

Julian Cook - Chairman's Address

Welcome and introduction – Slide 9

Good morning, everyone,

It's a pleasure to welcome you to SkyCity's Annual Meeting of Shareholders. Thank you for joining us today, and for your continued support through a year of significant change for the business.

Chair's address – Slide 10

The 2025 financial year was a difficult period for SkyCity. Trading results were weak with a combination of increased costs and weak revenues seeing underlying EBITDA reduce from \$278m in the prior year to \$234m and underlying profit reduce from \$123m in the prior year to \$71m. The business subsequently raised equity from its shareholders to maintain its credit rating and credit worthiness. We understand and agree, that notwithstanding the necessity, none of this was good news to shareholders.

There are, however, several positive aspects which the business achieved. Notable amongst these were the closure of outstanding regulatory matters in New Zealand, settling the outstanding dispute in Adelaide over casino duties, resetting the Adelaide remediation programme, being assessed as a suitable party to operate the Adelaide casino, the successful launch of carded play in New Zealand and moving towards completion and handover of the New Zealand International Convention Centre.

The board appreciates that financial results for shareholders have been poor. However, the reality has been that the company has been focussed on the remediation of long-standing breaches of law and licence conditions under which Sky City operates. This has involved significant additional cost within the business and a much stricter approach to customers. Addressing past failings and achieving compliance has necessarily been the priority for the business.

Nevertheless, we are seeing the building blocks being put in place for a return to a more profitable and successful business. Let us now review the year in some more detail.

FY25 Performance

I will begin with our financial performance. FY25 was a year of considerable challenge. Underlying revenue declined by 5.2% year-on-year, and profits decreased by 42%, despite increased visitation. These results reflect the reality of our operating environment, which is shaped by regulatory changes, a challenging NZ economic climate, and the need for significant investment in remediation and transformation. In particular the April to June quarter of 2025 saw weak trading, corresponding with a period in which New Zealand GDP shrank by 1.0%, well in excess of what all forecasters had been predicting.

These factors, along with the delay in the opening of the NZICC and the inability to complete a key asset sale, significantly constrained our financial flexibility. This pressure ultimately necessitated additional capital to strengthen our balance sheet.

Equity raise

It was in this context that the Board made the difficult, but necessary, decision to raise \$240 million in new equity to secure the company's financial position.

We understand the concerns raised by some shareholders about the timing and size of the raise. However, I want to be clear: this decision was made to protect the company's financial flexibility, preserve our BBB- investment-grade credit rating, and safeguard our casino licences.

The Board considered a range of alternatives. None of these measures would have prevented a credit rating downgrade, and without the raise, we would have been at risk of defaulting on our banking covenants later this calendar year. Raising equity provided us with funding certainty and avoided the additional interest costs and potential covenant waivers that would have resulted from other options.

Maintaining our investment-grade credit rating is not just about managing our cost of capital. It's about ensuring continued access to debt markets, preserving refinancing flexibility, and supporting future growth. It's also a key factor in maintaining our regulatory standing.

Financial suitability was a key consideration in the Martin Review which considered our suitability to operate the Adelaide casino. It is also a factor as we renew our Queenstown and Hamilton licences, and as we apply for an online casino gambling licence in New Zealand in 2026.

Based on the latest credit rating update from S&P Global Ratings, SkyCity currently holds a BBB- rating with a negative outlook. Importantly this is still investment grade, albeit at the bottom of the investment grade range.

In addition to the equity raise completed this year, we have committed to an asset sale programme with a target of around \$200m which will be applied to further debt reduction. The business has already been selling assets: namely our stake in the GIG business; and surplus land in Queenstown. Through the 2025 financial year the sale of these assets realised \$70m.

The asset sale programme includes a concession over the Auckland carpark, commercial office property, and has been extended to consider other assets to ensure we achieve the target of \$200m. Advisors are actively engaged and working on this programme.

We remain focused on our long-term financial stability and continue to target BBB credit rating metrics. Once we have realised proceeds from the asset sale programme, we expect to be in a position to achieve this.

Risk, regulatory compliance and transformation

As already noted, addressing the historical breaches of regulations and our licences has been the primary focus of the business over the last two years. We are making good progress in this regard.

In September 2024 we closed the Auckland casino gaming floors for five days as part of a settlement with DIA over failure to meet harm minimisation and host responsibility obligations. This marked the end of outstanding regulatory actions in New Zealand.

