



2021

Annual Report

Year ended 30 June 2021

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ANNUAL MEETING

The 2021 SkyCity Annual Meeting will be held virtually via an online platform on 29 October 2021 commencing at 1.00pm (New Zealand time). Instructions and further details on how shareholders can participate in the virtual Annual Meeting will be included in the Notice of Meeting.

Report from the Chair and Chief Executive Officer

The 2021 financial year was a challenging one for SkyCity – responding to external events arising from the COVID-19 pandemic, opening the Adelaide expansion in an uncertain environment and running the business in a volatile operating and regulatory landscape. It has taken significant skill, energy and dedication from our team and support from stakeholders to deliver a satisfactory performance for the business.

Despite the ongoing disruption and volatility, SkyCity has maintained a strong financial position over the period, delivered credible operating performance when open and protected the health and wellbeing of our people.

The SkyCity Board and management have considered the regulatory and governance environment in which the Group now operates. The Board's intention, endorsed by management, is that SkyCity will maintain a casino and entertainment business which is characterised by high levels of:

- service and facility quality;
- customer enjoyment and safety;
- staff safety, inclusion, diversity and satisfaction;
- social and environmental responsibility;
- economic performance and investment returns; and
- ethical conduct in all respects.

Critically, the SkyCity Board and management team recognise the importance of protecting our casino licences and enhancing our social licence to operate. Moreover, maintaining a strong balance sheet, meeting the interests of all stakeholders and keeping a disciplined allocation of capital to provide appropriate risk-adjusted returns to shareholders over the long term remain key priorities.

The key features of the year can be summarised as:

Management and Board

- The appointment of Michael Ahearne as the new Chief Executive Officer in November



2020 following an internal succession process (replacing the outgoing Chief Executive Officer, Graeme Stephens). Michael brings strong operational knowledge of the SkyCity business, as well as international gaming and entertainment experience, to the role and has put in place a refreshed Senior Leadership Team.

- The retirement of Bruce Carter from the SkyCity Board in March 2021.

- The renewal of the SkyCity Board was confirmed during March 2021 with the subsequent appointment of three new directors – Silvana Schenone, Julian Cook and Chad Barton – in June 2021. The new directors bring diverse skills, backgrounds and experience to the Board. The Board will be conducting a thorough review of its effectiveness during the 2022 financial year.

Impact of COVID-19

- COVID-19 continued to significantly impact the business and operations at each of SkyCity's properties over the period. Government mandated lockdowns in New Zealand and South Australia resulted in the closure of SkyCity Auckland for 29 days and SkyCity Adelaide for 3.5 days. When permitted to reopen, the properties initially operated under significant constraints due to restrictions on mass gatherings and physical distancing requirements.
- The Trans-Tasman border between New Zealand and Australia reopened from 19 April 2021 (although subject to restrictions as pandemic outbreaks have occurred) – however, the broader international borders remain closed, significantly impacting our tourism-related businesses.

Strategy and Major Projects

- A refreshed Group strategy was announced at the time of our interim results in February 2021. Our strategic plan prioritises a focus on our core business, executing our major projects in Adelaide and Auckland, delivering on the omnichannel opportunity and the efficient allocation of capital.
- In December 2020, SkyCity completed its A\$330 million expansion of the SkyCity Adelaide property transforming it into an integrated resort of international scale and quality. The project (including Eos by SkyCity, a new 120-room boutique hotel, and new gaming, hospitality and entertainment areas) was completed on-time and on-budget and has been well received by customers with consistent operating performance when open.
- Ongoing delays continue to the New Zealand International Convention Centre (NZICC) and Horizon Hotel project, exacerbated by the fire in October 2019 and COVID-19. SkyCity continues to work closely with Fletcher Construction on the project and has secured an extension to the long stop date to complete the NZICC to 15 December 2027 with the New Zealand Government. Although Fletcher Construction's latest draft programme indicates completion of the NZICC in late 2024, SkyCity considers it prudent to retain a buffer between the programme and the long stop date.

- SkyCity Auckland opened new food and beverage facilities on the main gaming floor, improved VIP gaming facilities on Levels 8 and 9 of the main site and welcomed the arrival of the All Blacks Experience and Weta Workshop Unleashed, two world-class attractions, to the precinct.
- A strategic review into the International Business division was undertaken during April 2021. SkyCity has decided to permanently cease dealing with junket operators, but to continue to operate the division under a revised operating model where SkyCity will deal directly with patrons after appropriate know your customer (KYC) and customer financial due diligence requirements are satisfied.

Regulatory and Compliance

- Steady progress was made with initiatives to enhance SkyCity's host responsibility and anti-money laundering (AML) control frameworks. Minimising harm to customers remains a key focus with appropriate effort, resource and capital allocated to support this initiative, such as increased resourcing and investment in bespoke ICT systems (including facial recognition technology and specialised customer screening tools). SkyCity is committed to ensuring that it provides safe and responsible experiences and environments and places significant importance on its host responsibility and AML obligations.
- In June 2021, SkyCity was informed by the Australian Transaction Reports and Analysis Centre (AUSTRAC) that it had identified potential serious non-compliance by SkyCity Adelaide with the Australian AML legislation and that a formal enforcement investigation into the compliance of SkyCity Adelaide had been initiated. The SkyCity Board and management team take the concerns raised by AUSTRAC seriously and have taken immediate steps to investigate and appropriately address the concerns raised. SkyCity will continue to fully cooperate with AUSTRAC with regards to its inquiries and with the investigation of SkyCity Adelaide.

Financial Performance, Balance Sheet and Distributions

- Group reported EBITDA and NPAT were \$317.3 million and \$156.1 million respectively, down from the prior comparable period due to the ongoing impact of the New Zealand International Convention Centre fire and the gain from the sale of the Auckland car park concession.
- Group normalised EBITDA and NPAT of \$252.0 million and \$90.3 million respectively are at the top end of the guidance provided to the market during June 2021, but are still well below pre COVID-19 earnings in FY19.
- SkyCity's financial position remains strong post implementation of our funding plan from mid-2020. SkyCity has satisfied its financial covenants for the 30 June 2021 testing period and will pay a dividend of 7 cents per share during September 2021.
- SkyCity's BBB- credit rating from S&P Global Ratings was upgraded to "Stable" from "Negative" Outlook during April 2021. Following the issue of \$175 million of six-year, unsecured, unsubordinated, fixed rate bonds in New Zealand in May 2021, SkyCity remains well positioned to fund future capital and operating commitments.

The financial result for the year was complicated by property closures and other restrictions imposed by COVID-19, which limit comparability with the prior comparable period. SkyCity has also been aided by Government responses in the form of wage subsidies and other assistance measures over the period, a portion of which SkyCity has elected to repay reflecting improved financial performance.

The Group delivered a solid financial performance, despite the challenging operating environment. Local gaming has performed well when open and operating without restrictions while our tourism-related businesses, including hotels, food and beverage and International Business, had a weaker result primarily due to ongoing international and domestic (Australia) border closures.

At a property level, SkyCity Auckland delivered resilient local gaming activity, but this was offset by non-gaming performance being significantly impacted by COVID-19. SkyCity Hamilton and SkyCity Queenstown delivered strong EBITDA performances led by local gaming revenue growth combined with disciplined cost management. SkyCity Adelaide's performance prior to the expansion opening was impacted by COVID-19 disruption, but when open has significantly improved across all activities. SkyCity has been making operational adjustments to the business when necessary and we continue to adhere to all Government guidance to ensure our employees and customers are managed safely.

SkyCity has continued to operate its offshore online casino venture, SkyCity Online Casino, with Gaming Innovation Group Inc, despite operational constraints. Performance has exceeded our expectations with significant growth in revenue and EBITDA and in excess of 45,000 active customers currently.

SkyCity supports the regulation of online gaming in New Zealand with an emphasis on strong host responsibility and delivering community benefits in New Zealand and we continue to prepare for a regulated industry which ensures responsible gambling. Growth in online gambling continues to be a significant global industry theme with numerous international jurisdictions regulating online gambling (or intending to do so) to safely address the transition from physical to online entertainment.

SkyCity has continued to create and support a positive employee culture over the period, focusing on initiatives to enhance workplace flexibility, wellbeing and diversity. To this end, SkyCity was pleased to receive the Diversity and Inclusion Leadership Award at the 2020 Deloitte Top 200 Awards for the second time in three years for

Project Nikau, an initiative to employ and develop career pathways for youth with a focus on Māori and Pasifika. SkyCity has also made progress on refocusing the SkyCity Community Trusts in New Zealand on initiatives that will enhance the employability and advancement of youth and has upweighted strategies to ensure its supply chain is ethical and supports local businesses.

In terms of outlook for FY22, given the current unpredictable operating environment and uncertain near-term outlook due to COVID-19, SkyCity is unable to provide detailed earnings guidance at this time, but this will remain under regular review. Our performance over the next year will be underpinned by the ongoing recovery of local gaming, optimising SkyCity Adelaide post expansion and robust cost control across all activities.

We wish to take the opportunity to publicly thank the SkyCity Board and management team and, in particular, the broader SkyCity family for effectively meeting the challenges over the past year and for continuing to support the business as it recovers – your efforts are greatly appreciated. The SkyCity Board and management are aligned in responding to the challenges at hand, managing the risks faced by the business and addressing strategic opportunities as they arise.

Finally, and most importantly, thank you to our external stakeholders – from our shareholders, financiers, suppliers, through to our customers. SkyCity doesn't exist without you – a big thank you for your ongoing support.



Rob Campbell
Chair



Michael Ahearne
Chief Executive Officer

About this Annual Report

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 2021. Where appropriate, information is also provided in relation to activities that have occurred after 30 June 2021, but prior to publication of this annual report.

This annual report has been prepared in accordance with the NZX Listing Rules and Corporate Governance Code, the New Zealand Companies Act 1993 and the 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 ASX Limited, substantially reflects the ASX Listing Rules and the 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.

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. Ernst & Young has undertaken limited assurance (in accordance with the International Standard on Assurance Engagements (New Zealand)) over disclosures associated with selected performance data included in the Sustainability section included in this annual report. A GRI reference index based on the GRI Sustainability Reporting Standards is included on pages 223 – 226 of this annual report.

The financial statements have been prepared in accordance with the International Financial Reporting Standards. This annual report includes both reported and normalised financial information. Our objective in providing normalised

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.

This objective is achieved by:

- eliminating the inherent volatility (or 'luck' factor) from International Business, which has variable turnover and actual win percentage period to period;
- eliminating structural differences in the business between periods; and
- eliminating known different treatments with other New Zealand and Australian publicly listed casino companies.

Normalised numbers are a non-GAAP financial measure. A reconciliation of reported and normalised earnings and a description of the differences are provided on pages 219 – 222 of this annual report.

An electronic copy of this annual report is available in the Investor Centre section of the company's website at www.skycityentertainmentgroup.com.

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

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.

This annual report is dated 25 August 2021 and is signed on behalf of the SkyCity Board by:



Rob Campbell
Chair of the
SkyCity Board



Jennifer Owen
Chair of the Audit
and Risk Committee

The iconic Sky Tower celebrated its 24th birthday on 2 August 2021 with a light show illuminating the Auckland skyline.

Year in Review



- SkyCity completes a \$50 million share purchase plan as part of a \$230 million equity raising announced in June 2020 to strengthen SkyCity's balance sheet in response to uncertainty around the impacts of COVID-19

- SkyCity Auckland's casino and entertainment facilities closed from 12 - 30 August in response to the COVID-19 Alert Level in Auckland increasing to Alert Level 3

- SkyCity redeems 125 million 'Series 2015' corporate bonds at \$1.0280 per bond
- A new VIP gaming offering, VIP BLACK and Ultra, opens at SkyCity Auckland as part of a \$50 million upgrade of SkyCity Auckland's gaming facilities

- Flare bar and Food Republic (a new food court) open on the SkyCity Auckland main gaming floor
- SkyCity confirmed as the official accommodation and hospitality partner of the 2020 Aotearoa Music Awards

JULY

AUGUST

SEPTEMBER

OCTOBER



- SkyCity welcomes in the New Year with a fireworks display from the top of the Sky Tower involving 500 kilograms of pyrotechnics, 3,800 effects, 1.6 tonnes of equipment and 14 kilometres of computer control cabling



- The A\$330 million SkyCity Adelaide expansion project officially opens (completed on-time and on-budget), including the new 120-room luxury hotel Eos by SkyCity
- The All Blacks Experience and Weta Workshop Unleashed attractions open at SkyCity Auckland

- Michael Ahearne appointed as Chief Executive Officer, replacing outgoing Chief Executive Officer Graeme Stephens
- SkyCity Adelaide closed from 19 - 22 November in response to state-wide COVID-19 restrictions

JANUARY

DECEMBER

NOVEMBER

- SkyCity Auckland's casino and entertainment facilities closed from 14 - 17 February and 28 February - 6 March in response to the COVID-19 Alert Level in Auckland increasing to Alert Level 3
- SkyCity Auckland celebrates its 25 year anniversary

- S&P Global Ratings revises the outlook for SkyCity's long term issuer credit rating and its debt issue rating from 'Negative' to 'Stable' and affirms SkyCity's long term issuer credit rating and its debt issue ratings as BBB-

- Julie Amey appointed as Chief Financial Officer, replacing outgoing Chief Financial Officer Rob Hamilton
- SkyCity issues \$175 million of six-year, unsecured, unsubordinated, fixed rate bonds maturing on 21 May 2027
- Free sanitary products made available in all female and gender-neutral employee bathrooms across SkyCity's New Zealand properties

- Silvana Schenone, Julian Cook and Chad Barton appointed as non-executive directors of SkyCity Entertainment Group
- SkyCity informed by AUSTRAC of potential AML non-compliance by SkyCity Adelaide



FEBRUARY

APRIL

MAY

JUNE

Managing the Impacts of COVID-19

The global COVID-19 pandemic has continued to significantly impact SkyCity's business and operations at each of its properties over the last financial year. Government mandated lockdowns in New Zealand and South Australia resulted in the closure of the SkyCity Auckland casino and entertainment facilities for a total of 29 days over the period and the SkyCity Adelaide property for a total of 3.5 days over the period.

The SkyCity Wharf property has remained closed in Queenstown since initially closing on 23 March 2020 (just prior to the initial COVID-19 lockdown in New Zealand) as the ongoing border restrictions continue to have a detrimental effect on the local Queenstown economy in particular, which is largely dependent on tourism.

When permitted to reopen, our properties have initially operated with significant operational constraints due to restrictions on mass gatherings and physical distancing requirements. Significant operational effort has been required to rapidly close and reopen our properties with rigorous health and safety measures in place.

Fortunately, due to the significant efforts of the SkyCity team and the strength of our business continuity framework, SkyCity has been able to quickly and successfully respond to the ongoing challenges that the COVID-19 pandemic has presented and manage the impacts to SkyCity's business and operations.

These collective measures have meant that SkyCity has been well positioned to deal with the events of the last financial year and quickly respond when our properties have been permitted to reopen. Pleasingly, our core domestic gaming business has proved resilient. However, the ongoing health and safety risks of COVID-19 have significantly altered the commercial landscape for SkyCity's land-based properties in both New Zealand and South Australia.

Fortunately, development work on the A\$330 million SkyCity Adelaide expansion project and associated master planning projects, the New Zealand International Convention Centre and Horizon Hotel projects and the \$50 million upgrade of the SkyCity Auckland gaming facilities was able to continue over the period. The completed SkyCity Adelaide expansion project, including Eos by SkyCity – a new 120-room luxury hotel, was officially opened in December 2020.

