

SkyCity Entertainment Group Limited
Interim Financial Statements
for the six month period ended
31 December 2025

For and on behalf of the Board:



Julian Cook
Chair



Chad Barton
Deputy Chair and Chair of the Audit Committee

18 February 2026



Independent auditor's review report

To the shareholders of SkyCity Entertainment Group Limited

Report on the interim financial statements

Our conclusion

We have reviewed the interim financial statements of SkyCity Entertainment Group Limited (the Company) and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2025, and the income statement, statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the six-month period ended on that date, and the selected explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2025, and its financial performance and cash flows for the six-month period then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

Basis for conclusion

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

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements.

In our capacity as auditor and assurance practitioner, our firm provides review, other assurance, agreed-upon procedures and other services. Our firm carries out other assignments in the areas of tax compliance, tax advisory services and other advisory services. The firm has no other relationship with, or interests in, the Group.

Responsibilities of the Directors for the interim financial statements

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

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

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

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

Who we report to

This report is made solely to the Company's Shareholders, as a body. Our review work has been undertaken so that we might state those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Shareholders, as a body, for our review procedures, for this report or for the conclusion we have formed.

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

For and on behalf of:



PricewaterhouseCoopers
18 February 2026

Auckland

SkyCity Entertainment Group Limited
Income Statement
For the six month period ended 31 December 2025

		Unaudited 6 months 31 December 2025 \$'000	Unaudited 6 months 31 December 2024 \$'000
	Notes		
Revenue	5	406,539	420,798
Other income		5,126	1,172
Employee benefits expense		(191,620)	(174,380)
Other expenses		(69,050)	(59,636)
Directors' fees		(678)	(676)
Gaming taxes and levies		(26,985)	(26,453)
Direct consumables		(35,038)	(32,534)
Marketing and communications		(11,924)	(10,798)
Community contributions, sponsorships and donations		(4,285)	(4,791)
Fair value gain on investment properties		-	382
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		72,085	113,084
Depreciation and amortisation		(45,343)	(42,397)
Depreciation on right-of-use assets		(4,536)	(2,932)
Earnings before interest and tax (EBIT)		22,206	67,755
Net finance costs		(6,323)	(39,631)
Profit Before Income Tax		15,883	28,124
Income tax expense	6	(3,801)	(22,053)
Profit for the Period Attributable to Shareholders of the Company		12,082	6,071
 Earnings per share for Profit Attributable to the Shareholders of the Company			
		Cents	Cents
Basic and diluted earnings cents per share		1.2	0.8

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

SkyCity Entertainment Group Limited
Statement of Comprehensive Income
For the six month period ended 31 December 2025

	Unaudited 6 months 31 December 2025 \$'000	Unaudited 6 months 31 December 2024 \$'000
Profit for the Period	12,082	6,071
Other Comprehensive Income		
Items that may be subsequently reclassified to profit or loss		
Foreign Currency Translation Reserve		
Exchange differences on translation of overseas subsidiaries	3,914	1,504
Cash Flow Hedge Reserve		
Cash flow hedges - revaluations	18,766	(3,066)
Cash flow hedges - transfer to finance costs	(15,516)	(605)
Cash flow hedges - income tax	(910)	1,028
Cost of Hedging Reserve		
Cost of hedging reserve - revaluations	(521)	(713)
Cost of hedging reserve - transfer to finance costs	370	459
Cost of hedging reserve - income tax	42	71
Other Comprehensive Income for the Year, Net of Tax	<u>6,145</u>	<u>(1,322)</u>
Total Comprehensive Income for the Year	<u>18,227</u>	<u>4,749</u>

