance-related services involving an assessment of whether the preconditions for assurance exist in preparation for assurance over greenhouse gas emissions. Our firm carries out other assignments in the areas of tax compliance, tax advisory services and other advisory services. The firm has no other relationship with, or interests in, the Group.

Responsibilities of the Directors for the interim financial statements

The Directors of the Group are responsible on behalf of the Company for the preparation and fair presentation of these interim financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the interim financial statements

Our responsibility is to express a conclusion on the interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34.

A review of interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.



Who we report to

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state those matters which we are required to state to them in our review 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 review procedures, for this report, or for the conclusion we have formed.

The engagement partner on the review resulting in this independent auditor's review report is Philippa (Pip) Cameron.

For and on behalf of:

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive, flowing script.

PricewaterhouseCoopers
19 February 2025

Auckland

SkyCity Entertainment Group Limited
Income Statement
For the six month period ended 31 December 2024

		Unaudited 6 months 31 December 2024 \$'000	Unaudited 6 months 31 December 2023 \$'000
Revenue	5	420,798	440,426
NZICC fire related income		-	2,422
Other income		1,172	1,488
NZICC fire related expenses		-	(3,329)
Employee benefits expense		(174,380)	(161,011)
Other expenses		(59,636)	(66,140)
Directors' fees		(676)	(597)
Gaming taxes and levies		(26,453)	(26,484)
Direct consumables		(32,534)	(32,960)
Marketing and communications		(10,798)	(10,788)
Regulatory penalties		-	(37,758)
Community contributions, sponsorships and donations		(4,791)	(5,171)
Fair value gain on investment properties		382	-
Share of profits from associates		-	<u>892</u>
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		113,084	100,990
Depreciation and amortisation		(42,397)	(41,067)
Depreciation on right-of-use assets		(2,932)	(3,180)
Earnings before interest and tax (EBIT)		67,755	56,743
Net finance costs	8	(39,631)	(8,715)
Profit Before Income Tax		28,124	48,028
Income tax expense	6	(22,053)	(25,482)
Profit for the Period Attributable to Shareholders of the Company		6,071	<u>22,546</u>

Earnings per share for Profit Attributable to the Shareholders of the Company

Basic and diluted earnings per share	0.8	3.0
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The above income statement should be read in conjunction with the accompanying notes.

SkyCity Entertainment Group Limited
Statement of Comprehensive Income
For the six month period ended 31 December 2024

	Unaudited 6 months 31 December 2024 \$'000	Unaudited 6 months 31 December 2023 \$'000
Profit for the Period	6,071	22,546
Other Comprehensive Income		
Items that may be subsequently reclassified to profit or loss		
Foreign Currency Translation Reserve		
Exchange differences on translation of overseas subsidiaries	1,504	(2,921)
Cash Flow Hedge Reserve		
Cash flow hedges - revaluations	(3,066)	(9,313)
Cash flow hedges - transfer to finance costs	(605)	8,297
Cash flow hedges - income tax	1,028	285
Cost of Hedging Reserve		
Cost of hedging reserve - revaluations	(713)	(268)
Cost of hedging reserve - transfer to finance costs	459	579
Cost of hedging reserve - income tax	71	(87)
Other Comprehensive Income for the Year, Net of Tax	<u>(1,322)</u>	<u>(3,428)</u>
Total Comprehensive Income for the Year	<u>4,749</u>	<u>19,118</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

SkyCity Entertainment Group Limited
Balance Sheet
As at 31 December 2024

		Unaudited 31 December 2024 \$'000	30 June 2024 \$'000
Notes			
ASSETS			
Current Assets			
Cash and cash equivalents		88,649	60,536
Receivables and prepayments		24,390	86,878
Inventories		8,809	8,375
Derivative financial instruments		234	17,913
Current tax receivables		1,779	7
NZICC fire recoveries		-	2,480
Assets classified as held for sale		13,000	13,000
Total Current Assets		136,861	189,189
Non-current Assets			
Deferred tax assets	7	49,493	52,350
Derivative financial instruments		16,371	550
Investment properties		79,814	78,800
Property, plant and equipment		1,847,005	1,816,961
Intangible assets		549,876	544,607
Right-of-use assets		119,886	98,579
Total Non-current Assets		2,662,445	2,591,847
Total Assets		2,799,306	2,781,036
LIABILITIES			
Current Liabilities			
Payables and provisions	8	196,472	226,796
Interest bearing liabilities	9	-	241,116
Current tax liabilities		203	34,707
Derivative financial instruments		466	366
Lease liabilities		7,471	3,285
Total Current Liabilities		204,612	506,270
Non-Current Liabilities			
Interest bearing liabilities	10	678,178	368,381
Non-current payables		11,611	20,052
Deferred tax liabilities		211,197	210,739
Lease liabilities		135,541	118,147
Deferred licence value		246,408	246,408
Derivative financial instruments		2,568	7,178
Total Non-current Liabilities		1,285,503	970,905
Total Liabilities		1,490,115	1,477,175
Net Assets		1,309,191	1,303,861
EQUITY			
Share capital		1,343,017	1,342,436
Reserves		(8,772)	(7,450)
Retained earnings		(25,054)	(31,125)
Total Equity		1,309,191	1,303,861

