



MARKET RELEASE

**SkyCity Entertainment Group Limited
(SKC.NZX/SKC.ASX)**

06 June 2024

UPDATE ON SOUTH AUSTRALIAN CASINO DUTY DISPUTE

SkyCity Entertainment Group Limited (**SkyCity**) advises that the High Court of Australia has today granted SkyCity Adelaide Pty Limited (**SkyCity Adelaide**) special leave to appeal the South Australian Court of Appeal's earlier judgment on the interpretation of the relevant provisions in the Adelaide Casino Duty Agreement dated 27 October 1999 between SkyCity Adelaide and the Treasurer of South Australia (**Agreement**) which determine the treatment of loyalty points converted to gaming machine play for the purpose of calculating casino duty at the SkyCity Adelaide casino.

As detailed in SkyCity's 2023 Annual Report released on 23 August 2023 and FY24 interim financial statements, the matter is a longstanding contractual dispute concerning the interpretation of the Agreement. Given the complexity of the issues involved, both parties agreed to seek declaratory relief from the South Australian Supreme Court as to the proper construction of the Agreement.

As a consequence of the High Court's decision, the High Court will conduct a full hearing of the appeal from the decision of the Court of Appeal later this year. The outcome of that decision could be that the High Court confirms the interpretation of the Agreement adopted by the Court of Appeal, or determines a different interpretation, such as that put by SkyCity Adelaide before the Court of Appeal.

The question of the applicable interest rate for outstanding duty, and whether the contractual interest provision in the Casino Duty Agreement is enforceable, remains to be determined by a single Judge of the Supreme Court at a later date. As previously announced, if the Supreme Court's decision on the applicable interest rate is unfavourable to SkyCity Adelaide and SkyCity Adelaide is also unsuccessful in its appeal of the substantive issue to the High Court of Australia, SkyCity Adelaide may be obliged to pay penalty interest on the additional casino duty, which could be up to around A\$22.8 million (calculated as at 31 May 2024). If however SkyCity Adelaide is successful in its appeal of the substantive issue to the High Court (but unsuccessful in its application to the Supreme Court regarding penalty interest) then penalty interest may still be applicable but would be reduced to an amount of up to around A\$2.4 million (calculated as at 31 May 2024).

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For more information, please contact:

Investors and analysts	Media
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