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

SkyCity Entertainment Group Limited
Balance Sheet
As at 31 December 2025

		Unaudited	
		31 December	30 June
		2025	2025
Notes		\$'000	\$'000
ASSETS			
Current Assets			
Cash and cash equivalents		72,533	51,499
Short-term deposit		35,000	-
Receivables and prepayments		30,812	23,980
Inventories		8,705	8,111
Derivative financial instruments		17	165
Current tax receivables		4,855	-
Total Current Assets		151,922	83,755
Non-current Assets			
Deferred tax assets	7	17,757	48,751
Receivables and prepayments		2,708	604
Derivative financial instruments		16,914	721
Investment properties		80,487	78,725
Property, plant and equipment		1,653,049	1,877,408
Intangible assets	10	561,563	555,813
Right-of-use assets		125,840	113,907
Total Non-current Assets		2,458,318	2,675,929
Total Assets		2,610,240	2,759,684
LIABILITIES			
Current Liabilities			
Payables and provisions		134,307	143,824
Current tax liabilities		-	10,943
Derivative financial instruments		1,830	547
Lease liabilities		12,084	6,809
Deferred licence value	9	-	246,408
Total Current Liabilities		148,221	408,531
Non-Current Liabilities			
Interest bearing liabilities	11	562,902	666,484
Non-current payables		12,741	11,372
Deferred tax liabilities	8	166,924	207,692
Lease liabilities		138,952	130,154
Derivative financial instruments		1,560	5,027
Total Non-current Liabilities		883,079	1,020,729
Total Liabilities		1,031,300	1,429,260
Net Assets		1,578,940	1,330,424
EQUITY			
Share capital	12	1,573,916	1,343,627
Reserves		(5,167)	(11,312)
Retained earnings		10,191	(1,891)
Total Equity		1,578,940	1,330,424

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

SkyCity Entertainment Group Limited
Statement of Changes in Equity
For the six month period ended 31 December 2025

		Share Capital \$'000	Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance as at 1 July 2025		1,343,627	(11,312)	(1,891)	1,330,424
Total comprehensive income		-	6,145	12,082	18,227
Issue of share capital	12	229,027	-	-	229,027
Shares issued under employee share scheme		1,262	-	-	1,262
Balance as at 31 December 2025		1,573,916	(5,167)	10,191	1,578,940
Balance as at 1 July 2024		1,342,436	(7,450)	(31,125)	1,303,861
Total comprehensive income		-	(1,322)	6,071	4,749
Shares issued under employee share scheme		637	-	-	637
Net movement in treasury shares		(56)	-	-	(56)
Balance as at 31 December 2024		1,343,017	(8,772)	(25,054)	1,309,191

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

SkyCity Entertainment Group Limited
Statement of Cash Flows
For the six month period ended 31 December 2025

	Unaudited 6 months 31 December 2025 \$'000	Unaudited 6 months 31 December 2024 \$'000
Cash Flows from Operating Activities		
Receipts from customers	399,454	427,513
Payments to suppliers and employees	(295,235)	(268,486)
Government grants	116	100
Settlement income	4,000	-
Insurance income	-	2,480
Regulatory penalties paid	-	(75,697)
Gaming taxes and levies paid	(26,388)	(30,428)
Income taxes paid	(25,868)	(53,536)
Net Cash Inflow from Operating Activities	56,079	1,946
Cash Flows from Investing Activities		
Proceeds from disposal of shares in associate	-	56,755
Capital additions	(69,551)	(76,119)
Purchased intangible assets	(6,350)	(2,642)
Net Cash Outflow from Investing Activities	(75,901)	(22,006)
Cash Flows from Financing Activities		
Cash flows associated with net derivatives	(6,920)	(1,547)
Short-term deposit entered into	(35,000)	-
Proceeds from new borrowings	25,000	340,664
Repayment of borrowings	(145,412)	(275,380)
Cash flows from equity raise	229,027	-
Movement in treasury shares	-	(56)
Interest paid	(18,230)	(9,040)
Lease interest paid	(3,482)	(3,635)
Repayment of lease liabilities	(4,127)	(2,833)
Net Cash Inflow from Financing Activities	40,856	48,173
Net Increase in Cash and Cash Equivalents	21,034	28,113
Cash and cash equivalents at the beginning of the period	51,499	60,536
Cash and Cash Equivalents at End of the Period	72,533	88,649

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

1 General Information

SkyCity Entertainment Group Limited (the Company) and its subsidiaries (together, SkyCity or the Group) operate in the gaming, entertainment, hotel, convention, hospitality and tourism sectors. The Group has operations in New Zealand and Australia.