The above balance sheet should be read in conjunction with the accompanying notes.

SkyCity Entertainment Group Limited
Statement of Changes in Equity
For the six month period ended 31 December 2024

	Share Capital \$'000	Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance as at 1 July 2024	1,342,436	(7,450)	(31,125)	1,303,861
Total comprehensive income	-	(1,322)	6,071	4,749
Share rights issued for employee service	637	-	-	637
Net movement in treasury shares	(56)	-	-	(56)
Balance as at 31 December 2024	1,343,017	(8,772)	(25,054)	1,309,191
Balance as at 1 July 2023	1,343,027	(10,435)	197,605	1,530,197
Total comprehensive income	-	(3,428)	22,546	19,118
Dividends paid	-	-	(45,541)	(45,541)
Share rights issued for employee service	1,727	-	-	1,727
Net movement in treasury shares	36	-	-	36
Balance as at 31 December 2023	1,344,790	(13,863)	174,610	1,505,537

The above statement of changes in equity should be read in conjunction with the accompanying notes.

SkyCity Entertainment Group Limited
Statement of Cash Flows
For the six month period ended 31 December 2024

	Unaudited 6 months 31 December 2024 \$'000	Unaudited 6 months 31 December 2023 \$'000
Cash Flows from Operating Activities		
Receipts from customers	427,513	432,495
Payments to suppliers and employees	(268,486)	(264,436)
Government grants	100	260
Other insurance income	2,480	-
Regulatory penalties paid	(75,697)	-
Gaming taxes and levies paid	(30,428)	(30,899)
Income taxes paid	(53,536)	(49,958)
Net Cash Inflow from Operating Activities	<u>1,946</u>	<u>87,462</u>
Cash Flows from Investing Activities		
Proceeds from disposal of shares in associate	56,755	-
Capital additions	(76,119)	(77,321)
Purchased intangible assets	(2,642)	(3,461)
NZICC fire related expenses	-	(797)
Net Cash Outflow from Investing Activities	<u>(22,006)</u>	<u>(81,579)</u>
Cash Flows from Financing Activities		
Cash flows associated with net derivatives	(1,547)	810
Proceeds from new borrowings	340,664	-
Repayment of borrowings	(275,380)	-
Movement in treasury shares	(56)	36
Interest paid	(9,040)	(12,694)
Dividends paid to company shareholders	-	(45,541)
Lease interest paid	(3,635)	(3,299)
Repayment of lease liabilities	(2,833)	(1,992)
Net Cash Inflow/(Outflow) from Financing Activities	<u>48,173</u>	<u>(62,680)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	28,113	(56,797)
Cash and cash equivalents at the beginning of the period	<u>60,536</u>	<u>245,013</u>
Cash and Cash Equivalents at the End of the Period	<u>88,649</u>	<u>188,216</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

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 interim financial statements of the Group for the six months ended 31 December 2024 have been reviewed but have not been audited. They were approved for issue by the Board of Directors (**Board**) on 19 February 2025.

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

These interim financial statements have been prepared in accordance with GAAP. They comply with the New Zealand equivalent to International Accounting Standard (NZ IAS) 34 Interim Financial Reporting, International Accounting Standard (IAS) 34 Interim Financial Reporting and the NZX Listing Rules.

These interim financial statements do not include all the notes normally included in the annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the Group's annual report for the year ended 30 June 2024.

Measurement Basis

These interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets and liabilities, as identified in the 30 June 2024 annual financial statements.

Presentation Currency

These interim 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 period. When discussing financial performance, the Group also uses non-GAAP financial information, which is not prepared in accordance with GAAP 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 the 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

While the Group has negative working capital of \$67.7 million at balance date, the Group has available undrawn banking facilities of \$230.0 million (refer to note 10) as at 31 December 2024.