SkyCity Online Casino, SkyCity's offshore online casino platform based in Malta, continued to trade over the period without interruption and saw strong growth in its customer base during lockdown periods in New Zealand.

SkyCity's continuing focus is on managing the post COVID-19 recovery and operating sustainability as a smaller, domestically focused business pending the gradual recovery of international visitors as international borders reopen.



We developed and implemented a **COVID-19 Health Management Framework and Operating Plan**

for our business and operations.

SkyCity's New Zealand properties were amongst the first casino operations in the world to reopen (at COVID-19 Alert Level 2) during the global pandemic with robust health management strategies in place.



We refocused SkyCity as a smaller,

domestically focused business

and adjusted our operating model to reflect the new COVID-19 operating environment, including minimising our operating costs, reducing operating hours across our precincts and significantly reducing capital expenditure.

We introduced a new **SkyCity Flex**

framework for our employees to enable flexible working and restructured our New Zealand workforce (downsizing it by around 25%).



We executed a

\$230 million

equity raising in mid-2020 as part of a comprehensive funding plan to strengthen SkyCity's balance sheet in response to uncertainty around the impacts of COVID-19 and secured the support of existing lenders by way of covenant waivers/relief, extensions to \$170 million of upcoming debt maturities and \$160 million in additional debt facilities.

In May 2021, we also issued \$175 million of six-year, unsecured, unsubordinated, fixed rate bonds to institutional investors and New Zealand retail investors, the proceeds of which were used to reduce the SkyCity Group's drawings on its bank facilities.

We were assisted by the **New Zealand and Australian Governments in the form of**

Wage Subsidy

and JobKeeper payments (which SkyCity has subsequently determined to partially refund).

Impact of COVID-19 – FY21 vs FY19 Performance



International visitation down

▼95%



Auckland hotel occupancy down

▼38%



Sky Tower visitation down

▼71%

Impacts of COVID-19 Alert Level Changes

The New Zealand Government introduced a four-tiered COVID-19 Alert System in March 2020 to manage and minimise the risk of COVID-19 in New Zealand and to help people understand the current level of risk and corresponding legal restrictions. The following table shows the impacts of the various COVID-19 Alert Levels on SkyCity's New Zealand properties.

ALERT LEVEL			
EFFECTIVE DATE OF CHANGE IN ALERT LEVEL	AUCKLAND	HAMILTON	QUEENSTOWN
28 February 2020	First COVID-19 case reported in New Zealand		
19 March 2020	New Zealand border closed to all but New Zealand citizens and permanent residents		
21 March 2020	Alert Level system introduced		
21 March 2020	2	2	2
1.30pm, 23 March 2020	3	3	3
11.59pm, 25 March 2020	4	4	4
11.59pm, 27 April 2020	3	3	3
11.59pm, 13 May 2020	2	2	2
11.59pm, 8 June 2020	1	1	1
12.00pm, 12 August 2020	3	2	2
11.59pm, 30 August 2020	2.5	2	2
11.59pm, 21 September 2020	2.5	1	1
11.59pm, 23 September 2020	2	1	1
11.59pm, 7 October 2020	1	1	1
13 November 2020	Auckland CBD closed	1	1
11.59pm, 14 February 2021	3	2	2
11.59pm, 17 February 2021	2	1	1
11.59pm, 22 February 2021	1	1	1
6.00am, 28 February 2021	3	2	2
6.00am, 7 March 2021	2	1	1
12.00pm, 12 March 2021	1	1	1

Alert Levels

LEVEL 4

Full closure (excluding the SkyCity Auckland hotels)

LEVEL 3

Full closure (excluding the SkyCity Auckland hotels), but construction work permissible

LEVEL 2/2.5

Open with significant operational constraints due to restrictions on mass gatherings and physical distancing requirements

LEVEL 1

Open with no restrictions on mass gatherings or physical distancing requirements

In Adelaide, COVID-19 restrictions have been implemented as required by the South Australian Government in response to the level of risk at the relevant times and businesses are required to have a COVID Management Plan, approved by SA Health (the South Australian Government), and/or a COVID-Safe Plan in place outlining how high-risk activities will be managed to reduce the risk of transmission of COVID-19 between patrons/attendees and staff. An approved COVID Management Plan is in place for the SkyCity Adelaide property.

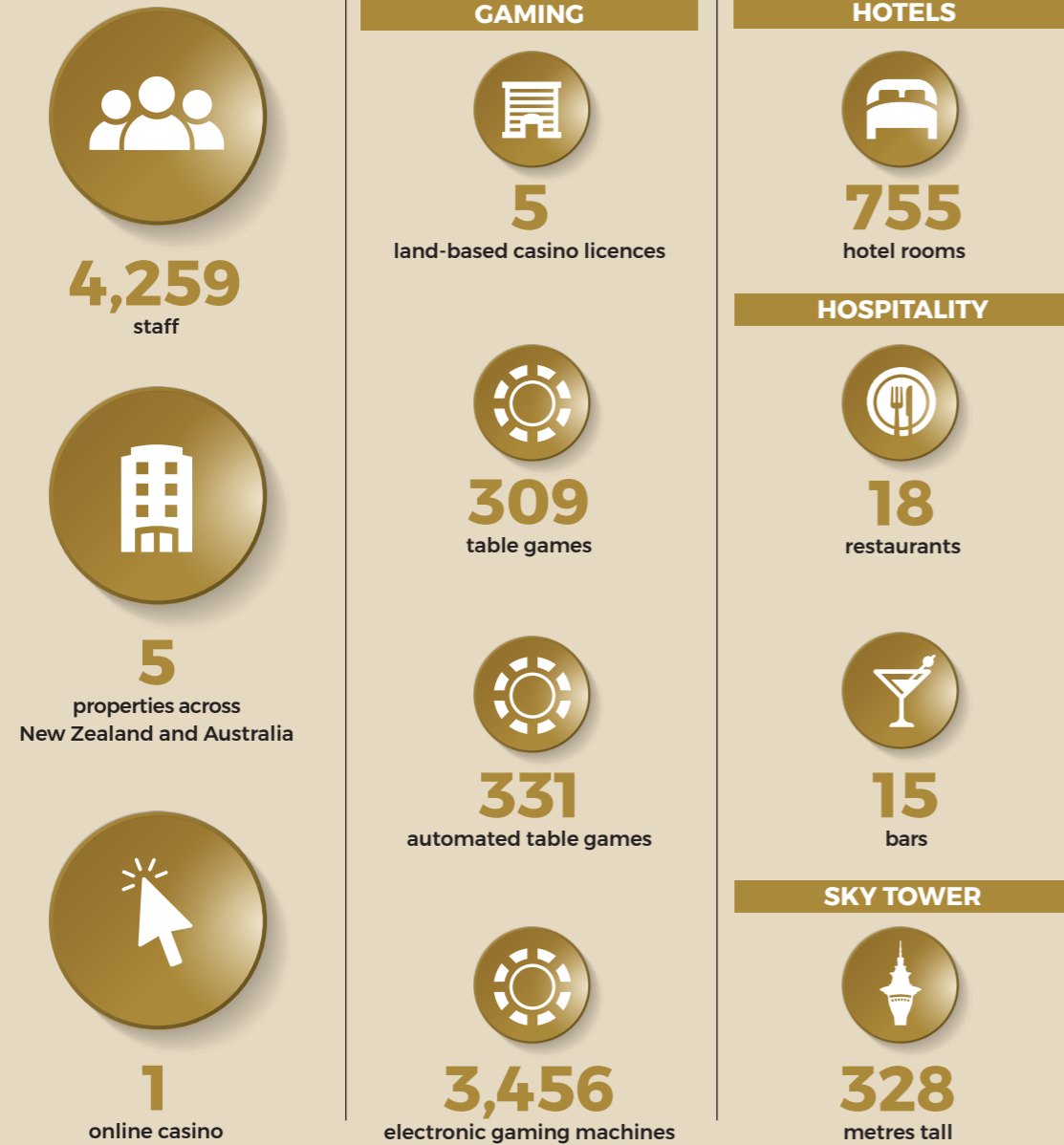
To comply with physical distancing requirements, each move from Alert 1 to Alert 2 (and vice versa) in Auckland has required the construction (and deconstruction) of 11 separate zones within the main casino floor and involved:

- moving approximately 400 electronic gaming machines and 370 hoarding panels
- 15 dedicated staff members over two days



Creating Value

Our Business (as at 30 June 2021)



FY21 REVENUE BY BUSINESS ACTIVITY

	Reported	Normalised
	%	%
Local Gaming	75%	77%
International Gaming	2%	3%
Online Gaming	2%	2%
Hotels and Conventions	5%	4%
Food and Beverage	10%	9%
Other	6%	5%

FY21 Outputs and Financial Results

FY21 revenue and annual visitation



*Includes gaming GST.

**Calculated by reference to customers who used their SkyCity Premier Rewards cards 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.

FY21 Outcomes and Impacts

Our sustainability vision recognises that, to be a sustainable business, we must be a responsible business actively protecting and promoting the people we serve and the places we share, whilst creating value for our shareholders.

SkyCity's sustainability initiatives are therefore focused on doing good for our customers, our people, our communities, our suppliers, our environment and our shareholders.

OUR CUSTOMERS

Implemented 'Phase 2' of facial recognition technology at the SkyCity Auckland and SkyCity Hamilton casinos to enable SkyCity to better identify customers who remain within the casino for extended periods of time.

133 additional cameras installed within our casino properties for Phase 2 of facial recognition in FY21

1,373 customers identified within our casino properties in breach of their exclusion orders during FY21 **FY20 - 1,757**

1,077 exclusion orders issued across our casino properties during FY21 **FY20 - 982**



OUR PEOPLE

Provided increased support for employee mental health and wellbeing as employees cope with the challenges and uncertainty that has been a feature of the past year with the impact of COVID-19.

80% of our employees participated in our biennial **Speak Up employee engagement survey** with an engagement score of 85% favourable achieved

ZERO fatalities or life altering injuries

FREE sanitary products provided to all employees - with the initial pilot phase rolled out in New Zealand in May 2021 and in Adelaide in July 2021



OUR COMMUNITIES

Since establishing the first SkyCity Auckland Community Trust in 1996, SkyCity has awarded nearly 5,000 grants totalling over \$61.7 million to various community groups and organisations in New Zealand, large and small, through the four SkyCity Community Trusts.

\$4.1 million paid to the SkyCity Community Trusts **FY20 - \$3.7 million**

\$39.2 million paid in gaming taxes and problem gaming levies **FY20 - \$33.1 million**

Over **\$2.2** million raised for Leukaemia and Blood Cancer New Zealand in two Firefighter Sky Tower Stair Challenges




OUR SUPPLIERS

Refined our sourcing strategy by developing clear definitions for what constitutes "local" in the context of our supplier and product classifications.

Over **\$426** million paid to suppliers of goods and services during FY21 (including capital expenditure) **FY20 - over \$530 million**

Around **600** key ongoing significant suppliers across the SkyCity Group **FY20 - around 800**

71 active suppliers had completed an EcoVadis assessment/audit process as at 30 June 2021 **FY20 - 79 active suppliers**




OUR ENVIRONMENT

Achieved carbon zero status for the SkyCity Group for FY21 by way of offset through Toitū Envirocare.

16,750 tonnes CO2e total carbon footprint **FY20 - 15,137 tonnes CO2e**

43.4% reduction in waste sent by SkyCity to landfill since 2015

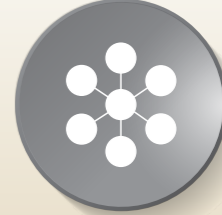
148 tonnes of food waste from our SkyCity Auckland kitchens sent to be commercially composted to aid the New Zealand horticulture industry **FY20 - 292 tonnes**



OUR SHAREHOLDERS

7 cents dividend per share (fully imputed) declared in relation to FY21 **FY20 - 10 cents per share**

Eligible shareholders in New Zealand and Australia were invited to participate in a **\$50** million share purchase plan - with 21,008,403 new ordinary shares issued in July 2020 at \$2.38 per share, a 2.5% discount to the five-day volume weighted average price of SkyCity's shares traded on the NZX during the last five days of the offer period



Performance

FY21 Highlights

SkyCity's result for the financial year ended 30 June 2021 was significantly impacted by the New Zealand International Convention Centre fire and COVID-19 pandemic (as was the case in the financial year ended 30 June 2020), with normalised EBITDA and NPAT for the Group for the period to 30 June 2021 negatively impacted.

The key features of the FY21 result are:

EBITDA

Reported

\$317.3[▼] million

FY20 - \$348.3 million

Normalised

\$252.0[▲] million

FY20 - \$200.7 million

NPAT

Reported

\$156.1[▼] million

FY20 - \$235.4 million

Normalised

\$90.3[▲] million

FY20 - \$66.3 million

DIVIDEND

FY21 dividend* (fully imputed) of

7[▼] cents per share

to be paid during September 2021

FY20 - 10 cents per share

BONDS

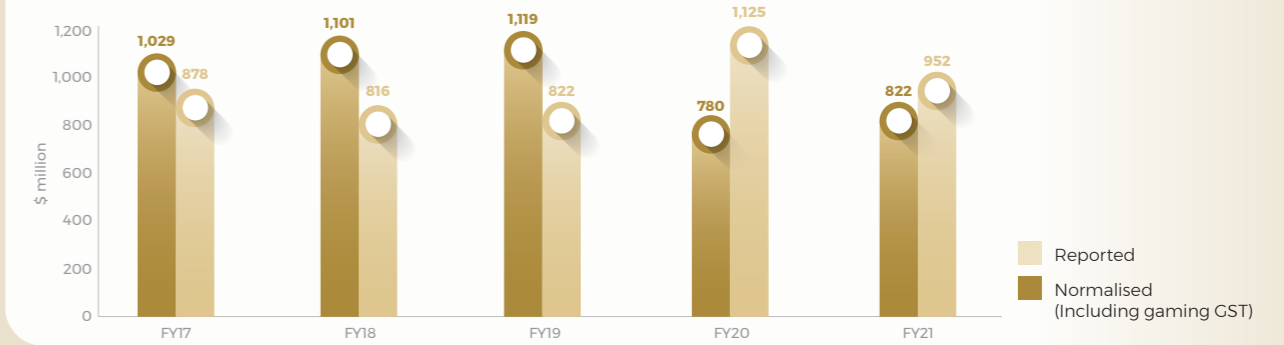
\$175 million

of six-year, unsecured, unsubordinated, fixed rate bonds issued in May 2021

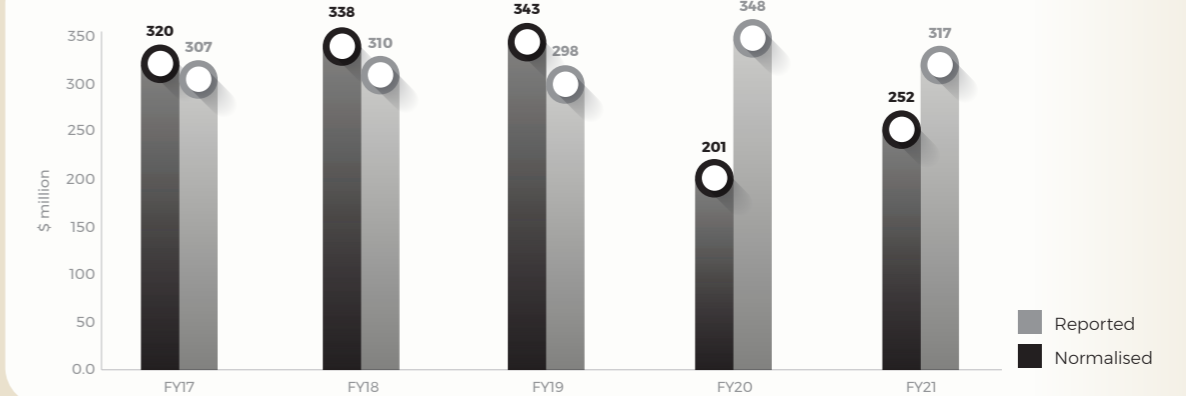
*An interim dividend was not declared for FY21 due to restrictions in the covenant waivers/relief secured as part of a funding plan announced by the company in June 2020.