The Company is a limited liability company incorporated and domiciled in New Zealand. The Company is registered under the Companies Act 1993 and is an FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The address of its registered office is 99 Albert Street, Auckland. The Company is listed on the New Zealand stock exchange and has a foreign exempt listing on the Australian stock exchange (NZX and ASX respectively).

These interim financial statements of the Group for the six months ended 31 December 2025 have been reviewed but have not been audited. They were approved for issue by the Board of Directors (Board) on 18 February 2026.

For the purposes of complying with generally accepted accounting practice in New Zealand (GAAP), the Group is a for-profit entity.

2 Basis of Preparation

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

These interim financial statements do not include all the notes normally included in the annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the Group's annual report for the year ended 30 June 2025.

Measurement Basis

These interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets and liabilities, as identified in the 30 June 2025 annual financial statements.

Presentation Currency

These interim financial statements are presented in New Zealand dollars, which is the Company's functional currency. Amounts are rounded to the nearest thousand dollars, unless otherwise stated.

Non-GAAP Financial Information

The Group's standard profit measure prepared under GAAP is profit for the period. When discussing financial performance, the Group also uses non-GAAP financial information, which is not prepared in accordance with GAAP and therefore may not be comparable to similar financial information presented by other entities. The Directors and Management believe that this non-GAAP financial information provides useful information to readers of the financial statements to assist them in understanding the Group's financial performance and is consistent with the information used internally to evaluate the performance of the business units.

Definitions of non-GAAP financial information used in these financial statements are:

- EBITDA: earnings before interest, tax, depreciation, and amortisation; and
- EBIT: earnings before interest and tax

Going Concern

The interim financial statements have been prepared on a going concern basis. In assessing the appropriateness of this basis, the Directors have considered the Group's financial position, including its positive working capital position, cash flow forecasts, and expected compliance with debt covenants for at least the 12 months from the date of approving these interim financial statements. Based on this assessment, the Directors have concluded that there are no material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

2 Basis of Preparation (continued)

Critical Accounting Estimates and Judgements

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

These interim financial statements are prepared using the same significant judgements and estimates as were used in the preparation of the 30 June 2025 annual financial statements and as disclosed below, together with one new judgement arising in the current period:

- the SkyCity Adelaide Pty Ltd (SkyCity Adelaide) casino licence, which has a finite useful life, is reviewed for impairment at each reporting period. An impairment test has been performed at balance date, which supports the conclusion that no impairment is required. This impairment testing required the use of key estimates, which are discussed in note 10.
- in some instances, judgement is required to determine whether a payment that may occur in the future constitutes a provision or a contingent liability. A provision is recognised where an obligating event that gives rise to a requirement to make a payment has occurred. Where a provision is recognised, estimation of the value at which it will be recognised is required. Information on the Group's contingent liabilities is provided in note 14;
- judgement and estimation are required when determining the amount of deferred tax assets if any, to be recognised in respect of SkyCity Adelaide's tax losses. The Group has derecognised the full amount of the deferred tax asset in the current period, further information is provided in note 7; and
- at the 31 December 2025 reporting date, the Group's market capitalisation was below the carrying value of its net assets. Under NZ IAS 36, this constitutes a potential external indicator of impairment and requires Management to assess whether the decline in market capitalisation reflected a reduction in the recoverable amount of the Group's assets. Management considers the decrease to be primarily driven by broader economic factors, investor sentiment and concerns over the recent equity raise, rather than any deterioration in the Group's underlying operations or long-term cash generating capacity. Management has assessed the recoverable amount of the Group's assets, and concluded that no impairment is required, noting that the deferred tax asset in respect of SkyCity Adelaide's tax losses has been derecognised this period. External analysis supports Management's assessment that no further impairment is required at 31 December 2025.