SkyCity has prepared forecasts to support its going concern assessment. These forecasts consider a range of possible scenarios, including in relation to contingent liabilities (note 12), and have been informed by recent trading performance. SkyCity's forecasts indicate that the Group continues to have access to a sufficient level of liquidity to sustain the business, remain compliant with its financial obligations and meet any future challenges that may arise from contingent liabilities. The Directors have therefore concluded that there are no material uncertainties related to the Group being a going concern and, accordingly, these interim financial statements are prepared on a going concern basis.

2 Basis of Preparation (continued)

Critical Accounting Estimates and Judgements

The preparation of interim financial statements requires the use of certain critical accounting estimates and the exercise of judgement regarding the application of accounting policies.

These interim financial statements are prepared using the same significant judgements and estimates as were used in the preparation of the 30 June 2024 annual financial statements and as disclosed below:

- the SkyCity Adelaide Pty Limited (**SkyCity Adelaide**) casino licence, which has a finite useful life, is reviewed for impairment at each reporting period. There is no recognition of impairment in the current period;
- 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 8 and information on the Group's contingent liabilities is provided in note 12; and
- judgement and estimation are required when determining the amount of deferred tax assets to be recognised in respect of SkyCity Adelaide's tax losses. Further information is provided in note 7.

3 Material Accounting Policies

All material accounting policies applied in these interim financial statements are consistent with those applied in the audited 30 June 2024 annual financial statements and are consistently applied to all periods presented, unless otherwise stated.

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.

The prior year has been restated to align the presentation with the July 2024 IFRIC agenda decision on segment reporting.

Gaming revenue has been adjusted for player rebates to align internal reporting with the revenue treatment in the income statement. Comparative information has been restated to reflect this change.

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 New Zealand International Convention Centre (**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 and SkyCity Queenstown and includes casino operations, conventions and food and beverage.

SkyCity Adelaide

This segment consists of the Group's Adelaide operations, which includes casino operations, a hotel and conventions and food and beverage.

Online

This segment comprises the Group's online gaming operations.

Corporate/Group

This segment includes head office functions, and funding entities. It is not considered an operating segment.

SkyCity Entertainment Group Limited
Notes to the Financial Statements
For the six month period ended 31 December 2024
(continued)

4 Segment Information (continued)

Six Months Ended 31 December 2024	SkyCity Auckland \$'000	Other NZ Operations \$'000	SkyCity Adelaide \$'000	Online \$'000	Corporate/ Group \$'000	Total \$'000
Gaming revenue	181,308	32,832	84,095	-	-	298,235
Online revenue	-	-	-	2,077	-	2,077
Non-gaming revenue	75,912	5,449	39,067	-	58	120,486
Other income	1,094	-	-	-	78	1,172
Total Income	258,314	38,281	123,162	2,077	136	421,970
Employee benefits expense	(88,819)	(12,230)	(56,955)	(1,385)	(14,991)	(174,380)
Gaming taxes and levies	(9,700)	(1,929)	(14,824)	-	-	(26,453)
Other expenses	(54,470)	(6,620)	(36,218)	(885)	(9,860)	(108,053)
Depreciation and amortisation	(23,751)	(2,655)	(12,402)	(212)	(6,309)	(45,329)
Segment Profit/(Loss) (EBIT)	81,574	14,847	2,763	(405)	(31,024)	67,755
Net finance costs	-	-	-	-	-	(39,631)
Profit before income tax	-	-	-	-	-	<u>28,124</u>

Restated

Six Months Ended 31 December 2023	SkyCity Auckland \$'000	Other NZ Operations \$'000	SkyCity Adelaide \$'000	Online \$'000	Corporate/ Group \$'000	Total \$'000
Gaming revenue	206,831	33,293	80,902	-	-	321,026
Online revenue	-	-	-	5,567	-	5,567
Non-gaming revenue	72,473	5,463	35,858	-	39	113,833
Other income	1,254	-	-	-	234	1,488
NZICC fire income	2,422	-	-	-	-	2,422
Share of net profit of associate	-	-	-	-	892	892
Total Income	282,980	38,756	116,760	5,567	1,165	445,228
Employee benefits expense	(85,086)	(11,869)	(52,611)	(528)	(10,917)	(161,011)
Gaming taxes and levies	(10,909)	(2,089)	(13,486)	-	-	(26,484)
Other expenses	(65,254)	(8,069)	(32,456)	(2,027)	(7,850)	(115,656)
Regulatory penalties and fees	(5,000)	-	(32,758)	-	-	(37,758)
NZICC fire expenses	(3,329)	-	-	-	-	(3,329)
Depreciation and amortisation	(18,876)	(2,584)	(15,939)	-	(6,848)	(44,247)
Segment Profit/(Loss) (EBIT)	94,526	14,145	(30,490)	3,012	(24,450)	56,743
Net finance costs	-	-	-	-	-	(8,715)
Profit before income tax	-	-	-	-	-	<u>48,028</u>