Our Performance History

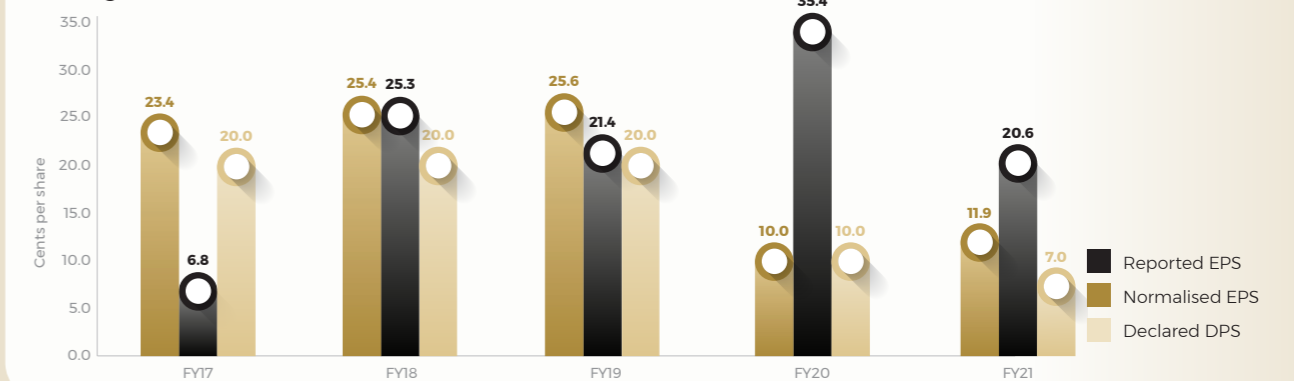
Group Revenue



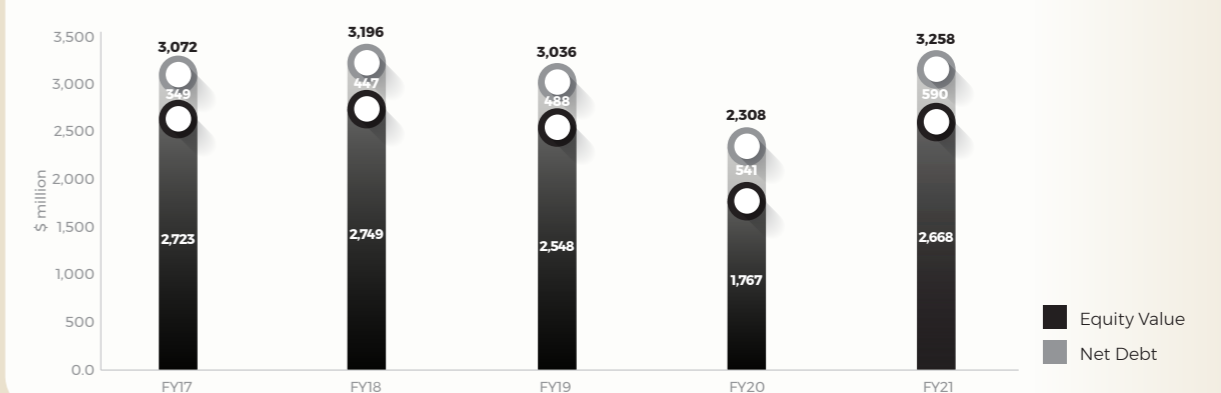
Group EBITDA



Earnings Per Share (EPS) and Dividend Per Share (DPS)



Enterprise Value



An Award-Winning Business

SkyCity's vision is to be the leader in gaming, entertainment and hospitality in our communities.

As a major employer with more than 4,200 staff across our properties in New Zealand and Adelaide, South Australia, we play a significant role in our communities and are immensely proud of the contribution we make to the communities we operate in, and our staff continue to do us proud, year-on-year.

Winning Employment Opportunities

- Winner of the Diversity and Inclusion Leadership Award at the 2020 Deloitte Top 200 Awards and the Diversity and Inclusion Award at the 2021 NZ HR Awards for Project Nikau, SkyCity's pathway to employment programme for vulnerable young people targeting Māori and Pasifika
- SkyCity Hamilton was awarded a Workbridge 'Above and Beyond Employer Award' in 2020 which recognises employers who are committed to creating a more inclusive workplace by supporting workers with disabilities

Winning Experiences

- The Grand by SkyCity named Oceania's Leading Business Hotel at the 27th World Travel Awards
- 2021 Tripadvisor Travellers' Choice Award for the SkyCity Hotel, The Grand by SkyCity, MASU, The Grill, Orbit, Depot and Huami
- 2020 Tripadvisor Travellers' Choice Award for the Sky Tower, The Sugar Club, MASU, The Grill, Orbit, Gusto and Depot
- MASU, Depot and Huami named in Viva's 'Top 50' restaurants in Auckland for 2021
- MASU and Huami named in Metro Magazine's 'Top 50' bars in Auckland for 2021
- MASU, Depot, Huami and Fed Deli named in the 2021 Denizen Hospo Heroes
- The Sugar Club named in Zufolo's 'Top 50' Auckland restaurants for 2020-2021
- Fed Deli named 'Best under \$50' in Remix Magazine's 2021 Lifestyle Awards



Tripadvisor gives a Travellers' Choice Award to accommodation, attractions and restaurants that consistently earn great reviews from travellers and are ranked within the top 10% of properties on Tripadvisor

Winning Teams

- Winner of the Best Social Responsibility category at the 2020 CBD Celebration Awards, recognising SkyCity Hamilton's commitment to community, customers, diversity and sustainability
- Awarded the Excellence in Treasury Award and named a finalist in the Market Leaders Best Investor Relations Award at the 2021 INFINZ Awards
- Awarded an Excellence Award in the In-House Lawyer of the Year category and the In-House Team of the Year category at the 2020 New Zealand Law Awards
- Awarded a Gold Award in the 2021 Australian Reporting Awards General Award, and a Silver Award in the 2021 Australian Reporting Awards Sustainability Reporting Awards, for the 2020 SkyCity Annual Report
- Finalist in the 2020 New Zealand Events Awards in the Best Not-for-Profit or Cause-related Event category (for the Firefighter Sky Tower Stair Challenge), Best Event Sponsorship category (for Vertical Pursuit) and Best Music or Entertainment Event category (for New Year's Eve)

Winning Partnerships

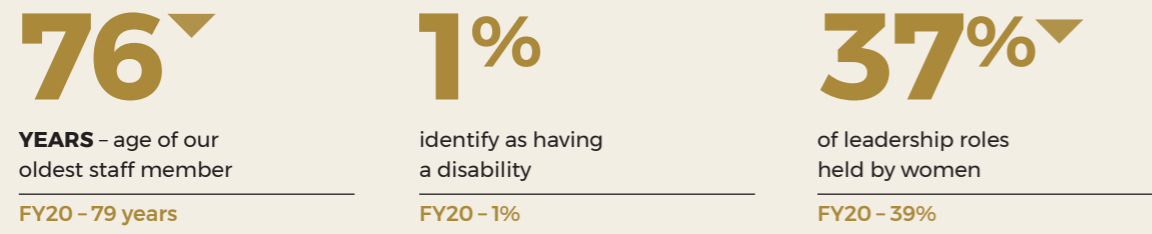
Over the last financial year, we were proud to sponsor and partner with great organisations in our communities:



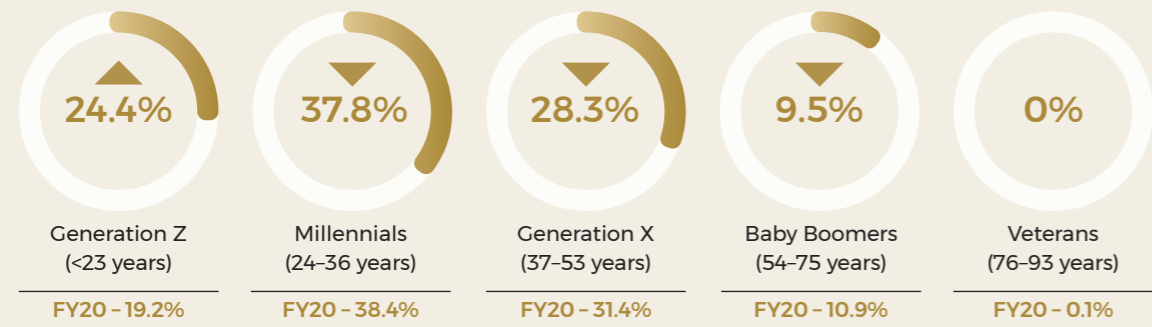
Diversity Snapshot

At SkyCity, we employ a diverse range of people at all skill levels and aim to create an environment where people are at the centre, are motivated to work hard, progress in their careers and are empowered to grow and achieve.

The following graphic shows the diverse make up of SkyCity's workforce as at 30 June 2021 and, where relevant, as a comparison against our workforce numbers as at 30 June 2020.



AGE BREAKDOWN



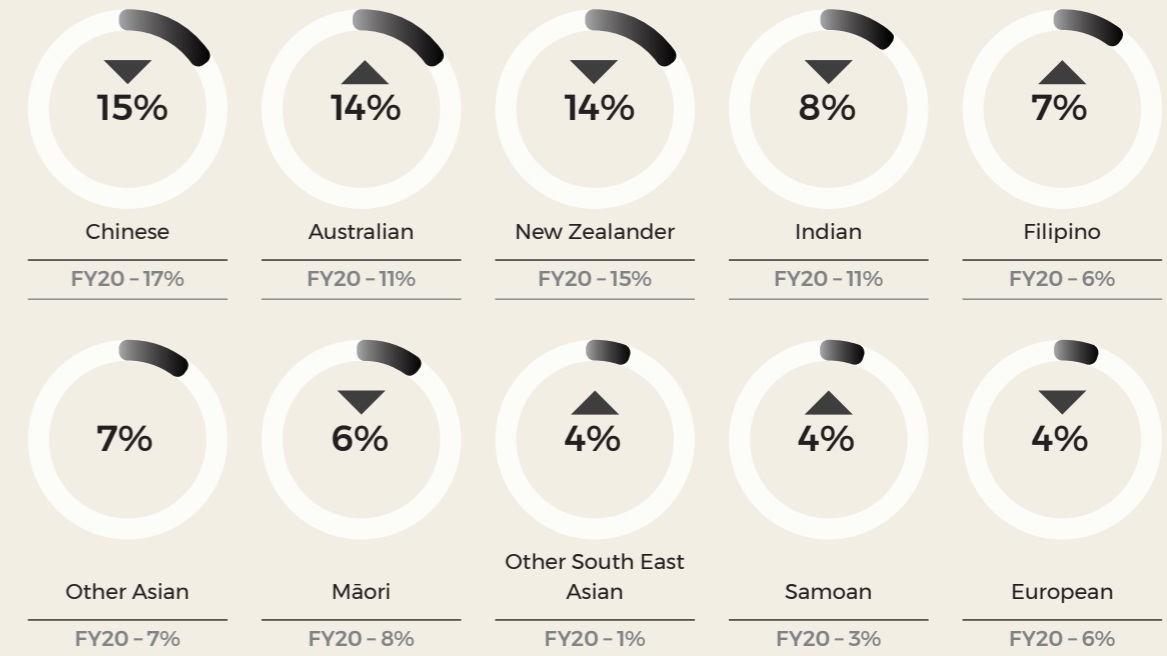
PLEDGING SUPPORT TO THE 40:40 VISION

Although women make up around half of SkyCity's workforce, female representation remains challenging at higher levels of the organisation, particularly in senior leadership roles.

In May 2021, SkyCity signed up to the 40:40 Vision, pledging a commitment to achieve gender balance across its executive leadership by 2023. 40:40 Vision is an investor and business-led initiative to achieve 40% women, 40% men and 20% any gender across the executive leadership teams of all ASX200 companies by 2030.

See page 95 of this annual report for the gender composition of SkyCity's directors, officers, senior executives and total workforce as at 30 June 2021.

OUR TOP 10 ETHNICITIES STAFF IDENTIFY WITH



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



Mandarin
Tagalog (Philippines)
Hindi

our top 3 non-English languages

FY20 - Mandarin, Tagalog, Hindi





Group Strategy



A Refreshed Group Strategy

In February 2021, following the appointment of Michael Ahearne as the new Chief Executive Officer in November 2020, SkyCity announced a refreshed Group strategy. Our refreshed strategy prioritises a focus on our core business, executing our major projects in Adelaide and Auckland and delivering on the omnichannel opportunity, whilst focusing on protecting and enhancing our social licence to operate to secure our future success across various financial, social and human capitals.

SkyCity continues to monitor and evaluate adjacent opportunities in the casino industry as they arise.

This section provides a summary of SkyCity's performance and strategic positioning to create value during the financial year ended 30 June 2021 and our priorities for the year ahead.

FY21 Performance – Our Business Goals

Operational Excellence at our Core

During the past financial year, SkyCity continued to face significant challenges from the impact of the COVID-19 pandemic. Pleasingly, we have been able to leverage a more flexible and resilient operating model to effectively manage an uncertain domestic and international environment.

The benefits of our investment in new gaming product, product management and changes to the gaming floor layout continue to be realised across the Group, particularly in Auckland with the opening of new premium gaming rooms and in Adelaide post the opening of the new expansion project from December 2020.

SkyCity continues to leverage its complementary assets to drive gaming visitation and our properties have benefitted from increased domestic tourism in New Zealand and South Australia as local customers continue to have limited opportunities to travel internationally. SkyCity continues to focus on tactical marketing and loyalty activations as a cost-effective tool to drive higher quality visitation with marketing expenditure as a percentage of revenue significantly down across all properties.

Changes to SkyCity's operating model in response to COVID-19 and an ongoing focus on cost control are delivering efficiencies across the Group, with operating margins up compared to pre COVID-19 levels at all properties on a like-for-like basis.

The resilient performance of our local gaming businesses, particularly in New Zealand, has been pleasing given its importance to Group earnings and hence value. Both SkyCity Hamilton and SkyCity Queenstown delivered strong EBITDA performances for the full year underpinned by strong local gaming activity (particularly electronic

gaming machines) and good cost execution. When operating at Alert Level 1 in New Zealand, local gaming activity at SkyCity Auckland was consistently above pre COVID-19 levels, particularly during weekend and holiday peaks.

Performance at SkyCity Adelaide post the opening of the expansion project has been consistent with strong local gaming activity, particularly from premium customers (with electronic gaming machine market share around 9%) and new non-gaming facilities proving popular with customers. Good cost execution has seen property margins ahead of expectations at around 20%.

We continue to make good progress on our ICT investment and enhancing our digital capability, focusing on initiatives to improve customer experience, centred around loyalty, customer relationship management (CRM) and data analytics.

Complete Major Projects and Optimise Portfolio

We have progressed a number of key initiatives to optimise our existing portfolio over the last financial year.

Adelaide Expansion Project

The A\$330 million SkyCity Adelaide expansion project was delivered on-time and on-budget in December 2020 and included significant master planning works at the existing property within the historic Railway Station building to restore the building and improve the layout and experience for customers.