3 Material Accounting Policies

All material accounting policies applied in these interim financial statements are consistent with those applied in the audited 30 June 2025 annual financial statements and are consistently applied to all periods presented, unless otherwise stated.

4 Segment Information

Operating segments are reported in a manner consistent with the internal reports that the Chief Executive Officer (CEO), who is the chief operating decision maker, uses to assess performance and allocate resources.

The Group is organised into the following main operating segments:

SkyCity Auckland

This segment consists of the Group's Auckland operations and includes casino operations, hotels and conventions, including the New Zealand International Convention Centre (NZICC), food and beverage, the Sky Tower, investment properties and a number of other related activities.

Other NZ Operations

This segment consists of the Group's operations at SkyCity Hamilton and SkyCity Queenstown and includes casino operations, conventions and food and beverage.

SkyCity Adelaide

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

Online

This segment comprises the Group's online gaming operations.

SkyCity Entertainment Group Limited
Notes to the Financial Statements
For the six month period ended 31 December 2025
(continued)

4 Segment Information (continued)

Corporate/Group

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

Six Months Ended 31 December 2025	SkyCity Auckland \$'000	Other NZ Operations \$'000	SkyCity Adelaide \$'000	Online \$'000	Corporate/ Group \$'000	Total \$'000
Gaming revenue	164,616	31,938	83,260	-	-	279,814
Non-gaming revenue	78,456	5,433	41,214	-	-	125,103
Online revenue	-	-	-	1,622	-	1,622
Other income	5,044	3	2	-	77	5,126
Total Income	248,116	37,374	124,476	1,622	77	411,665
Employee benefits expense	(91,799)	(12,767)	(68,688)	(2,736)	(15,630)	(191,620)
Gaming taxes and levies	(8,925)	(1,879)	(16,181)	-	-	(26,985)
Other expenses	(58,709)	(7,254)	(43,290)	(1,014)	(10,708)	(120,975)
Total EBITDA	88,683	15,474	(3,683)	(2,128)	(26,261)	72,085
Depreciation and amortisation	(26,195)	(2,808)	(12,415)	(256)	(8,205)	(49,879)
Segment Profit/(Loss) (EBIT)	62,488	12,666	(16,098)	(2,384)	(34,466)	22,206
Net finance costs						(6,323)
Profit Before Income Tax						15,883

Six Months Ended 31 December 2024	SkyCity Auckland \$'000	Other NZ Operations \$'000	SkyCity Adelaide \$'000	Online \$'000	Corporate/ Group \$'000	Total \$'000
Gaming revenue	181,308	32,832	84,095	-	-	298,235
Non-gaming revenue	75,912	5,449	39,067	-	58	120,486
Online revenue	-	-	-	2,077	-	2,077
Other income	1,094	-	-	-	78	1,172
Total Income	258,314	38,281	123,162	2,077	136	421,970
Employee benefits expense	(88,819)	(12,230)	(56,955)	(1,385)	(14,991)	(174,380)
Gaming taxes and levies	(9,700)	(1,929)	(14,824)	-	-	(26,453)
Other expenses	(54,470)	(6,620)	(36,218)	(885)	(9,860)	(108,053)
Total EBITDA	105,325	17,502	15,165	(193)	(24,715)	113,084
Depreciation and amortisation	(23,751)	(2,655)	(12,402)	(212)	(6,309)	(45,329)
Segment Profit/(Loss) (EBIT)	81,574	14,847	2,763	(405)	(31,024)	67,755
Net finance costs						(39,631)
Profit Before Income Tax						28,124

5 Revenue

	6 months 31 December 2025 \$'000	6 months 31 December 2024 \$'000
Gaming	279,814	298,235
Non-gaming	125,103	120,486
Online gaming	1,622	2,077
Total Revenue	406,539	420,798

Gaming revenues represent the net win to the Group's land-based casinos from gaming activities, being the difference between amounts wagered and amounts won by casino patrons. Revenue is recognised at the conclusion of each game. Gaming rebates are accounted for as a reduction in gaming revenue.

