MARKET RELEASE
SkyCity Entertainment Group Limited
(SKC.NZX/SKC.ASX)

30 September 2026

Update on Strategic Initiatives and Actions to Enhance Shareholder Value

The Board of SkyCity today provides an update on key strategic initiatives and actions to enhance shareholder value.

The Board's objective is to maximise value for all SkyCity shareholders. The Board continues to believe that the current share price and previously disclosed approaches do not fully reflect the underlying value of the SkyCity Group. SkyCity continues to make good progress on key strategic initiatives as outlined further below. The non-binding indicative proposals received earlier in the year have not resulted in improved proposals. Alongside the existing strategy, the Board intends to now also evaluate a range of potential opportunities under a structured process, including engagement with interested parties.

Update on key existing strategic initiatives

The Board remains confident in SkyCity's strategy and the key strategic initiatives currently underway to deliver improved shareholder value, including:

- **Completion of the asset monetisation programme:** SkyCity is targeting receiving aggregate proceeds of between $275 million and $300 million prior to the end of 2026, having completed the sale of its commercial properties (realising $74.5 million). SkyCity is in advanced, exclusive negotiations for the sale of The Grand Hotel, with a binding agreement expected shortly.

- **Delivering the cost-out programme and Group-wide reset of the operating model, targeting total benefits of $30 million in FY27 increasing to $70 million in FY28:** SkyCity has undertaken a comprehensive right-sizing of its corporate workforce in New Zealand (a reduction of more than 200 roles) and is now moving to a second phase, focused particularly on external spend across the Group - it remains on track to deliver $30m in cost savings in FY27.

- **Securing regulatory certainty for the Adelaide business**: SkyCity is well advanced in negotiating a binding agreement with CBS, consistent with the non-binding heads of agreement announced on 19 June 2026, to fully and finally resolve all outstanding regulatory matters arising from the Independent Review.

- **Reviewing strategic options for the Adelaide business:** Since announcing the strategic review of the Adelaide business on 20 August 2026, SkyCity has received inquiries from credible interested parties in that asset. SkyCity will shortly commence a formal sale process, led by UBS, to seek proposals from these and other parties.

- **Securing an online gambling licence and developing a profitable online gambling business in New Zealand:** The auction process for New Zealand's online gambling licences is currently underway and is due to conclude on 14 October 2026.

Commencing structured process

On 25 August 2026, SkyCity announced that it had received unsolicited approaches from two parties in relation to a potential acquisition of the Group. The Board unanimously determined that these proposals did not adequately reflect the underlying value of the company, and that the conditions were problematic. Accordingly, the parties were advised that SkyCity was not prepared to proceed on the terms proposed.

SkyCity has continued to engage with both parties since that time. While no further proposals have been received to date, the Board intends to continue those discussions while also evaluating other opportunities that may enhance shareholder value.

The Board has appointed UBS and Chapman Tripp to assist in engaging with interested parties regarding any potential transaction involving the Group and also evaluating other opportunities.

There is no certainty that this process will result in any transaction or other outcome. SkyCity will update shareholders on further progress at the upcoming annual meeting of shareholders and otherwise in accordance with its continuous disclosure obligations.

Trading update

Underlying Q1 results are in-line with outlook previously presented, and we have made better than expected progress on our cost savings programme. SkyCity will provide a further update on trading, along with progress on its current initiatives, at the upcoming ASM on 21 October 2026.

Ends

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This announcement has been authorised for release by:
Board of Directors, SkyCity Entertainment Group Limited