The new gaming spaces, Eos by SkyCity (the new 120-room luxury hotel) and a majority of the new food and beverage venues were opened in a staged manner from early December 2020, reflecting customer demand - with the focus initially on local and interstate customers given the ongoing international border closures. The expansion delivers significantly expanded gaming and entertainment facilities with a multi-level casino podium, contemporary gaming spaces (both main floor and premium) and a 30% increase in gaming product.

New regulatory reforms were implemented in time for the expansion opening, permitting the use of banknote acceptors, ticket-in ticket-out (TITO) functionality on the main gaming floor and a multi-protocol gaming system.

Walker Corporation has now completed a 1,500-space car park as part of its redevelopment of the Festival Plaza adjacent to the SkyCity Adelaide precinct and, in June 2021, handed over 750 car park spaces for SkyCity's exclusive use. The Festival Plaza car park will be a key asset to drive visitation to the precinct and to address the convenience offered by suburban venues in metropolitan Adelaide - in 2019, around A\$500 million of electronic gaming machine revenue was generated by venues within a 50 kilometre radius of SkyCity Adelaide.

Trading at SkyCity Adelaide has been consistent when open and SkyCity continues to expect a meaningful earnings uplift over the medium-term.

New Zealand International Convention Centre and Horizon Hotel Project

The fire at the NZICC site during October 2019 and the COVID-19 pandemic have made the NZICC and Horizon Hotel project more complex, resulting in further significant project delays. Reinstatement works post the fire are progressing (with over 300 Fletcher Construction personnel currently on site), but slower than expected. The latest draft construction programme from Fletcher Construction now indicates completion of the Horizon Hotel during 2024 and the NZICC in late 2024.

Despite the impact of the fire and COVID-19 on the project timetable, we remain comfortable with our contractual position - Fletcher Construction is required to complete the project, insurance is responding to the damage caused by the fire and, in July 2021, we secured an extension to the long stop date to complete the NZICC (to 15 December 2027) with the New Zealand Government.

As previously reported, we still expect the total cost to reinstate the NZICC and Horizon Hotel to be covered by insurance or Fletcher Construction and accordingly there is no material change to previous guidance for the total project costs (of around \$750 million). As at 20 August 2021, around \$120 million of project costs (excluding fire reinstatement costs) still remained to be spent.

Whilst the further delays on the project are regrettable, the NZICC will support long term growth in tourism expenditure in New Zealand and be a significant demand driver for our Auckland precinct, in addition to having secured the extension of the Auckland casino venue licence out to 2048.

Other Projects

Significant long term option value remains embedded in our Auckland and Hamilton precincts. Future options for our two Queenstown properties continue to be evaluated, but with the current focus on optimising SkyCity Queenstown and leveraging strong domestic tourism whilst the Wharf Casino remains closed due to ongoing international border closures.

A range of smaller growth projects were completed during the period, including a major refurbishment and expansion of our premium gaming facilities in Auckland.

As an entertainment and hospitality provider, SkyCity is challenged to stay relevant in relation to new forms of entertainment. In addition to launching the SkyCity Online Casino, in late 2020 the former SkyCity Auckland Convention Centre became home to the All Blacks Experience and Weta Workshop Unleashed. These two world-class attractions provide unique, interactive customer experiences and will help to ensure the long term relevance to the Auckland precinct.

SkyCity remains focused on effective capital discipline and, following implementation of our funding plan in mid-2020, the balance sheet is in a strong position to deliver on our medium term strategic plan. We have significant liquidity to fund commitments, and withstand slower recovery in New Zealand and Australia, one-off events and/or further COVID-19 disruptions. SkyCity has satisfied its financial covenants for the 30 June 2021 testing period and will pay a dividend of 7 cents per share during September 2021, following dividends being suspended whilst in reliance on covenant waivers/relief secured during 2020.

SkyCity remains committed to its BBB- credit rating from S&P Global Ratings which was upgraded to "Stable" from "Negative" Outlook during April 2021.

Pursue the Omnichannel Opportunity

SkyCity has continued to optimise the SkyCity Online Casino with Gaming Innovation Group Inc (GiG) despite operational constraints. Performance of the offshore online casino has exceeded our expectations with significant growth in revenue and EBITDA and in excess of 45,000 active customers. GiG continues to provide SkyCity with a full-suite online casino solution, which includes a technical platform, gaming content, managed services and front-end development.

SkyCity remains supportive of future regulation of online gaming in New Zealand with an emphasis on strong host responsibility and delivering community benefits and we continue to prepare for a regulated industry to deliver on the omnichannel opportunity for the Group. Growth in online gambling continues to be a significant global industry theme with numerous international jurisdictions regulating online gambling (or intending to do so) to address the transition from physical to online entertainment, which has been exacerbated by the impact of COVID-19.

Following a public consultation which commenced during 2019, the New Zealand Department of Internal Affairs continues to develop a policy framework for potential regulation. Regulation of the New Zealand online gaming market would enable SkyCity to pursue the omnichannel opportunity and address a fast-growing category which is highly complementary to our land-based activities whilst offering customers a varied gaming experience (both physical and digital).

FY21 Performance – Our Character and Culture Goals

Culture of Protecting and Enhancing our Social Licence

At SkyCity, we need to continually focus on protecting and enhancing our social licence to operate. A feature of the past financial year has been the steady progress made with the many initiatives under SkyCity's ESG/sustainability framework.

Steady progress has also been made to enhance SkyCity's host responsibility and AML control frameworks.

Minimising harm to customers remains a key focus with appropriate effort, resource and capital allocated to support this initiative, such as increased resourcing and investment in bespoke ICT systems (including facial recognition technology and specialised customer screening tools). SkyCity is committed to ensuring that it provides safe and responsible experiences and environments and places significant importance on its host responsibility and AML obligations. We continue to deliver on our health and safety strategy, which is centred around preventing harm and building wellness, particularly in response to the risks posed by COVID-19 in our communities.

SkyCity has continued to create and support a positive employee culture over the period, focusing on initiatives to enhance workplace flexibility, wellbeing and diversity. To this end, SkyCity was pleased to be awarded the Diversity and Inclusion Leadership Award at the 2020 Deloitte Top 200 Awards for the second time in three years for Project Nikau, an initiative to employ and develop career pathways for youth with a focus on Māori and Pasifika. SkyCity has also made progress on refocusing the SkyCity Community Trusts in New Zealand on initiatives that will enhance the employability, wellbeing and advancement of youth and has upweighted strategies to ensure its supply chain is ethical (including the implementation of a modern slavery statement, approved by the Board in October 2020) and supports local businesses. We continue to meaningfully reduce our gender pay gap across the New Zealand businesses and the final instalment of our '\$20 by 2020' wage initiative was implemented in New Zealand at the end of 2020.

We remain proud of, and rely on, our culture of compliance, which encourages people to focus on doing the right thing by themselves, their teammates, the company and stakeholders. To ensure our future success across various financial, social and human capitals, it is important to continue conducting the business holistically within the terms of our ESG/sustainability framework.

Bowl and Social at SkyCity Hamilton



Our Business Goals	FY22 Priorities
Operational excellence at our core	<ul style="list-style-type: none"> Continue to manage the COVID-19 recovery, including maintaining a flexible operating model to respond to the operating environment Continue growth in the local gaming business, particularly electronic gaming machines Continue to pursue operating efficiencies and cost savings Improve loyalty and marketing execution with an increased focus on customer experience management (CXM) Optimise the SkyCity Adelaide expansion and integration of the new assets Ongoing review and appraisal of gaming floor optimisation, including product, layout and technology Ongoing review and assessment of potential licence renewal and/or relocation in Queenstown and Hamilton
Complete major projects and optimise portfolio	<ul style="list-style-type: none"> Complete asset review and develop holistic property strategy Deliver the NZICC and Horizon Hotel project in line with market guidance of around \$750 million and consistent with the revised timetable Develop and refine the long term master plans for each property Explore leasing and/or sale opportunities for non-operational property assets, particularly in Auckland Deliver asset maintenance plan Support the new entertainment attractions (All Blacks Experience and Weta Workshop Unleashed) in Auckland
Pursue the omnichannel opportunity	<ul style="list-style-type: none"> Progress the opportunity for a regulated online casino market in New Zealand Continue to optimise our offshore venture (SkyCity Online Casino) with CiG Resource the online business and progress with pre-regulation planning and preparedness Explore new product verticals, such as Bingo and Poker

Our Character and Culture Goals	FY22 Priorities
Responsible gaming leadership and anti-money laundering	<ul style="list-style-type: none"> Respond to the AUSTRAC enforcement investigation into SkyCity Adelaide Deliver best practice anti-money laundering standards across all properties Deliver best practice host responsibility standards across all properties Finalise long play detection trials and implement technology and enhance facial recognition systems Promote awareness of SkyCity's anti-money laundering, know your customer and host responsibility obligations, and training and education amongst staff
Community and sustainability	<ul style="list-style-type: none"> Focus on building staff resilience, morale and motivation Ongoing improvements in health, safety and wellbeing strategies Deliver on gender and ethnicity diversity targets in leadership/talent pipeline Increase understanding of/participation in flexibility at work programme Ongoing reduction of employee turnover Ongoing improvements in gender and ethnic pay equality Deliver employment opportunities for youth through our Project Nikau programme Implement the 'SkyCity Sustainable Wage' in New Zealand Refine our sustainable sourcing strategy for our supply chain Maintain labour standards commensurate with an employer of choice Increase awareness of modern slavery risks and mitigations for employees working in areas impacted by these risks Measure, report and offset SkyCity's carbon footprint Implement initiatives to reduce waste to landfill and water usage

About SkyCity

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

As one of three major publicly listed casino operators in Australasia, SkyCity operates integrated entertainment complexes in New Zealand (in 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, SkyCity Online Casino (based out of Malta) offers New Zealanders an exciting online gaming experience.

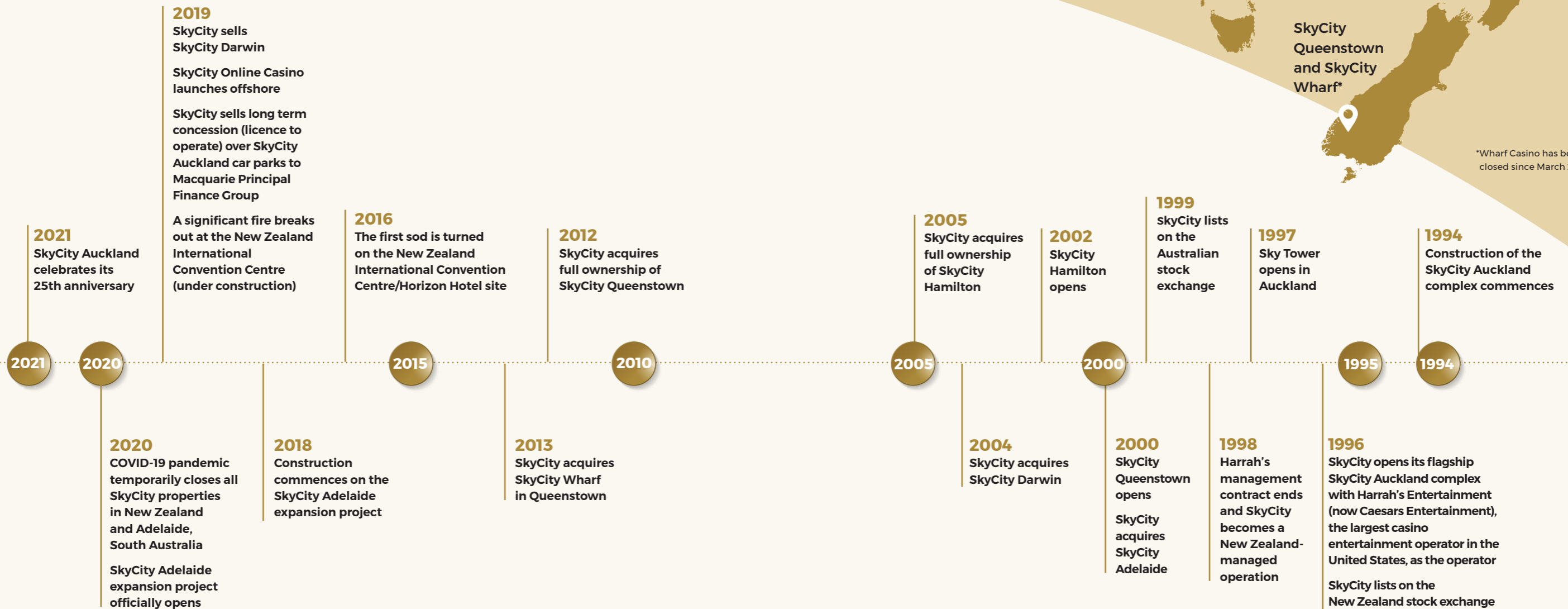


SkyCity Online Casino Malta



*Wharf Casino has been closed since March 2020.

OUR HISTORY AT A GLANCE



Auckland

Property	SkyCity Auckland, New Zealand	
Property Manager	 Callum Mallett, Chief Operating Officer New Zealand	
Opened	1996	
Casino Venue Licence	Runs until 2048*	
Facilities	<ul style="list-style-type: none"> • Casino • Hotels • Food and beverage • Entertainment • Car parking 	<ul style="list-style-type: none"> • Sky Tower • Theatre • Telecommunications and broadcasting facilities
Licensed Gaming Product	<ul style="list-style-type: none"> • 1,877 electronic gaming machines** • 150 table games** • 240 automated table games*** 	
Workforce	~2,500 staff	
FY21 Revenue	\$436.4 million [^] (reported) \$488.2 million (normalised)	

*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.

SkyCity Auckland is the flagship property of the SkyCity Entertainment Group, featuring a casino, two award-winning hotels - The Grand by SkyCity and SkyCity Hotel, 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).

Opened in 1997, the 328-metre tall Sky Tower is an icon of Auckland's skyline and the tallest

free-standing structure in the Southern Hemisphere. Visitors can enjoy breathtaking views right across Auckland from the observation decks or any of the three restaurants in the Sky Tower, including Auckland's only 360-degree revolving restaurant. At the very top of the Sky Tower, a 93-metre communications mast accommodating VHF, UHF, AM and FM broadcasting and telecommunications antennas provides telecommunications and broadcasting facilities to the telecommunications industry.

During the last financial year, SkyCity completed a \$50 million upgrade within the SkyCity Auckland casino with the opening of Flare bar, Food Republic (a three-restaurant food court) and a new VIP BLACK and Ultra gaming machine area that provides an unrivalled VIP offering and experience to SkyCity's domestic VIP customers. Two new attractions also opened within the SkyCity Auckland precinct - the All Blacks Experience, a joint venture between New Zealand Rugby and Ngāi Tahu Tourism that provides visitors with a state-of-the-art, interactive experience showcasing the All Blacks through the use of innovation and technology, and Weta Workshop Unleashed, an immersive film effects workshop created by Academy Award-winning design and effects company Weta Workshop.

SkyCity is currently investing around \$750 million within the SkyCity Auckland precinct to develop the New Zealand International Convention Centre, an adjacent laneway, over 1,250 additional car parking spaces, and Horizon Hotel - a new 300-room, 5-star hotel. This development was originally expected to be completed in 2019 - however, due to delays by the contractor, the significant fire that broke out at the New Zealand International Convention in October 2019 and the subsequent impacts of the COVID-19 pandemic, Horizon Hotel is now expected to be completed during 2024 and the New Zealand International Convention Centre and adjacent laneway are expected to be completed in late 2024.

When open, the New Zealand International Convention Centre will be New Zealand's premier convention centre enabling New Zealand to attract major international conferences as well as having capability for sporting events, theatre and musical performances. The centre is designed to be a welcoming, open building complemented by a fresh new streetscape for local, national and international visitors alike to enjoy.