Revenue from the online casino is derived from gaming activities by New Zealand based players using an online platform developed by Gaming Innovation Group Inc (GiG) and operated under a Malta gaming licence held by Silvereye Entertainment Limited (a subsidiary of GiG).

GiG (and not SkyCity) is therefore the principal transacting with the online casino customers. Revenue is reported net of costs payable to GiG under contractual arrangements agreed with GiG.

5 Revenue (continued)

Non-gaming revenues include revenues arising from hotels and conventions, food and beverage, the Sky Tower, car parking and other sources. These revenues are recognised when the associated goods or services have been provided.

	6 months 31 December 2025 \$'000	6 months 31 December 2024 \$'000
Reconciliation to the Segment Note		
Total revenue	406,539	420,798
Other income	5,126	1,172
Total Income	411,665	421,970

6 Income Tax Expense

	6 months 31 December 2025 \$'000	6 months 31 December 2024 \$'000
Profit before tax	15,883	28,124
Prima facie income tax @ 28%	4,447	7,875
Australian tax group losses derecognised	32,531	-
Items non-deductible for tax purposes	6,220	1,398
Australian tax group losses not recognised	4,857	13,699
Other	496	(9)
New Zealand tax law changes to depreciation	328	500
Controlled foreign company regime	24	703
Partial recognition of deferred tax on the deferred licence value	(43,655)	-
Items non-assessable for tax purposes	(1,036)	(1,434)
Differences in overseas tax rates	(247)	(423)
Investment property adjustments	(164)	(204)
Non-deductible regulatory penalties	-	55
Fair value adjustment on investment property	-	(107)
Income Tax Expense	3,801	22,053

The weighted average applicable tax rate is 23.9% (six months to 31 December 2024: 78.4%). The weighted average tax rate has been impacted by:

- non-deductible expenditure and non-assessable items;
- adjustments to New Zealand tax building depreciation;
- adjustment to partially recognise deferred tax on the deferred licence value;
- fair value adjustments; and
- Australian Group tax losses not recognised for the current period, and tax losses derecognised.

Excluding these items, the weighted average tax rate would have been 28.7% (six months to 31 December 2024: 29.7%).

7 Deferred Tax Assets

	31 December 2025 \$'000	30 June 2025 \$'000
The balance comprises temporary differences attributable to:		
Lease liabilities	36,996	34,718
Provisions and accruals	7,083	6,146
Depreciation	1,404	3,859
Foreign exchange variances	99	(79)
Right-of-use assets	(27,825)	(26,265)
Tax losses	-	30,489
Other	-	(117)
Net Deferred Tax Assets	17,757	48,751

Movements:

Opening balance at 1 July	48,751	52,350
Charged to the income statement	(30,994)	(3,599)
Closing balance at 31 December	17,757	48,751

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

During the period, the Group reassessed the recoverability of the deferred tax asset arising from Australian tax losses. Based on a revision of future capital needs for the business premises, in particular, Management is of the view that the losses available to the Group will take longer to use than is reasonably foreseeable to retain these losses as an asset on the balance sheet. Accordingly, the deferred tax asset of \$32.5 million (A\$28.1 million) has been derecognised in accordance with the recognition criteria in NZ IAS 12 Income Taxes.

At the reporting date, the Group has accumulated Australian tax losses of \$182.5 million (A\$157.7 million). Subject to satisfaction of the shareholder continuity test and, where applicable, the same or similar business test, these tax losses have an indefinite carry-forward period and remain available to offset against future taxable income in Australia.