5 Revenue

	6 months 31 December 2024 \$'000	6 months 31 December 2023 \$'000
Gaming	298,235	321,026
Non-gaming	120,486	113,833
Online gaming	2,077	5,567
Total Revenue	<u>420,798</u>	<u>440,426</u>

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 Gaming Innovation Group Inc (GiG) and operated under a Malta gaming licence held by Silvereye Entertainment Limited (a subsidiary of GiG).

GiG (and not SkyCity) is therefore the principal transacting with the online casino customers. 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.

5 Revenue (continued)

	Notes	6 months 31 December 2024 \$'000	6 months 31 December 2023 \$'000
Reconciliation to the Segment Note			
Total revenue	5	420,798	440,426
Other income		1,172	1,488
Share of net profit of associate		-	892
NZICC fire related income		-	2,422
Total Income		421,970	445,228

6 Income Tax Expense

	6 months 31 December 2024 \$'000	6 months 31 December 2023 \$'000
Profit before tax	<u>28,124</u>	<u>48,028</u>
Prima facie income tax @ 28%	7,875	13,448
Australian tax group losses not recognised	13,699	-
Items non-deductible for tax purposes	1,398	1,092
Controlled foreign company regime	703	844
New Zealand tax law changes to depreciation	500	-
Non-deductible regulatory penalties	55	11,228
Items non-assessable for tax purposes	(1,434)	(1,868)
Differences in overseas tax rates	(423)	(1,571)
Investment property adjustments	(204)	(132)
Fair value adjustment on investment property	(107)	-
Prior period adjustments	-	2,169
NZICC fire capital expenses	-	254
Other	(9)	18
Income tax expense	22,053	25,482

The weighted average applicable tax rate is 78.4% (six months to 31 December 2023: 53.1%). The weighted average tax rate has been impacted by:

- Australian group tax losses not recognised and;
- non-deductible regulatory penalties (prior period only).

Excluding these items, the weighted average tax rate would have been 29.7% (six months to 31 December 2023: 29.4%).

7 Deferred Tax Assets

Deferred tax assets relate to the Group's Australian tax group and other foreign operations (excluding Malta).

The Group has recognised a deferred tax asset of \$49.5 million (A\$44.9 million) in relation to tax losses and other deductible timing differences. A deferred tax asset of \$30.7 million (A\$27.9 million) has been recognised on tax losses of \$102.4 million (A\$92.9 million) (30 June 2024: \$102.5 million, A\$93.7 million) in relation to Australia. The Group has a further \$59.1 million (A\$53.6 million) of tax losses which are not recognised as the Group has limited the recognition of losses to be utilised against future taxable profits to an appropriate period of time. 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.

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'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.

The Group reviews future loss utilisation at each reporting date.

8 Payables and Provisions

	31 December	30 June
	2024	2024
	\$'000	\$'000
Trade payables	30,363	20,846
Deferred income	15,826	18,216
Accrued expenses	49,928	116,400
Employee benefits	57,168	47,346
Other provisions	43,187	14,469
Regulatory penalties provision	-	9,519
Total Payables and Provisions	<u>196,472</u>	<u>226,796</u>

Provisions

Provisions are recognised in relation to a number of matters, including 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.

On 16 October 2024, the High Court delivered its judgment. The High Court confirmed the Court of Appeal's interpretation of the Casino Duty Agreement 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. Accordingly, SkyCity Adelaide is now obliged to pay additional casino duty of A\$13.1 million in respect of the casino duty return periods from January 2014 to January 2024.

The High Court also ruled in favour of the Treasurer's position on the interest clause in the Casino Duty Agreement. Accordingly, SkyCity has recognised a provision of A\$24.8 million (NZ\$27.3 million) in relation to the exposure to interest payable in addition to the prior year provision of A\$13.1 million (NZ\$14.5 million) in relation to the exposure to casino duty payable.

In the prior year, provisions were also recognised in relation to civil penalty proceedings commenced by the Department of Internal Affairs against SkyCity Casino Management Limited. Those matters are now resolved.