FY21 PERFORMANCE

SkyCity Auckland celebrated its 25-year anniversary in February 2021 and delivered a satisfactory performance for the full year period with earnings up 4.9% compared to the prior comparable period, despite operational constraints arising due to the impact of COVID-19. The property was closed for 29 days during the period due to COVID-19 lockdowns in August 2020 and February/March 2021, and operated for 48.5 days under Alert Levels 2 and/or 2.5 restrictions during the period with limits on gatherings and mandatory social distancing requirements which significantly reduced capacity, particularly in the gaming business.

Local gaming performance remained resilient over the period and, when operating at Alert Level 1 (with no restrictions, except at the border), electronic gaming machine activity was consistent with or above pre COVID-19 levels, particularly during weekend and holiday peaks. The property continues to benefit from new product and an improved floor layout, in addition to the new premium gaming rooms which have been well received by customers.

Our tourism-related businesses in Auckland continue to be impacted by ongoing international border closures, but performance improved progressively over the period and benefitted from ongoing strong domestic tourism across New Zealand as customers continue to have limited options for international travel. Our hotels remain profitable and continue to outperform the competitor set, but RevPAR and earnings were well down on pre COVID-19 levels. Our food and beverage and attraction businesses were at broadly break-even contribution.

Pleasingly, operating margins at the property remained stable compared to the prior comparable period leveraging cost saving initiatives implemented during 2020.



Weta Workshop Unleashed



VIP BLACK



Food Republic




Flare



All Blacks Experience

Adelaide

Property	SkyCity Adelaide, Australia
Property Manager	 David Christian, Chief Operating Officer Australia
Acquired	2000
Licensing Agreement	Runs until 2085*
Facilities	<ul style="list-style-type: none"> · Casino · Hotel · Food and beverage · Entertainment · Conventions
Licensed Gaming Product	<ul style="list-style-type: none"> · 1,080 electronic gaming machines (allowance for 1,500) · 118 table games (allowance for 200)** · 91 automated table games (allowance for 300)
Workforce	~1,350 staff
FY21 Revenue	A\$183.2 million (reported) A\$196.9 million (normalised)

*The Approved Licensing Agreement between the Minister for Business Services and Consumers and SkyCity Adelaide Pty Limited provides Adelaide Casino 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 Torrens River, 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.

In December 2020, SkyCity completed a A\$330 million expansion project at the Adelaide property, transforming SkyCity Adelaide into a world-class integrated entertainment hub. Designed by The Buchan Group in association with Hecker Guthrie Walter Brooke, and built by Hansen Yuncken, the new development includes a 120-room luxury hotel – Eos by SkyCity, wellness centre with a day spa, pool, sauna and gym, VIP gaming facilities, function and conference facility for up to 650 guests, two new bars (including a rooftop bar) and four additional signature restaurants. A spectacular

three-storey glass atrium connects the Railway Station building seamlessly with the adjoining new development.

As part of the transformation, the existing SkyCity Adelaide business, housed in the iconic Adelaide Railway Station, was also extensively revitalised and restored to improve the layout and experience for customers, and now includes a new live entertainment space (The District at SkyCity) and Australia's first fully functional microbrewery within a casino (operated by Pirate Life).

As part of the South Australian Government's broader review of gambling regulation in South Australia, in October 2020, SkyCity Adelaide introduced ticket-in ticket-out (TITO) technology on the main gaming floor and banknote acceptors across the casino.

FY21 PERFORMANCE

SkyCity Adelaide's performance prior to the expansion opening in December 2020 was impacted by operational constraints due to COVID-19 and construction disruption, but performance since opening the new facilities significantly improved across all activities.

Strict social distancing measures were required due to COVID-19 for a large part of the full year period and the property was closed for 3.5 days in late November 2020 in response to a local COVID-19 outbreak.

Performance at SkyCity Adelaide when open has been consistent with strong local gaming activity, particularly from premium customers (with

electronic gaming machine market share of around 9%) and new non-gaming facilities proving popular with customers. Property revenue during 2H21 was up around 50% compared to the comparable periods (including FY19 for April through to June 2021 due to the property being closed in the FY20 prior comparable period). Good cost execution has seen property margins ahead of expectations at around 20%.

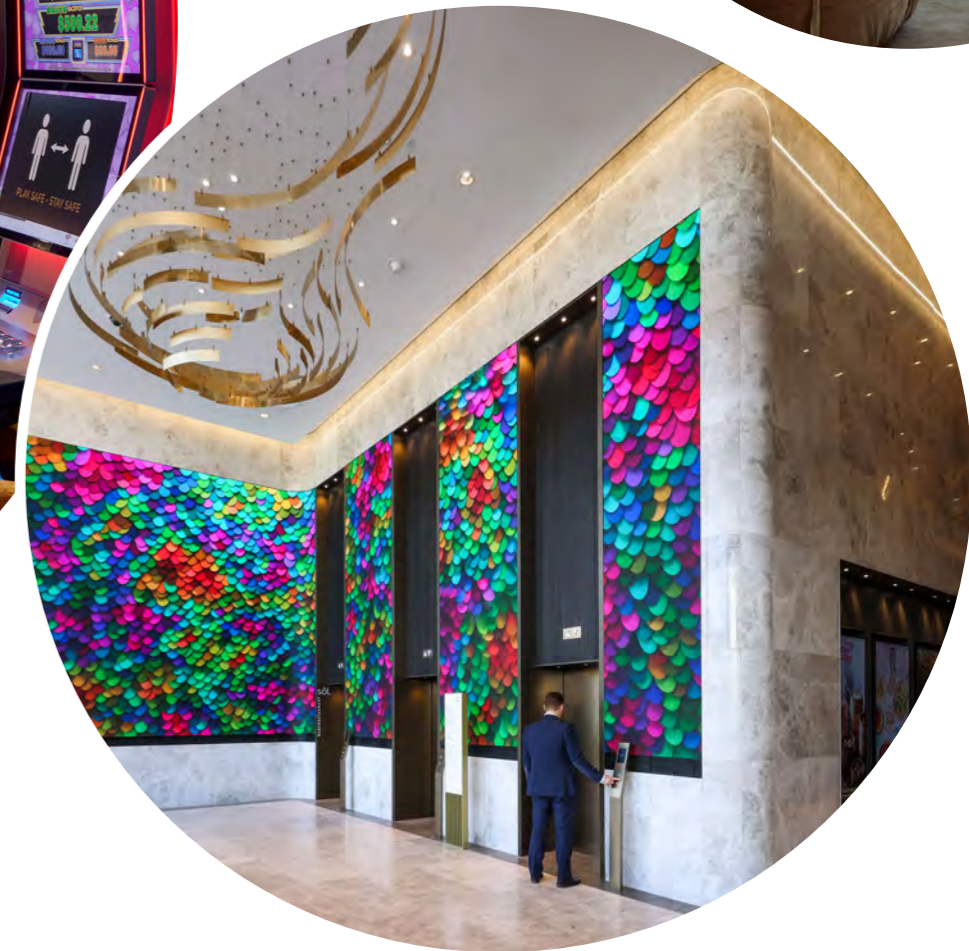
SkyCity Adelaide received a one-off benefit from the Australian Jobkeeper scheme (around A\$11 million EBITDA impact) during the period which was treated as other income. A partial repayment will be made to reflect SkyCity's improved financial performance in FY21.




A NEW ERA OF LUXURY IN ADELAIDE

The A\$330 million SkyCity Adelaide expansion development opened to the public in December 2020.

Eos by SkyCity is Adelaide's most luxurious hotel, with rooms ranging from 50sqm – 230sqm and opulently appointed to meet the growing demand for quality hotel rooms from both domestic and international visitors.



Hamilton

Property	SkyCity Hamilton, New Zealand	
General Manager	 Michelle Baillie	
Opened	2002 Increased ownership from 70% to 100% in 2005	
Casino Venue Licence	Runs until 2027*	
Facilities	<ul style="list-style-type: none"> · Casino · Food and beverage · Entertainment 	<ul style="list-style-type: none"> · Conventions · Car parking · Tenpin bowling
Licensed Gaming Product	<ul style="list-style-type: none"> · 339 electronic gaming machines** · 23 table games** 	
Workforce	~300 staff	
FY21 Revenue	\$65.0 million (reported) \$73.5 million (normalised)	

*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.

Situated within Hamilton's historic Chief Post Office, a building 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.

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 a new Baccarat Lounge and a refurbished function space, The Garden Room. A key focus has been on product and layout optimisation within the casino to maintain SkyCity Hamilton's market leader position and manage high demand for electronic gaming machines (which remain capacity constrained at peak times).

SkyCity Hamilton is a key member and supporter of the local community and is committed to being the Waikato region's premier entertainment destination. We were therefore thrilled to have been named the winner of the Best Social Responsibility category at the Hamilton Central Business Association's 2020 CBD Celebration Awards, recognising SkyCity Hamilton's commitment to community, customers, diversity and sustainability, and the runner-up in the Community Contribution category at the 2020 Waikato Business Awards.

FY21 PERFORMANCE


SkyCity Hamilton delivered a strong revenue and earnings result for a full year period, underpinned by strong local gaming activity and cost control, despite 51 days operating under Alert Level 2 restrictions over the period.

Consistent with prior periods, Hamilton delivered strong electronic gaming machine activity, despite capacity constraints, benefitting from improved product mix and new gaming areas, particularly for VIP customers.

The property has shown resilience to the impacts of COVID-19 over the last financial year due to having a predominantly domestic (and gaming) focused business and supportive external factors, including population growth, an increasingly diverse local economy (less reliance on the primary sector) and improved connectivity to the Auckland region. The Waikato region has also benefitted from strong domestic tourism activity in New Zealand as international borders remain closed.

A focus on cost control and operating efficiencies delivered significant margin improvement compared to the prior comparable period.

Queenstown

Property	SkyCity Queenstown and SkyCity Wharf, New Zealand	
General Manager	 Jono Browne	
Opened/Acquired	Opened Queenstown in 2000 and increased ownership from 60% to 100% in 2012 Acquired Wharf in 2013	
Casino Venue Licence	Runs until 2025* for Queenstown Runs until 2024* for Wharf	
Facilities	<ul style="list-style-type: none"> · Casino · Food and beverage · Entertainment · Conventions 	
Licensed Gaming Product	<ul style="list-style-type: none"> · 86 electronic gaming machines (Queenstown)** · 12 table games (Queenstown)** · 74 electronic gaming machines (Wharf)** · 6 table games (Wharf)** 	
Workforce	~50 staff	
FY21 Revenue	\$10.9 million (reported) \$12.3 million (normalised)	

*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's two Queenstown casinos, SkyCity Queenstown and SkyCity Wharf, are located in central Queenstown surrounded by the majestic Southern Alps.

Whilst the larger SkyCity Queenstown property reopened on 14 May 2020 after the first COVID-19 lockdown in New Zealand, the smaller SkyCity Wharf property has remained closed since initially closing on 23 March 2020 as ongoing border restrictions continue to have a detrimental effect on the local Queenstown economy in particular, which is largely dependent on tourism.

FY21 PERFORMANCE

SkyCity Queenstown delivered a strong earnings result for a full year period, underpinned by strong electronic gaming machine activity, positive

domestic tourism into the region, particularly during peak holiday periods, and effective cost control.

This strong performance was despite 51 days operating under Alert Level 2 restrictions over the period and ongoing international border closures. The Wharf Casino remained closed over the period and is expected to remain so for the foreseeable future.

Good cost execution over the period delivered a significant increase in operating margins – an onerous lease benefit of \$986,076 was realised during 1H21 when the decision was made to keep the Wharf Casino closed. Future options for our two Queenstown properties continue to be evaluated, with the current focus on optimising SkyCity Queenstown and leveraging strong domestic tourism trends.

International Business

General Manager



Stewart Neish

Facilities

Premium gaming facilities at SkyCity Auckland, SkyCity Adelaide and SkyCity Queenstown

FY21 Revenue

\$17.8 million (reported)
\$22.1 million (normalised)

SkyCity's International Business division caters for high-net worth international players who visit casinos as part of their leisure activities.

The flagship SkyCity Auckland property features several premium gaming spaces, including 1,800 sqm of luxury high-end gaming space above the SkyCity Hotel featuring four luxurious gaming salons for exclusive use and four private accommodation suites. Each salon has its own private dining facilities, bar and massage chairs, as well as its own lounge area and outdoor balcony. Gaming dealers are available on request for customers, who enjoy the full range of gaming options offered at SkyCity Auckland in their own private salon.

Additional VIP luxury gaming facilities were opened in December 2020 as part of the A\$330 million SkyCity Adelaide expansion.

In April 2021, SkyCity announced, following completion of a strategic review into its International Business division, that it would

permanently cease dealing with junket operators and continue to operate its International Business division under a revised operating model where SkyCity will deal directly with International Business patrons after appropriate know your customer and customer due diligence requirements are satisfied.

FY21 PERFORMANCE

Our International Business division continues to be significantly impacted by COVID-19 and ongoing international border closures resulting in negligible international tourism activity over the period.

Cost control and modest interstate tables activity in Adelaide post expansion reduced expected losses, with 2H21 performance slightly EBITDA positive.

Our International Business team has continued to focus on proactive customer engagement to prepare the business for when borders reopen and customers can return to our properties.

Online

Managing Director



Steve Salmon

Facilities

Online casino

FY21 Revenue

\$13.1 million (reported)
\$13.1 million (normalised)

Launched in August 2019, SkyCity Online Casino provides New Zealanders with an offshore online casino platform, featuring over 1,600 online games.

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 led 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.

SkyCity remains supportive of future regulation of online gaming in New Zealand with an emphasis on strong host responsibility and delivering community benefits in New Zealand and we continue to prepare for a regulated industry to deliver on the omnichannel opportunity for the Group. Growth in online gambling continues to be a significant global industry theme with numerous international jurisdictions regulating online gambling (or intending to do so) to address the transition from physical to online entertainment, which has been exacerbated by the impact of COVID-19.

Following a public consultation which commenced during 2019, the Department of Internal Affairs (the New Zealand gambling regulator) continues to develop a policy framework for potential regulation. Regulation of the New Zealand online gaming market would enable SkyCity to pursue the omnichannel opportunity and address a fast-growing category which is highly

complementary to our land-based activities whilst offering customers a varied gaming experience (both physical and digital).

FY21 PERFORMANCE

SkyCity continued to optimise its online casino venture with GiG over the period, despite operational constraints. SkyCity Online Casino's performance over the year has exceeded expectations with significant growth in revenue and EBITDA and in excess of 45,000 active customers currently.

With gross gaming revenue of \$27.9 million (and net revenue attributable to SkyCity of \$13.1 million) and reported EBITDA of \$9.1 million for the period, SkyCity Online Casino is now making a meaningful contribution to the Group. EBITDA margin for the period was in line with expectations due to operating leverage and effective management of customer acquisition costs.



Our Values

Our people-centric values represent what it means to succeed at SkyCity – they identify what is expected from us when we come to work and define the important role we all play in creating magic at SkyCity.



OWN IT

Make your mark.

We all have a unique set of skills with which we do our part for SkyCity.

Own your role, embrace it with passion and energy, act with integrity, be genuine with your interactions and be accountable for your work.

Be proud of your successes.

Take responsibility for your mistakes and learn from them to keep improving.



SHARE IT

Make a difference.


We're all a part of the SkyCity team.

Be a passionate member of your team and work towards your shared goals.

Help others along the way, treat your colleagues and customers fairly and with respect.

Be honest and connect with others to build strong relationships.