8 Deferred Tax Liabilities

	31 December 2025 \$'000	30 June 2025 \$'000
The balance comprises temporary differences attributable to:		
Depreciation	173,625	216,126
Right-of-use assets	7,505	5,608
Other	2,043	330
Asset revaluation reserve	1,921	1,921
Provisions and accruals	(7,964)	(7,012)
Lease liabilities	(7,412)	(5,573)
Cash flow hedges	(2,750)	(3,618)
Tax losses	(44)	(90)
Net Deferred Tax Liabilities	166,924	207,692

8 Deferred Tax Liabilities (continued)

Movements:

Opening balance at 1 July	207,692	210,739
Credited to the income statement	(39,900)	(1,464)
Tax credited to other comprehensive income	(868)	(1,583)
Closing balance at 31 December	<u>166,924</u>	<u>207,692</u>

Deferred tax liabilities relate to the New Zealand and Malta operations.

The NZICC project achieved practical completion in November 2025 with works still underway to prepare the building for opening on 11 February 2026. As final cost allocations remain subject to completion, an estimate of the deferred tax balance has been updated to reflect the expected availability of a portion of the deferred licence value. Accordingly, the deferred tax liability has been reduced by \$43.6 million, resulting in a credit to income tax expense for the period.

9 Deferred Licence Value

	31 December	30 June
	2025	2025
	\$'000	\$'000
SkyCity Auckland Limited	-	246,408

In 2016, SkyCity recognised a deferred licence value liability of \$405.0 million in connection with the granting of the NZICC Auckland casino licence enhancements. As at 30 June 2025, the carrying value of the deferred licence value was \$246.4 million.

In the current financial year, following practical completion of the NZICC, the remaining balance has been reclassified to Property, Plant and Equipment and will be allocated to the respective assets upon capitalisation.

10 Intangible assets

Casino Licence

Contract Term

Adelaide Casino

The casino and associated operations are carried out by SkyCity Adelaide under a casino licence (the Approved Licensing Agreement (ALA)) dated October 1999 (as amended). Unless terminated earlier, the expiry date of the ALA is 30 June 2085. The term of the ALA can be renewed for a further fixed term pursuant to section 9 of the Casino Act 1997 (SA). The carrying value of the casino licence is amortised over the life of the ALA.

The casino licence and associated regulatory reforms asset are amortised over 20 years or 71 years depending on whether the incremental benefit is associated with the exclusivity period (which is to 30 June 2035 and is the period over which SkyCity Adelaide is exclusively permitted to provide casino gaming, except for interactive gaming, in South Australia) or the full licence period.

The carrying value of the casino licence is A\$60.5 million, NZ\$70.0 million (30 June 2025: A\$61.2 million, NZ\$65.9 million).

10 Intangible assets (continued)

Impairment Review of the Adelaide Cash Generating Unit (CGU)

As part of the Group's half year review preparation, Management performed an impairment indicator assessment in accordance with NZ IAS 36 Impairment of Assets. This assessment requires entities to consider whether any events or changes in circumstances indicate that an asset, or CGU, may be impaired.

During the period, Management identified changes in the planned capital expenditure profile for the Adelaide operations as a potential indicator of impairment.

In response, Management performed an impairment assessment of the Adelaide CGU by determining its recoverable amount using a fair value less costs of disposal (FVLCD) methodology. The valuation approach was consistent with prior periods and was based on a ten year financial model for SkyCity Adelaide, which assumes the ongoing continuity of its casino licence.

The following key changes to assumptions in SkyCity Adelaide's outlook have been made since the previous impairment test performed at 30 June 2025;

- update of forecast FY26 performance including cost-saving initiatives with on-going benefits;
- marginal decrease in gaming machine market share growth versus the previous valuation that remained flat throughout the forecast period;
- increase in capital expenditure requirements based on latest estimates incorporating advice from independent experts; and
- increase in B3 programme costs in FY26 and FY27, as well as business as usual financial crime and host responsibility resources on an ongoing basis.

SkyCity Entertainment Group Directors and the SkyCity Adelaide Board, adopted a ten-year model and the enterprise value for SkyCity Adelaide, that falls within the enterprise value range as determined by Management.