9 Current Interest Bearing Liabilities

	31 December 2024 \$'000	30 June 2024 \$'000
Syndicated bank facility	-	80,000
USPP notes	-	161,116
Total secured current interest bearing borrowings	-	241,116

10 Non-current Interest Bearing Liabilities

	31 December 2024 \$'000	30 June 2024 \$'000
USPP notes	461,827	195,924
Syndicated bank facility	45,000	-
New Zealand bonds	175,000	175,000
Deferred funding expenses	(3,649)	(2,543)
Total Non-current Interest Bearing Liabilities	678,178	368,381

(a) USPP Notes

The USPP fixed rate US dollar borrowings have been hedged and converted to New Zealand dollar floating rate borrowings by using cross-currency interest rate swaps to eliminate foreign exchange exposure to the US dollar.

USPP notes mature in March 2028 (A\$65.4 million), February 2030 (US\$75.0 million) and September 2031 (US\$150.0 million).

As disclosed in the audited financial statements for the year ended 30 June 2024, the movement in the amount of USPP notes from 30 June 2024 relates to the issue of new USPP notes and the repayment of USPP notes that were due to mature in March 2025, along with foreign exchange and interest rate movements.

(b) Syndicated Bank Facility

The syndicated banking facility is provided by ANZ (New Zealand) and Westpac (New Zealand).

As at 31 December 2024, SkyCity had in place revolving credit facilities of:

- NZ\$57.5 million maturing 15 July 2027 (\$45.0 million drawn at the reporting date);
- NZ\$80.0 million maturing 15 September 2027 (undrawn at the reporting date); and
- NZ\$137.5 million maturing 15 September 2028 (undrawn at the reporting date).

(c) New Zealand Bonds

\$175.0 million of six-year unsubordinated, unsecured redeemable fixed rate bonds were issued on 21 May 2021.

11 Commitments

Capital Commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as set out below:

	31 December 2024 \$'000	30 June 2024 \$'000
Property, plant and equipment	28,684	53,866

Capital commitments largely comprise estimations for NZICC construction completion.

12 Contingencies

(a) Contingent Liabilities

SkyCity operates in a highly regulated industry. During the current period, 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.

(i) Independent Review

As further detailed in the Group's financial statements for the year ended 30 June 2024, the Honourable Brian Martin AO KC has been appointed 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. In addition, Kroll Australia Pty Limited (**Kroll**) has been appointed as the independent expert by SkyCity Adelaide to review its anti-money laundering and counter terrorism (**AML/CTF**) and host responsibility enhancement programmes, and if required make amendments to those programmes, and monitor their implementation and SkyCity Adelaide's compliance with its AML/CTF and gambling harm minimisation obligations. On 30 December 2024, the Acting Commissioner announced that they have agreed to an extension of time for the completion of Mr Martin's report until the end of May 2025.

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 Consumer and Business Services, Kroll and Mr Martin and any further requests for information and/or documents.

(ii) Casino (Penalties) Amendment Act 2024 (SA)

On 21 November 2024, the Casino (Penalties) Amendment Act 2024 (SA) (**Penalties Act**) came into operation in South Australia.

The Penalties Act has amended 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 Act also establishes 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 Act gives 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 million (increased from A\$100,000 currently).

12 Contingencies (continued)

The transitional provisions contained within the Penalties Act 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.

(iii) Other Regulatory Matters

In addition to the matters outlined above, 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 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, South Australian Casino Act 1997 and/or South Australian Gambling Administration Act 2019 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 Fletcher Construction Company Limited, 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 \$74.0 million (30 June 2024: \$50.8 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 they 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 31 December 2024 (30 June 2024: no additional contingent assets).

13 Events Occurring after the Reporting Date

Casino Duty Dispute

On 31 January 2025, SkyCity announced that SkyCity Adelaide had accepted an offer from the Treasurer of South Australia (the **Treasurer**) to fully and finally resolve the long running contractual dispute between the Treasurer and SkyCity Adelaide concerning the treatment of loyalty points converted to gaming machine play for the purpose of calculating casino duty at the SkyCity Adelaide casino and the associated legal proceedings.

The offer accepted by SkyCity Adelaide requires it to pay A\$13.1 million (NZ\$14.4 million) of additional casino duty and A\$24.8 million (NZ\$27.3 million) in interest. SkyCity Adelaide will also pay A\$200,000 (NZ\$220,519) of the Treasurer's costs. The payment totalling A\$38.1 million (NZ\$41.9 million) encompasses casino duty return periods from January 2014 to January 2024 and brings to an end the long running contractual dispute between the parties that resulted in the parties becoming involved in legal proceedings. The amount has been fully provided for in these interim financial statements (note 8).