Be inclusive and embrace diversity.



LIVE IT

Make magic.

Be enthusiastic and take pride in working for SkyCity.

Always strive to deliver exceptional customer experiences.

Seek out ways to go the extra mile and leave a lasting impression.

Help us to continually improve and create the best version of SkyCity.

Refreshing Our Brand

In June 2021, SkyCity Auckland launched a new brand campaign, Feel It, across outdoor, online video and print media channels. Designed to remind Aucklanders and visitors from the rest of New Zealand that SkyCity offers a range of memorable experiences, the campaign celebrates the feelings SkyCity creates for its visitors across its extensive range of offerings. The campaign features many of SkyCity's most iconic attractions, as well as several less well known experiences.

Feel It unifies the many and varied parts of SkyCity under the many and varied feelings they create, be that a delicious meal, a relaxing massage or yoga class, a walk around the outside of the Sky Tower, or a jump off it, a stay in one of our hotels, or a night at the roulette table – all of these activities create memorable feelings that are celebrated in this campaign.



EXHILARATION



JOY



RHYTHM



FREEDOM



PRIDE



ANTICIPATION



CALM

FEEL IT



Risk Profile and Management

SkyCity operates in a dynamic and challenging environment with risks and opportunities both locally and internationally. The SkyCity Board is ultimately responsible for the governance of the Group's risk management, which includes formulating the Group's risk appetite and setting and monitoring risk tolerance.

SkyCity maintains a risk management framework for the identification, assessment, monitoring and management of risk to the company's business. As part of this framework, SkyCity maintains an independent, centrally managed Group Risk function which evaluates and reports on risks and controls across the Group. The Group Risk team collates, assesses and monitors the risks the Group faces by way of a Top Risk Profile, which is updated regularly. The Top Risk Profile is a current view of the most significant emerging or potential risks facing the Group, as well as a summary of how those risks are being mitigated or prepared for, and is a critical input to strategic planning, insurance renewal, investment and resource prioritisation, assurance planning, and ongoing business improvements. Management reports to the SkyCity Board and the Board's Audit and Risk Committee on the effectiveness of the company's management of its material business risks at least annually.

SkyCity operates a combined assurance model which is led by the Group Risk team and includes a combination of business self-assurance (production and maintenance of business unit risk registers), internal audit activity, and the selected outsourcing of a number of independent reviews. The overall effectiveness of the combined assurance model is monitored and assessed by, and all significant assurance findings are communicated to, the Audit and Risk Committee.

The SkyCity Board and management recognise that a positive culture is fundamental to an effective risk management framework and instils and promotes a culture which values the principles of honesty, fairness, cooperation, diversity and inclusion, and accountability – as reflected in the SkyCity Group's Code of Conduct (available in the Governance section of the company's website at www.skycityentertainmentgroup.com).

The Group Risk team monitors the company's culture for indications on how well the risk culture is performing and/or areas for improvement by way of:

- leadership risk culture surveys conducted annually across the SkyCity Group;
- mini risk culture surveys conducted as part of each assurance and risk review;
- bi-annual reviews of various metrics to help provide a proxy view of risk culture;
- bi-annual presentation of a risk culture dashboard to the Audit and Risk Committee; and
- regular discussions with management on risk culture.

Our Material Risks

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 in the table overleaf.

Material Exposure**Risk Management****Highly Regulated Industry**

SkyCity operates in the casino industry, which is highly regulated. The regulatory framework in which the business operates is not only complex but also subject to change from time to time, which may impact the environment in which SkyCity operates and increase the costs and complexities of operating its business. In addition, there is an increased regulatory focus by different regulators of the casino industry, as well as ongoing pressure to keep improving SkyCity's standards.

Potential examples of such changes include unfavourable changes to gaming and/or smoking legislation and regulations, licence conditions and gaming taxes and levies. Such changes may be introduced for a variety of reasons, including in response to the behaviour of others operating in the industry or increased government and regulatory conservatism in relation to the casino industry in New Zealand and Australia.

For example, over the past financial year there has been an increased focus on additional consumer protection requirements and regulatory oversight of land-based casino operators in New Zealand and Australia (including in respect of anti-money laundering and host responsibility obligations) and on SkyCity's 'social licence' to operate – see page 58 of this annual report for more details.

The regulatory risk is mitigated by close monitoring of the evolving regulatory landscape, including maintaining frequent and transparent engagement with the governments and regulators in each jurisdiction in which SkyCity operates and with industry stakeholders to ensure that expectations are met and high standards of compliance are maintained.

Targeted initiatives are undertaken as and when required based on the likelihood of the risk occurring and the impact it would have on SkyCity's business.

SkyCity also supports a robust compliance culture and framework to ensure compliance with licence conditions and applicable legislation and regulations.

Pandemic Preparedness and Business Continuity

As with any large, distributed business, SkyCity must be prepared for a wide range of events that have the potential to cause significant disruption and/or temporary closure of one or more of its sites.

The COVID-19 pandemic and related actions taken in response by the New Zealand, Australian and other Governments (including national lockdowns and border controls/travel restrictions) and the effects of the pandemic on global and domestic economies have had, and are likely to continue to have, a material adverse effect on SkyCity, its financial performance and outlook, liquidity and/or share price.

To mitigate this risk, SkyCity maintains a comprehensive business continuity framework, which supports preparedness and response to a wide range of critical events, including natural disasters, fire, emergency incidents and pandemics.

The business continuity framework is subject to ongoing monitoring to ensure management readiness and capability (including undertaking simulated crisis response drills on a regular basis to test management readiness and capability) and improvement to enhance resilience.

Due to the strength of the business continuity framework, the SkyCity Board and management have worked well in responding to and managing the ongoing impacts of the global COVID-19 pandemic to date.

Material Exposure**Risk Management****Liquidity and Solvency Risk**

SkyCity's ability to achieve its business objectives is dependent on it being able to effectively manage its liquidity and solvency throughout a period of no and/or significantly diminished revenue and earnings.

There is significant complexity related to managing those matters, including as a consequence of a number of matters being outside of SkyCity's control. Such unexpected matters could result in SkyCity's financial position and future performance being adversely impacted.

SkyCity's ability to demonstrate fiscal resilience during these times is critical to maintaining long term investor and regulatory confidence.

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).

In June 2020, SkyCity announced a comprehensive funding plan to strengthen its balance sheet and secure additional liquidity in response to the uncertainty around the impacts of COVID-19. The funding plan was successfully implemented in June and July 2020 and ensured that SkyCity had an appropriate level of equity capital for the medium to long term and sufficient liquidity to fund its committed investment in its two major projects in Auckland and Adelaide.

In May 2021, as part of its ongoing capital management strategy, SkyCity issued \$175 million of six-year, unsecured, unsubordinated, fixed rate bonds – the proceeds of which were used to reduce the SkyCity Group's drawings on its bank facilities.

Given the cautious economic outlook and that significant risk and uncertainty still exists around COVID-19, SkyCity continues to adopt a conservative approach to capital management.

Loss of Casino Licence

SkyCity's Auckland property contributes a significant portion of SkyCity's EBITDA. This concentration of earnings means that the performance of SkyCity is heavily dependent upon the Auckland property. A significant disruption to SkyCity's Auckland operations, which may arise through the suspension, cancellation or expiry of the Auckland casino licence, would have a significant negative impact on SkyCity.

The suspension, cancellation or expiry of any of SkyCity's other casino licences would also have a negative impact on SkyCity.

SkyCity has mitigated this risk by securing an extension of the Auckland casino licence to 30 June 2048.

The SkyCity Adelaide casino licence currently runs until 30 June 2085 and extensions to the Hamilton and Queenstown casino licences are intended to be sought in accordance with the renewal provisions of the Gambling Act 2003 (New Zealand) in due course.

In addition, SkyCity mitigates the risk by maintaining a robust compliance culture and framework to ensure compliance with licence conditions and gaming legislation and regulations, and maintaining engagement with the governments and regulators, in each jurisdiction in which SkyCity operates.

SkyCity has an excellent history of compliance over 20 years and is committed to working cooperatively with its regulators on matters of concern.

Material Exposure	Risk Management
<p>Economic and Business Volatility</p> <p>The general economic conditions in the markets that SkyCity operates in, in addition to volatility in certain parts of the business, can significantly influence the financial performance of the company.</p>	<p>To mitigate these risks, SkyCity continually monitors its external environment, including the geo-political and global economic landscape, and has a robust liquidity management framework.</p> <p>SkyCity also continually reviews the optimal mix for its business activities to ensure it has a balanced portfolio reflecting its risk appetite.</p>
<p>Customer and Innovation Risk</p> <p>SkyCity recognises that it is important to consider evolving customer demographics and preferences in both its gaming and non-gaming operations, including new offerings, technologies and innovation.</p>	<p>To ensure SkyCity remains relevant to its customers, key strategic projects are currently being progressed, with a focus on emerging industry trends and opportunities for leveraging new technology and demographic changes.</p> <p>Master planning also continues to be progressed for each of the SkyCity sites to explore opportunities for food and beverage, new gaming spaces and entertainment offerings.</p>
<p>Technology Risk</p> <p>Technology represents a critical platform to SkyCity's business - not only for facilitating/enabling its operations, but also mitigating cyber-threats and ensuring compliance with regulatory and licence requirements.</p> <p>SkyCity's operations are dependent on a number of key systems. There is a risk that the security of critical systems may be compromised and/or information is accessed without authorisation, deleted or corrupted, which could impact SkyCity's ability to operate critical systems and result in costs to resolve or repair, potential downtime of operations, potential breaches of privacy and/or reputational impacts.</p>	<p>To mitigate technology risk, SkyCity has invested in a significant programme over recent years to improve technology systems, infrastructure, capability and data management, and to improve cyber-resilience. SkyCity continues to invest in these areas as required (particularly around ensuring improved levels of ICT disaster recovery preparedness) and to keep abreast of the latest cybersecurity issues and security patches. Additionally, there is a strong, ongoing focus on technology project governance, risk management and assurance.</p> <p>A management-led Privacy and Cybersecurity Steering Committee has been established to govern the development of SkyCity's privacy and cybersecurity strategy and programme, prioritise mitigation initiatives against the cybersecurity risk matrix, prioritise the operational initiatives to lift SkyCity's security posture, and review and respond to major cyber and privacy incidents and oversee the proposed measures to prevent recurrence.</p> <p>Penetration testing is undertaken regularly to test system resilience and identify any security vulnerabilities that could be exploited. Simulated phishing emails are also regularly sent within the organisation to raise security awareness amongst employees.</p>

Material Exposure	Risk Management
<p>Development and Project Risk (including Return from Major Projects)</p> <p>SkyCity has a significant project still underway (the New Zealand International Convention Centre and Horizon Hotel development in Auckland). Potential project risks include project delays, supply chain constraints and project cost overruns.</p> <p>The COVID-19 pandemic has significant implications for return on capital invested in major projects. For example, the ongoing closure of Australian interstate and international borders over the short to medium future is expected to impact visitation and occupancy for the recently opened SkyCity Adelaide expansion project.</p>	<p>SkyCity seeks to mitigate these risks by continually monitoring progress by contractors against contractual obligations, and maintaining robust project management.</p> <p>SkyCity has established strong governance and oversight frameworks for both current and future major growth projects. SkyCity also ensures robust governance over capital allocation and shareholder returns.</p>
<p>Health and Safety Risk</p> <p>SkyCity has Health and Safety Risk Registers in place that identify risks in two key categories - high consequence/low frequency (being critical risks) and low consequence/high frequency risks.</p> <p>Due to the hospitality and retail focus of SkyCity's business, a high percentage of the company's health and safety risk falls into the low consequence/high frequency category, which includes risks such as slips and trips and cuts from manual task related injuries.</p>	<p>To mitigate critical risks (which include working at heights, confined spaces, electrical, moving plant, fire and explosion), SkyCity has in place extensive safe systems of work to effectively control the potential for an incident. Ongoing safety assurance activities seek to test these controls and, where appropriate, strengthen critical risk controls ensuring SkyCity keeps its people and visitors safe.</p> <p>SkyCity has harm prevention programmes in place which are aimed at reducing minor injuries and promoting wellness amongst its employees and contractors.</p> <p>SkyCity's New Zealand properties are tertiary accredited under the Accident Compensation Corporation (ACC) Accredited Employers Programme and its Adelaide site is a registered self-insured employer. The company undertakes assurance activities to maintain certifications and continually improve its health and safety performance.</p> <p>SkyCity is committed to delivering robust health and safety standards to manage the ongoing risks associated with COVID-19 and has developed and implemented a COVID-19 Health Management Framework for its business operations.</p> <p>Both New Zealand and Australia have achieved relative success in ensuring a low level of infection and mortality compared to many other countries around the world. However, the ongoing health and safety risks of COVID-19 have significantly altered the commercial landscape for SkyCity's land-based properties in both jurisdictions.</p>

Given the nature of SkyCity's operations, SkyCity does not have a material exposure to environmental risks in its usual day-to-day operations. SkyCity nonetheless recognises the criticality of climate related risks to its operations. Further details on these risks and SkyCity's approach to climate change risk management and reporting are outlined on page 122 of this annual report.

Tackling Financial Crime

SkyCity is committed to ensuring that it provides entertaining and profitable, yet safe and responsible, experiences and environments.

The New Zealand Anti-Money Laundering and Countering Financing of Terrorism Act 2009 and the Australian Anti Money Laundering and Counter Terrorism Financing Act 2006 (Cth) place obligations on certain organisations, including financial institutions and casinos, to detect and deter money laundering and terrorism financing and requires them to take appropriate measures to guard against money laundering and terrorism financing. Money laundering is how criminals disguise the illegal origins of their money. Financers of terrorism use similar techniques to money launderers to avoid detection by authorities and to protect the identity of those providing and receiving the funds.

At SkyCity, we place great importance on our anti-money laundering (AML) and countering financing of terrorism (CFT) obligations throughout every part of the organisation.

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 and auditing 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 the Australian Transaction Reports and Analysis Centre (AUSTRAC) (as applicable); and
- regular internal and external audits and reviews of AML/CFT compliance.

The Audit and Risk Committee is a dedicated Board committee that has responsibility for ensuring compliance with AML/CFT requirements in New Zealand and Australia and discusses, as a standing agenda item at each scheduled Audit and Risk Committee meeting, matters relating to the Group's AML/CFT obligations.

Within the business, a specialist AML team oversees the Group's ongoing compliance with AML/CFT requirements and a management-led AML Senior Management Group provides enhanced governance to AML/CFT related matters across the Group and supports the effective implementation of SkyCity's AML/CFT obligations across the Group. SkyCity senior managers and employees engaged in AML/CFT related duties also receive training on AML/CFT matters.

SkyCity's online gaming site, 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 administers and maintains the AML/CFT Policy.

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



Increased Focus on the Casino Industry

Over the last financial year, there has been an increased focus on casino operators in Australia as a consequence of the New South Wales Independent Liquor and Gaming Authority's inquiry into the operation of Crown Casino in Sydney, the Royal Commission established by the Western Australian Government to inquire into and report on the affairs of the Crown Casino Perth and related matters and the Royal Commission established by the Victorian Government to inquire into the suitability of Crown Melbourne Limited to hold a casino licence.

These inquiries have led to increased focus and scrutiny on SkyCity and other casino operators and could lead to more stringent regulations for casino operators in Australia and New Zealand in relation to money laundering and other financial crimes. As a result, there are heightened expectations on SkyCity around its obligations under AML/CTF legislation and regulations, monitoring cash and third-party transactions, and undertaking enhanced due diligence checks on higher risk customers. Banks in both New Zealand and Australia are also signalling to casinos that they have a significantly reduced risk appetite for accepting cash deposits from higher risk customers.