Due to the significant uncertainty inherent in these estimates, several sensitivities on the ten year outlook were undertaken and analysed for consideration as part of the impairment assessment resulting in a range for the enterprise value of A\$170.9 million to A\$213.8 million (30 June 2025: A\$202.0 million to A\$221.8 million) with resultant headroom of A\$(19.9) million to A\$23.0 million (30 June 2025: A\$7.0 million to A\$26.8 million). The sensitivities performed resulted in a range of outcomes, and the adopted value approximates the mid-point of this range.

The enterprise value prepared indicates that no impairment or reversal of a previous impairment is warranted premised on the following financial assumptions:

- compound annual EBITDA (excluding B3 costs) growth rate from 2026 to 2035 of 8.3% (30 June 2025: 5.7%);
- terminal growth rate of 2.5% (30 June 2025: 2.5%); and
- post-tax discount rate of 9.8% (30 June 2025: 9.8%).

The indicative enterprise value is highly sensitive to changes in its key assumptions and estimates. The sensitivities below illustrate the range of the potential impact of +/- changes against the mid-point of the enterprise value:

- a Carded Play impact assumption change of +/- 2.5% results in an approximate change in enterprise value of A\$7.0 million/NZ\$8.0 million (30 June 2025: A\$6.4 million/NZ\$6.9 million) with all other factors remaining unchanged;
- a terminal growth rate change of +/- 0.5% results in an approximate change in enterprise value in the range of A\$11.0 - \$12.6 million/NZ\$12.8 - \$14.6 million (30 June 2025: A\$11.1 - \$12.8 million/NZ\$11.9 - \$13.8 million);
- a discount rate change of +/- 0.2% results in an approximate change in enterprise value in the range of A\$6.9 - \$7.3 million/NZ\$8.0 - \$8.5 million (30 June 2025 at 0.4%: A\$13.5 - \$15.1 million/NZ\$14.5 - \$16.3 million);
- cost inflator change on a fixed cost base of +/- 0.25% results in an approximate change in enterprise value of A\$21.3 - \$21.6 million/NZ\$24.6 - \$25.0 million (30 June 2025: A\$20.7 million/NZ\$22.3 million); and
- a change in resultant gaming machine share in FY35 of +/- 0.2% results in an approximate change in enterprise value of A\$14.2 - \$15.0 million/NZ\$16.4 - \$17.4 million (30 June 2025 at 0.5%: A\$27.1 - \$29.5 million/NZ\$29.2 - \$31.8 million).

10 Intangible assets (continued)

The Group will continue to complete annual impairment reviews of the SkyCity Adelaide CGU. Increases in the FVLCOB could result in a partial reversal of the impairment recognised to date. Decreases in the FVLCOB may result in the recognition of a further impairment charge.

11 Interest Bearing Liabilities

	31 December 2025 \$'000	30 June 2025 \$'000
USPP notes	390,341	444,513
Syndicated bank facility	-	50,000
New Zealand bonds	175,000	175,000
Deferred funding expenses	(2,439)	(3,029)
Total Non-current Interest Bearing Liabilities	<u>562,902</u>	<u>666,484</u>

(a) USPP Notes

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

USPP notes mature in February 2030 (US\$75.0 million) and September 2031 (US\$150.0 million).

The movement in the amount of USPP notes from 30 June 2025 relates to the repayment of A\$65.4 million of USPP notes that were due to mature in March 2028, along with foreign exchange and interest rate movements.

(b) Syndicated Bank Facility

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

As at 31 December 2025, SkyCity had in place revolving credit facilities of:

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

(c) New Zealand Bonds

\$175.0 million of six-year unsubordinated, unsecured redeemable fixed rate bonds were issued on 21 May 2021, maturing 21 May 2027.