In Adelaide, our Building a Better Business, or B3 programme is central to our transformation. During FY25, we completely re-scoped the programme with clear deliverables, realistic timelines, and proper cost visibility. It's a comprehensive, multi-year initiative that touches every part of the business. We've resourced it appropriately, embedded strong governance, and ensured genuine operational ownership on the ground in Adelaide. The cultural and operational shifts we're seeing, led by our refreshed management team, are showing good progress.

I do stress, however, that there is still considerable work ahead before we can confidently say that our compliance systems fully meet the requisite standards.

We also received the findings of the independent review into the suitability of SkyCity continuing to operate the Adelaide casino. Being deemed suitable was an important step in our ongoing remediation efforts here.

We still await the forthcoming decision of the South Australian regulator, on what enforcement action, if any, might follow from his consideration of the Martin Review. Jason will cover this in more detail in his comments.

Across the Group, our compliance systems are in a much stronger position than they were a year ago.

In New Zealand, the rollout of carded play across all our casinos has been a significant step forward. It's reshaping how we engage with customers and how we manage operational and regulatory risk.

We've also seen progress on the regulation of online casino gambling, with a draft Bill now before Parliament.

These developments are critical to our future, and we're engaging constructively with regulators to ensure we meet the highest standards.

Board appointments

This year's ASM reflects the continued stability of our Board. We are not proposing any new appointments, but we do put to the meeting the re-election of Kate Hughes and Glenn Davis, both of whom, by rotation, retire and offer themselves for re-election.

Kate chairs our Risk and Compliance Committee and is a member of the Governance and Transformation Sub-Committees. Her background spans regulatory compliance, business resilience, and governance across both public and private sectors.

Kate has been the architect and champion of the risk transformation programme across our business.

Glenn brings deep expertise in corporate law, legislative compliance and risk management, and serves as Chair of our Australian subsidiary, SkyCity Adelaide Pty Limited.

Glenn's leadership has been a key factor in the license suitability findings in Adelaide.

We understand that some shareholders have voted against the election of one or both of our directors to hold the Board accountable for the Company's recent equity raise, and we fully respect shareholders' rights to do so.

However, both Kate and Glenn's contributions have been instrumental in guiding SkyCity through a period of significant market challenges and business transformation, and the Board unanimously supports their re-election. We are hopeful we can rely on your support in that regard.

Looking ahead – Slide 11

As we look to the future, our focus is firmly on positioning SkyCity for sustainable growth and strong shareholder returns. The strategy we've set for the next three years sees us focus on our core businesses to be a market-leading entertainment company across land-based and digital gaming experiences.

The entertainment industry is undergoing a fundamental transformation, driven by digitalisation, evolving consumer expectations, regulatory change, and increasing competition from both traditional and non-traditional players. We are positioning SkyCity to be a successful business within this space.

We have anchored our strategy on three core pillars:

- First, we are focused on *delivering connected experiences for customers*. This means creating seamless, personalised interactions across our venues and digital platforms, ensuring that every touchpoint, whether physical or online, reflects the quality, service, and innovation our customers expect.
- Secondly, we are committed to *optimising our core business*. This includes continuing the work already underway to embed our risk management, culture, and digital transformations into the fabric of our operations. It also demonstrates our deep understanding of the privilege and responsibility that come with our social licence as a gambling operator. Maintaining the trust of our regulators, communities, and customers is of paramount importance. Cost discipline will continue to be a fundamental element of this pillar, ensuring we operate efficiently and responsibly.
- Third, we are preparing to *assume a leadership role in New Zealand's emerging regulated online casino gaming market*. By leveraging our land-based presence, brand recognition, and customer relationships, we aim to become the dominant local player in this sector. This opportunity holds the potential to be transformative, not only for our financial performance but also for our business model and competitive positioning.

Before I close, I want to take a moment to thank Jason for his leadership. Since joining as CEO in July last year, he has brought clarity, energy, and a strong strategic focus to the business.

He has stabilised operations, accelerated our transformation programmes, and positioned SkyCity for long-term success. His leadership has been instrumental in navigating a complex and demanding economic environment, and I want to thank him on behalf of the Board.

To our shareholders, thank you for your patience and support. To our employees, more than 4,500 across the Group, thank you for embracing change, upholding high service standards, and embodying the values that define SkyCity. And to our customers, the millions who visited us during FY25, thank you for your loyalty and trust.

We are systematically putting the right people, plans, and priorities in place as we reset and rebuild our business for long-term success. While there is a lot of work to do, I am confident in the path ahead.

I will now hand over to Jason, who will speak in more detail about our financial performance and how we are delivering against the strategic priorities I've outlined, across our venues, our transformation programs, and our preparations for the regulated online market.