In April 2021, SkyCity announced, following completion of a strategic review of its International Business division, that it would permanently cease dealing with all junket operators, effective immediately, and continue to operate its International Business division under a revised operating model where SkyCity will deal directly with International Business patrons after appropriate know your customer and customer due diligence requirements are satisfied.

AUSTRAC Enforcement Investigation

In June 2021, SkyCity was informed by AUSTRAC's Regulatory Operations Team that it had identified potential serious non-compliance by SkyCity Adelaide Pty Limited with the Australian Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1) and it had, consequently, referred the matter to AUSTRAC's Enforcement Team which had initiated a formal enforcement investigation into the compliance of SkyCity Adelaide. The potential non-compliance includes concerns

relating to ongoing customer due diligence, adopting and maintaining an AML/CTF Programme and compliance with Part A of an AML/CTF Programme. These concerns were identified in the course of a compliance assessment which AUSTRAC commenced in September 2019 focusing on SkyCity Adelaide's management of customers identified as high risk and politically exposed persons over the periods from 1 July 2015 - 30 June 2016 and 1 July 2018 - 30 June 2019.

AUSTRAC has made clear that it has not made a decision regarding the appropriate regulatory response that it may apply to SkyCity Adelaide, including whether or not enforcement action will be taken.

The SkyCity Board and management team take the concerns raised by AUSTRAC very seriously and took immediate steps to investigate and appropriately address AUSTRAC's concerns, including:

- establishing a Steering Committee (led by the Chair of the SkyCity Board) to oversee SkyCity Adelaide's engagement with AUSTRAC throughout the investigation process and its response to addressing the concerns raised by AUSTRAC; and
- engaging an independent expert to conduct a comprehensive review of SkyCity Adelaide's AML/CTF Programme and broader AML function in light of the concerns raised by AUSTRAC to assist SkyCity where appropriate to enhance and improve the AML/CTF Programme and AML function. SkyCity has also devoted substantial further resources to reviewing these matters with a view to identifying and implementing appropriate improvements to SkyCity's AML function. These reviews have not been limited in their scope to matters specifically raised by AUSTRAC - they have also been directed to identifying areas where SkyCity Adelaide's AML/CTF Programme and AML function could be enhanced or uplifted more generally.

SkyCity will continue to fully co-operate with AUSTRAC in relation to its inquiries and with its investigation into SkyCity Adelaide.



Our Board



ROB CAMPBELL
Chair

Member of the Audit and Risk Committee
Member of the People and Culture Committee
Member of the Sustainability Committee
Chair of the Governance and Nominations Committee

Appointed a director of SkyCity in June 2017
and Chair of the SkyCity Board in January 2018

Rob is currently the Chair of Tourism Holdings Limited, New Zealand Rural Land Company Limited, Ara Ake Limited and WEL Networks Limited and a director of Ultrafast Fibre Limited. Rob has over 30 years' experience in capital markets and is a director of, or advisor to, a range of investment fund and private equity groups in New Zealand, Australia, Hong Kong and the United States of America. He was made a Companion of the New Zealand Order of Merit (CNZM) in the New Year Honours 2020 list for his services to governance and business.

Rob holds a Bachelor of Arts with First Class Honours in Economic History and Political Science and a Master of Philosophy in Economics.



SUE SUCKLING
Director

Chair of the Sustainability Committee
Member of the Governance and Nominations Committee

Appointed a director of SkyCity in May 2011

Sue Suckling is an independent director and consultant with over 25 years in commercial corporate governance. She is recognised for her leadership in the technology innovation space and her deep governance experience.

Sue is currently the Chair of the Insurance & Financial Services Ombudsman Scheme Commission, Jacobsen Holdings Limited, 5th Element Limited, Eat My Lunch Limited, Rubix Limited, Jade Software Corporation Limited and Taska Prosthetics Limited. Previous governance roles include chairing NIWA, the New Zealand Qualifications Authority and AgriQuality Limited, and as a director of Restaurant Brands Limited, Westpac Investments Limited and the New Zealand Dairy Board. She holds an OBE for her contribution to New Zealand business.

Sue is a Chartered Fellow of the New Zealand Institute of Directors and a Companion of the Royal Society of New Zealand.



JENNIFER OWEN
Director

Chair of the Audit and Risk Committee
Member of the People and Culture Committee
Member of the Governance and Nominations Committee

Appointed a director of SkyCity in December 2016

Jennifer Owen has more than 30 years' experience in the areas of accountancy, audit, finance, treasury and equities research. She has specific specialist knowledge of the New Zealand and Australian gaming and entertainment sectors through her previous roles as Director of Equities Research at Citigroup Global Markets, with a specialist focus on the Australasian gaming sector, and as Equities Research Analyst at Macquarie Group focusing on the tourism/leisure sector, and a wide network within the gaming industry and a strong understanding of industry and investor issues.

Jennifer is currently a Principal of Owen Gaming Research, an independent research firm specialising in the gaming and wagering markets, and a director of Aspire Child Care (Mascot) Pty Limited.

Jennifer holds a Bachelor of Business from the Queensland Institute of Technology and a Master of Business Administration from the University of Queensland, is a graduate of the Australian Institute of Company Directors' Diploma course and is a member of Chartered Accountants Australia and New Zealand.



MURRAY JORDAN
Director

Chair of the People and Culture Committee
Member of the Audit and Risk Committee
Member of the Sustainability Committee
Member of the Governance and Nominations Committee

Appointed a director of SkyCity in December 2016

Murray Jordan is currently a director of Metlifecare Limited, Chorus Limited, Metcash Limited, Stevenson Group Limited, Asia Pacific Village Group Limited, Southern Cross Benefits Limited, Southern Cross Hospitals Limited and the Southern Cross Medical Care Society. He is also a trustee of Southern Cross Health Trust, Starship Foundation, Foodstuffs' Members Protection Trust and The Foodstuffs Co-operative Perpetuation Trust.

Prior to embarking on a governance career in 2015, he held various senior management roles at Foodstuffs Limited from 2004 to 2015, including Managing Director of Foodstuffs North Island and Managing Director and General Manager Retail, Sales and Performance of Foodstuffs Auckland Limited. In 2013, he led the merger of the Auckland and Wellington businesses of Foodstuffs to create what is now known as Foodstuffs North Island and established and oversaw the integration programme.

His early career was in the property sector, including as General Manager of Telecom NZ's property business and General Manager of AMP Capital Investors NZ Limited's property portfolio. Murray has a Master's degree in Property Administration from the University of Auckland.

Murray will retire from the SkyCity Board effective from 30 September 2021.

**SILVANA SCHENONE****Director**

Member of the People and Culture Committee
Member of the Sustainability Committee
Member of the Governance and Nominations Committee

Appointed a director of SkyCity in June 2021

Silvana Schenone is a corporate partner at MinterEllisonRuddWatts in Auckland where she leads the firm's Corporate division. She has extensive expertise in mergers and acquisitions, private equity investments, takeovers, scheme of arrangements, capital raisings and corporate governance matters.

Silvana is recognised internationally for her commercial acumen and negotiation skills, and is a thought leader on corporate governance issues. Prior to joining MinterEllisonRuddWatts in 2007, Silvana was a corporate lawyer at Sullivan & Cromwell LLP in New York and prior to that at Cariola Diez Pérez-Cotapos in Chile.

Committed to championing greater diversity, Silvana is a founding member of OnBeingBold. She is also a Board member of the New Zealand Takeovers Panel and holds a Master of Laws from Harvard University.

**JULIAN COOK****Director**

Member of the Audit and Risk Committee
Member of the People and Culture Committee
Member of the Governance and Nominations Committee

Appointed a director of SkyCity in June 2021

Julian Cook 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 and holds a Master of Finance from Victoria University and a Master of Science from the University of Waikato.

**CHAD BARTON****Director**

Member of the Audit and Risk Committee
Member of the People and Culture Committee
Member of the Governance and Nominations Committee

Appointed a director of SkyCity in June 2021

Chad Barton has extensive experience across finance, capital markets, mergers, acquisitions and property development. He is currently the Interim Chief Financial Officer of Nuix Limited, an ASX-listed global software company, and was the Chief Financial Officer of ASX-listed companies The Star Entertainment Group Limited from 2014 to 2019 and Salmat Limited from 2009 to 2014. Prior to this, he was Chief Financial Officer of the Australia and New Zealand business of Electronic Data Systems from 2006 to 2009.

Chad, as founding Chairperson, established Women in Gaming & Hospitality Australasia to achieve gender equity and support the development and success of women in the gaming industry.

Chad is currently a director of NeuRA (Neuroscience Research Australia) Foundation and a member of the Australian Institute of Company Directors and Chartered Accountants ANZ and holds a Bachelor of Business from the University of Technology in Sydney.

Our Senior Leadership Team



FROM LEFT TO RIGHT:
Nirupa George, Claire Walker, Callum Mallett, Matt Ballesty,
Michael Ahearne, Julie Amey, Jo Wong, Simon Jamieson and Glen McLatchie
Absent: David Christian

MICHAEL AHEARNE
Chief Executive Officer

Michael was appointed Chief Executive Officer in November 2020. He joined SkyCity in December 2017 as Group Chief Operating Officer and was responsible for driving value across SkyCity's properties in New Zealand and Australia. Michael also led SkyCity's online gaming strategy, including overseeing the establishment of SkyCity Online Casino in 2019.

Michael's extensive global experience in the gaming industry spans over 20 years across multiple sectors, including land-based and online casinos, as well as retail and online sports betting. Prior to joining SkyCity, Michael held a number of senior commercial, operational and product leadership roles at Paddy Power Betfair, one of the world leaders in sports betting and gaming. Michael was formerly the Chief Operating Officer for Aristocrat in the Australia and New Zealand regions and has held several senior management positions at The Star Casino in Sydney.

Michael is a qualified accountant and holds a Master of Business Administration from the University of Technology, Sydney.

JULIE AMEY
Chief Financial Officer

Julie joined SkyCity as Chief Financial Officer in May 2021 and is responsible for the financial management of SkyCity, including reporting, treasury, risk management and corporate development. She also oversees SkyCity's Information and Communications Technology function and helps to drive the strategic direction of the SkyCity Group.

Julie joined SkyCity from Shell Australia where she held the role of Vice President Finance Integrated Gas. She has also held a number of senior finance roles with the Shell Group around the world since 2001, including as Vice President Finance Qatar Shell, Chief Financial Officer for Shell & Turcas A.S. Turkey and Business Finance Manager and Financial Controller for Upstream Middle East in the United Arab Emirates. Prior to joining Shell, she held finance roles at Fletcher Challenge Energy, BBC Worldwide Publishing and Deloitte & Touche.

Julie is a chartered accountant and holds a Bachelor of Management Studies from the University of Waikato.

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.

Callum has significant gaming and hospitality experience having held a number of senior roles at SkyCity since joining in 2009, 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. He 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.

DAVID CHRISTIAN
Chief Operating Officer Australia

David was appointed Chief Operating Officer Australia in February 2021 and is responsible for SkyCity's Adelaide business and overseeing the Australian interstate gaming business.

David has more than 30 years' experience in hospitality, hotel and casino management, including working in several Australian States and Singapore. He has held a number of senior roles during his career with SkyCity since joining in 2005, including General Manager SkyCity Adelaide (where he was responsible for overseeing the construction and opening of the A\$330 million Adelaide expansion development), General Manager SkyCity Darwin, General Manager SkyCity Auckland and General Manager SkyCity Hamilton.

David holds a Master of Business Administration from Deakin University, Victoria, and a Diploma of Hospitality Management from Drysdale House, Tasmania.



CLAIRE WALKER
Chief People and Culture Officer

Claire was appointed in August 2016, bringing more than 20 years' experience in human resource management gained across a number of different sectors, and holds the position of Chief People and Culture Officer. She is responsible for leading the development and implementation of best practice people and culture strategy across the SkyCity Group and has executive responsibility for sustainability at SkyCity.

Prior to joining SkyCity in 2016, Claire was Chief People Officer at Sanford Limited where she established the human resources function and led the sustainability and integrated reporting activities for the organisation and, prior to that, Claire led the human resources and employee relations function for the SkyCity Auckland business. Claire has also held senior human resource roles with Carter Holt Harvey and Downer after several years working in the education sector.

Claire holds a governance role on the advisory board of the Sustainable Business Council in New Zealand.

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, regulatory affairs and anti-money laundering functions and is designated as SkyCity's Chief Privacy Officer.

Jo has over 20 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.

SIMON JAMIESON
General Manager NZICC

Since joining SkyCity in September 2007, Simon has held a number of roles, including General Manager SkyCity Adelaide, General Manager Hotels SkyCity Auckland and Acting General Manager SkyCity Auckland.

As General Manager NZICC, Simon oversees the development of SkyCity's New Zealand International Convention Centre and Horizon Hotel project in Auckland. He is also responsible for SkyCity's development projects in New Zealand and health and safety.

With more than 35 years' experience in large-scale hospitality businesses, Simon brings a wealth of commercial, property, project and tourism experience to the SkyCity business.

GLEN MCLATCHIE
Chief Information Officer

Glen joined SkyCity in 2016 as Chief Information Officer and is responsible for lifting the digital capability of the organisation to be able to respond to future innovation initiatives and growth strategies.

Prior to joining SkyCity, Glen was General Manager ICT with Meridian Energy where he transformed and modernised their aging technology footprint and digital capability. He has over 25 years of technology experience from across several industries globally, having worked in and out of the UK, France, USA, Australia, Malaysia, India, China and the Middle East.

Glen is a member of the Institute of Directors in New Zealand, a board member of Auckland charity Big Brothers Big Sisters and an advisory board member of Cyber Research NZ. Glen holds a Master of Information Systems from Swinburne University, Australia, and a Bachelor of Business Studies from Massey University, New Zealand.

MATT BALLESTY
Chief Casino Officer

Matt was appointed Chief Casino Officer in February 2021 and is responsible for managing the casino operations at SkyCity's largest property in Auckland and providing strategic direction on all gaming products across the SkyCity Group.

Matt has over 25 years' experience in the gaming and hospitality sector having held senior executive positions in Australia, New Zealand, Macau and Canada. Matt joined SkyCity originally in 2005, leading the Auckland gaming machines business and returned in 2013 as General Manager Group Gaming Strategy after gaining international gaming and hospitality experience in Macau.

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.