12 Share Capital

	31 December 2025 Shares	30 June 2025 Shares	31 December 2025 \$'000	30 June 2025 \$'000
Share capital				
Opening balance of ordinary shares issued	760,205,209	760,205,209	1,343,627	1,342,436
Equity raising	342,849,838	-	229,027	-
Share rights issued for employee services	-	-	1,262	1,247
Net issue of treasury shares	-	-	-	(56)
Closing balance of ordinary shares issued	<u>1,103,055,047</u>	<u>760,205,209</u>	<u>1,573,916</u>	<u>1,343,627</u>

All ordinary shares rank equally, carry one vote per share and carry the right to dividends.

Included within the number of shares is 724,462 treasury shares (30 June 2025: 986,280) held by a third party in connection with the Company's employee share schemes.

Equity Raise

In the current period the Company undertook a \$240 million Equity Raise comprising of:

- a fully underwritten institutional placement (Placement) of approximately \$81 million; and
- a fully underwritten 1 for 3.35 pro rata accelerated non-renounceable entitlement offer (Entitlement Offer) to raise approximately \$159 million.

The Equity Raise was offered at a fixed price of \$0.70 per share for total aggregated shares issued of 342,849,838 and was fully completed with aggregate funds received by 11 September 2025. Costs associated with the Placement and Entitlement Offer of \$11.0 million (including brokerage, legal fees and other fees) were deducted from the share proceeds.

13 Commitments

Capital Commitments

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

	31 December 2025 \$'000	30 June 2025 \$'000
Property plant and equipment	8,645	29,859

14 Contingencies

(a) Contingent Liabilities

SkyCity operates in a highly regulated industry. During the current period, there has been continued focus on the casino industry in both New Zealand and Australia.

SkyCity takes its regulatory obligations seriously and continues to engage proactively with its regulators and respond to their inquiries.

(i) Independent Review

As further detailed in the Group's financial statements for the year ended 30 June 2025, SkyCity Adelaide was held by the Honourable Brian Martin AO KC to be suitable to hold the SkyCity Adelaide casino licence, and that Company was deemed to be a suitable person to be a close associate of SkyCity Adelaide.

14 Contingencies (continued)

The Liquor and Gambling Commissioner has advised that he is considering the findings of the report as well as ongoing work by Consumer and Business Services to determine what enforcement action he may decide to take.

At this time, it is not possible to determine what regulatory action, if any, might be applied to SkyCity Adelaide as a result of the independent review. Consequently, at the reporting date there is no present obligation, and a provision has not been recognised in relation to this matter.

(ii) Other Regulatory Matters

The Group receives correspondence from and engages with its regulators from time to time as required regarding the Group's business operations, including in relation to regulator audits/reviews, and adverse media and/or complaints about the Group's operations.

In the case of any alleged wrongdoing by the Group, the appropriate regulatory response or action by a regulator (where contraventions are admitted or established) is very specific to the facts in each case and may include no action, a formal warning, the payment of a penalty/fine or, where the matter relates to the Group's casino operations, an application to suspend and/or cancel the relevant casino licence under the Gambling Act 2003, Casino Act 1997 (SA) and/or Gambling Administration Act 2019 (SA) as applicable. Provisions are recognised in relation to such matters only where an obligation exists at the reporting date.

(b) Contingent Assets

The Group has filed legal proceedings against Fletcher Building Limited and The Fletcher Construction Company Limited (together, Fletchers).

The Claim seeks damages for losses incurred by SkyCity arising from ongoing delays in the completion of the NZICC project, including as a result of the 2019 fire. SkyCity's claim alleges that Fletchers breaches of contract, including those which caused the fire, constituted gross negligence, and/or a persistent, flagrant or wilful neglect to carry out obligations under the building works contract. SkyCity claims that it is entitled under the contract to liquidated damages of over \$330 million from Fletchers.

Recovery is not virtually certain as the matter is before the courts and therefore no income has been recognised at this stage and hence the claim is classified as a contingent asset. It is not however practical or appropriate at this stage to estimate a specific value for that contingent asset.

There are no other significant contingent assets at 31 December 2025 (30 June 2025: no additional contingent assets).