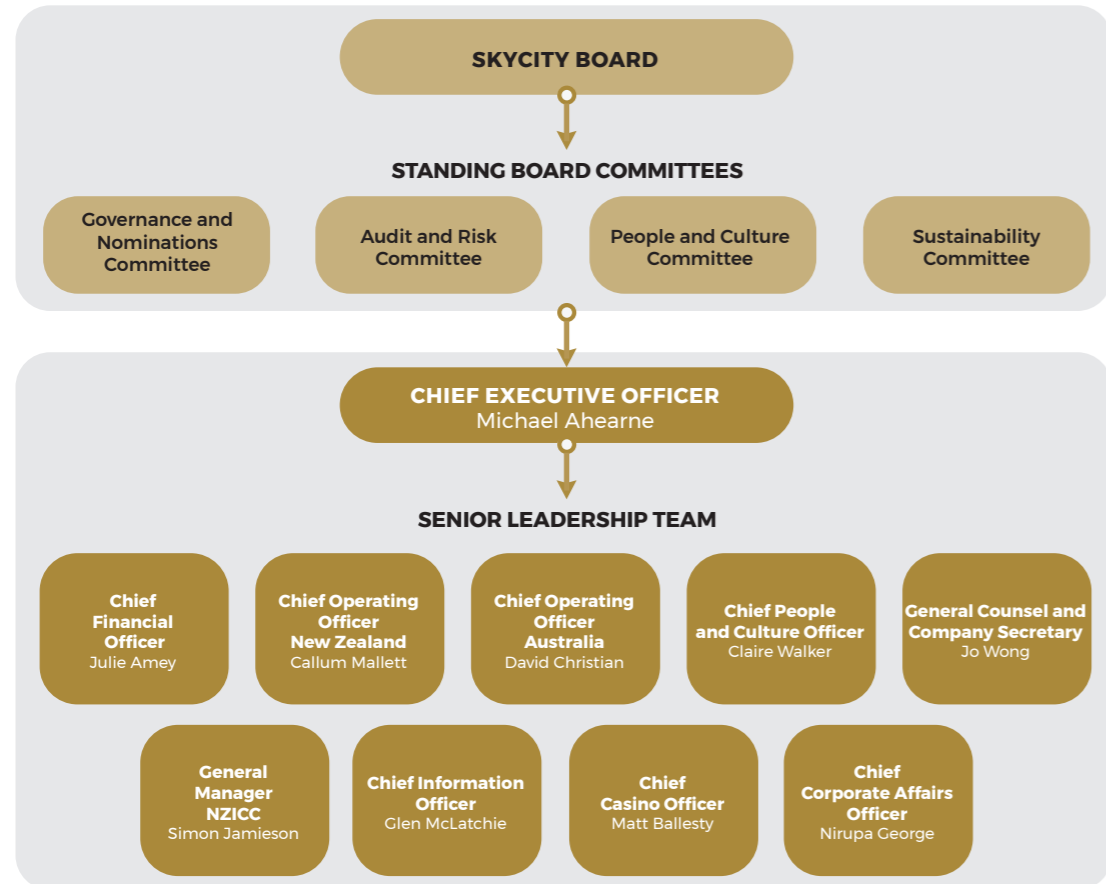
Before joining SkyCity, Nirupa was Chief of Staff to the Mayor of Auckland responsible for running his office and executing the Mayor's political priorities. Prior to this, she ran Mayor Phil Goff's successful mayoral campaign in 2016 and worked in Parliament as a Political and Media Advisor. Early in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

Nirupa is currently a board member of Amnesty International Aotearoa New Zealand and holds a Bachelor of Laws and a Bachelor of Health Science from the University of Auckland.

BOARD AND SENIOR LEADERSHIP TEAM STRUCTURE

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.

The SkyCity Board has responsibility for the affairs and activities of the company, which in practice is achieved through delegation to the Chief Executive Officer and Senior Leadership Team who are charged with the day-to-day leadership and management of the company. Further information on SkyCity's corporate governance framework is set out on pages 128 - 137 of this annual report. SkyCity's constitution and relevant charters and policies are available in the Governance section of the company's website at www.skycityentertainmentgroup.com.



SkyCity Hamilton is located on the banks of the Waikato River.

In July 2021, the Sky Tower was once again awarded the Qualmark Gold Award. A Gold Award recognises the best sustainable tourism businesses in New Zealand and identifies businesses leading the way in making the New Zealand tourism industry a world-class sustainable visitor destination.



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.

As a casino operator, we must continually focus on our social licence to operate. SkyCity is committed to maintaining the highest levels of sustainability objectives and practices, with priority given to minimising the impacts associated with problem gambling as an area of primary focus.

Our sustainability initiatives are focused on doing good for our customers, our employees, our communities, our suppliers, our environment and our 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.

Setting 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, SkyCity adopted its 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. These were 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.

In early 2020, we commenced a review of our materiality matrix to prioritise the issues most important to our business and stakeholders and to ensure the issues were appropriately weighted in our sustainability strategy. As part of this review, internal and external stakeholders were asked to prioritise issues material to SkyCity's business from a long list of potentially material issues via a desktop review. SkyCity's sustainability strategy was subsequently refreshed to reflect the priorities identified in that review and to incorporate financial performance alongside social and environmental performance.

“ Part of being a responsible business is understanding the impacts arising from our operations ”

Our Material Issues

(as prioritised by our internal and external stakeholders)



Despite the challenges presented by the COVID-19 global pandemic, SkyCity's current sustainability strategy and strategic pillar goals, plans and priorities (as validated by the feedback from our stakeholders as part of the materiality review in 2020) remain relevant today. We continue to focus on embedding our sustainability pillars into all levels of the organisation and in the way SkyCity operates.

The material issues identified have influenced our focus on managing SkyCity's risks and have informed our sustainability strategy and priorities, which underpin our reporting on our non-financial performance.

Governance

The Sustainability Committee is a dedicated Board committee that assists the SkyCity Board to contribute to SkyCity's vision and strategic plan by ensuring that the company's sustainability strategy is best practice and supports the highest level of sustainability objectives, with priority given to minimising the impacts associated with problem gambling as an area of primary focus.

The responsibilities of the Sustainability Committee include reviewing and recommending to the Board the sustainability strategy, principles, policies and practices of the company to ensure alignment with the company's strategic objectives and performance, and reviewing and reporting to the Board on the company's impacts associated with SkyCity's sustainability pillars. The guiding principles that underpin SkyCity's sustainability activities and the role, responsibilities, composition, structure and membership of the Sustainability Committee are set out in the Sustainability Committee Charter (available in the Governance section of the company's website

at www.skycityentertainmentgroup.com), which is reviewed and approved by the Board on an annual basis.

The Board and Sustainability Committee maintain operational supervision of SkyCity's sustainability activities through clearly defined policy and effective management. Claire Walker, SkyCity's Chief People and Culture Officer, has executive responsibility for SkyCity's sustainability activities with key operational personnel within the business having day-to-day responsibility for the activities.

Our Pillars

The following pages outline our priorities, objectives and activities for each of the sustainability pillars – 'Our Customers', 'Our People', 'Our Communities', 'Our Suppliers' and 'Our Environment', outline the activities undertaken to support our sustainability strategy, and provide a summary of our achievement against our priorities for the financial year ended 30 June 2021. Commentary on the 'Our Shareholders' pillar is provided in an overarching way throughout the entirety of our financial and non-financial disclosures.

The areas identified as priority issues are those considered highly material for SkyCity's business and for our stakeholders. Our objectives and activities set out what we intend to do both in our business and our communities. They are intended to challenge the business and staff and provide a dedicated framework for measuring progress over the coming years. We are committed to measuring performance on each goal, through specific key performance indicators, which will ensure the business strives to keep pace with internal and external expectations.

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) has confirmed that SkyCity Entertainment Group has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series.

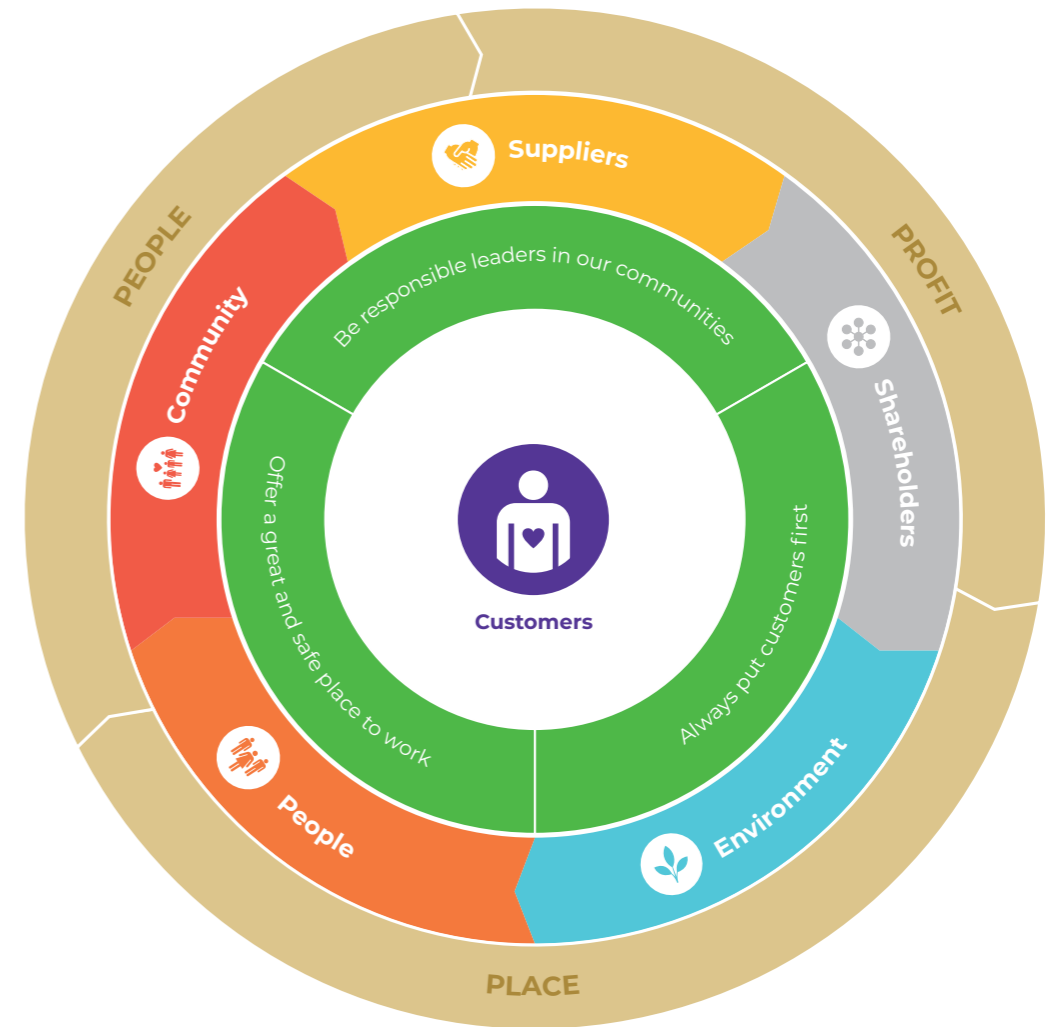
Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.





Our Sustainability Vision

To be a sustainable business, we must be a responsible business actively protecting and promoting the people we serve and the places we share, whilst creating value for our shareholders.



PEOPLE

Inspire our people

Create a great place to work where people are empowered to grow and achieve

Great, safe place to work

PLACE

Protect our environments

Respect and protect our physical environments for future generations

Sustainable success

PROFIT

Create sustainable value

Ensure business continuity through operational efficiency, sustainable investment and customer focus

Reliable return on investment

CUSTOMERS | Always put customers first | Be responsible leaders in our community
Ensure safe and enjoyable experiences for our customers, employees and communities

Our Priorities	Our Plan	Material Issues
Leading host responsibility	<ul style="list-style-type: none"> Maintain industry-leading harm minimisation practices Host Responsibility Programme performance and problem gambling indicators Industry benchmarking of SkyCity's Host Responsibility Programmes Leverage technology to enhance the identification of actual or potential problem gamblers and act on that information 	<ul style="list-style-type: none"> Responsible hosting Customer experience Cybersecurity and data privacy Regulatory risk
Customer experience and engagement	<ul style="list-style-type: none"> Employee Host Responsibility training completion rates Accelerate customer experience and engagement through improved data, digital and loyalty capability 	
Community awareness of harm minimisation practices	<ul style="list-style-type: none"> Increase in community knowledge and understanding of SkyCity's harm minimisation practices Customer data security and privacy practices 	

SUPPLIERS | Be responsible leaders in our communities
Source ethically and locally

Our Priorities	Our Plan	Material Issues
Low carbon supply chain	<ul style="list-style-type: none"> Encourage suppliers to set science-based targets and strive to achieve zero carbon by 2050 	<ul style="list-style-type: none"> Ethical sourcing
Buy local and seasonal	<ul style="list-style-type: none"> Serve meals from a sustainable supply chain to employees and customers Source animal products responsibly (eg. free range eggs) Track and report on local vs international procurement spend Support supplier diversity (indigenous economy) and working conditions 	
Connect to the circular economy	<ul style="list-style-type: none"> Remove single-use plastics from our supply chain 	
Progress initiatives to eliminate modern slavery	<ul style="list-style-type: none"> Develop and maintain a modern slavery statement for the purposes of the Modern Slavery Act 2019 (Cth) 	
Ethical supply chain	<ul style="list-style-type: none"> Progressively work towards an end-to-end understanding of our supply chain, ensuring that all suppliers meet the standards of our Ethical Sourcing Code 	

ENVIRONMENT | Be responsible leaders in our communities
Offer a great and safe place to work
Active commitment to reducing our environmental footprint

Our Priorities	Our Plan	Material Issues
Climate change/ emissions reduction	<ul style="list-style-type: none"> Measure, report and offset SkyCity's carbon emissions 	<ul style="list-style-type: none"> Climate change
Reducing waste	<ul style="list-style-type: none"> Reduction of waste and diversion from landfill 	
Employee activation	<ul style="list-style-type: none"> Employee-led Green Fund 	
Reduction in water use	<ul style="list-style-type: none"> Implement initiatives to reduce water use 	

COMMUNITY | Be responsible leaders in our communities
Serve a social purpose by investing in our local economies and communities

Our Priorities	Our Plan	Material Issues
Economic contribution	<ul style="list-style-type: none"> Measure and evaluate SkyCity's economic contribution to the communities in which we operate, through local procurement spend 	<ul style="list-style-type: none"> Community investment Community and Iwi engagement
Building communities by developing people	<ul style="list-style-type: none"> In collaboration with the SkyCity Community Trusts, make a positive impact on youth development, employment and career paths 	
Investing in our communities through the SkyCity Community Trusts in New Zealand	<ul style="list-style-type: none"> Community based partnerships that achieve sustainable social change Report on community outcomes through narrative and case studies accompanied by quantitative results 	
Developing deeper connections with Iwi and indigenous peoples	<ul style="list-style-type: none"> Build SkyCity's confidence and capability to engage authentically with Māori and indigenous peoples 	

PEOPLE | Offer a great and safe place to work
A great place to work where our people are empowered to grow and achieve

Our Priorities	Our Plan	Material Issues
Employee engagement	<ul style="list-style-type: none"> Employee engagement pulse checks 	<ul style="list-style-type: none"> Employee engagement Meaningful career and development pathways Diversity, inclusion and belonging Health, safety and wellbeing
Meaningful career and development pathways	<ul style="list-style-type: none"> Internal promotions and development opportunities 	
Diversity, inclusion and belonging	<ul style="list-style-type: none"> Leverage the competitive advantage SkyCity's diverse workforce provides Ethnicity and gender reporting, including gender equality of pay, and representation 	
Health, safety and wellbeing	<ul style="list-style-type: none"> Health, safety and wellbeing scorecards 	

SHAREHOLDERS | Improve our operating performance | Optimise our existing portfolio | Grow and diversify our business | Always put customers first
Create value and maintain our social licence to operate

Our Priorities	Our Plan	Material Issues
Business continuity	<ul style="list-style-type: none"> Strengthen and maintain good relationships with all stakeholders, including shareholders and debt providers 	<ul style="list-style-type: none"> Business continuity Return on investment Operational efficiency Sustainable portfolio Regulatory risk
Improve operating performance	<ul style="list-style-type: none"> Grow gaming visitation and spend and develop complementary activities that drive gaming 	
Optimise existing portfolio	<ul style="list-style-type: none"> Achieve operating efficiencies which protect and grow margins 	
Grow and diversify our business	<ul style="list-style-type: none"> Develop digital businesses and leverage investment in technology Capital allocation balances short term returns and long term sustainability Ownership of assets balances strategic control and return on capital Monitor and evaluate regional merger and acquisition opportunities in our industry 	