

30 April 2021



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**RE: SKYCITY ENTERTAINMENT GROUP LIMITED (SKC)
MARKET UPDATE AND LODGEMENT OF RETAIL BOND OFFER**

Please find **attached** in relation to SkyCity Entertainment Group Limited (**SkyCity**):

- (a) a market release which provides:
 - (i) a market update on current trading and outlook for the financial year ending 30 June 2021; and
 - (ii) information regarding an offer of up to NZ\$125 million (with the ability to accept oversubscriptions of up to an additional NZ\$50 million at SkyCity's discretion) of 6 year, unsecured, unsubordinated, fixed rate bonds maturing on 21 May 2027 to institutional investors and New Zealand retail investors (**Offer**);
- (b) a Product Disclosure Statement relating to the Offer;
- (c) an Indicative Terms Sheet relating to the Offer; and
- (d) an Investor Presentation relating to the Offer.

Authorised by:

A handwritten signature in blue ink, appearing to read "Jo Wong".

Jo Wong
Company Secretary
Phone: +64 9 363 6143
Email: jo.wong@skycity.co.nz



MARKET RELEASE

SkyCity Entertainment Group Limited
(SKC.NZX/SKC.AX)

30 April 2021

MARKET UPDATE ON CURRENT TRADING AND OUTLOOK FOR THE FULL-YEAR FY21 AND PRODUCT DISCLOSURE STATEMENT FOR RETAIL BOND OFFER

Current Trading

Trading for 2H21 to date remains consistent with those trends disclosed at the time of SkyCity's 1H21 results announcement on 18 February 2021, namely:

- Resilient local gaming performance at SkyCity Auckland when open – strong weekend and holiday peaks, particularly in electronic gaming machines (**EGMs**);
- Positive performance from both SkyCity Hamilton and SkyCity Queenstown – strong EGM activity and effective cost discipline;
- Consistent performance at SkyCity Adelaide across all business activities – with trading in March and April 2021 comparable to the December 2020 to February 2021 period following opening of the new expansion in December 2020;
- SkyCity Online Casino performing consistently – over 38,000 active customers as at 30 April 2021; and
- Tourism-related businesses (including International Business) continue to be significantly impacted by ongoing international border closures.

Property closures in New Zealand and South Australia from 23 March 2020 due to COVID-19 related lockdowns limit comparability with the prior comparable period from this date.

FY21 Outlook

Despite positive current trading, there is no change to the previous guidance for FY21 with SkyCity expecting Group normalised EBITDA to be above FY20 but still well below pre-COVID-19 and FY19 levels. The operating environment remains unpredictable due to COVID-19 (eg. 11-day property closure at SkyCity Auckland during February and March 2021) and accordingly SkyCity is unable to provide formal earnings guidance at this time.

Based on expected performance and assuming no prolonged property closures before the end of FY21, SkyCity expects to meet its financial covenants for the 30 June 2021 testing

period and pay a final dividend consistent with the revised dividend policy announced at the time of its 1H21 results.

SkyCity intends to present at the Macquarie Investor Conference (Sydney, Australia) on Thursday, 6 May 2021.

Retail Bond Offer

SkyCity has announced an offer of up to NZ\$125 million (with the ability to accept oversubscriptions of up to an additional NZ\$50 million at SkyCity's discretion) of 6 year, unsecured, unsubordinated, fixed rate bonds maturing on 21 May 2027 to institutional investors and New Zealand retail investors.

The offer is expected to open on 10 May 2021 and close on 14 May 2021. The bonds are expected to be assigned a BBB- rating by S&P Global Ratings.

SkyCity has appointed Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch) (**Westpac**) as Arranger, and ANZ Bank New Zealand Limited, Commonwealth Bank of Australia (ABN 48 123 123 124) (acting through its New Zealand branch), Craigs Investment Partners Limited, Forsyth Barr Limited, Jarden Securities Limited and Westpac as Joint Lead Managers in relation to the offer.

Full details of the offer are contained in the Product Disclosure Statement (**PDS**) which was lodged today.

The PDS is available through www.skycityentertainmentgroup.com/BondOffer or by contacting a Joint Lead Manager or your usual financial adviser, and must be obtained by investors before they decide to acquire any bonds. The PDS (together with further information in relation to the bonds and the offer) is also available on the Disclose Register at www.companiesoffice.govt.nz/disclose under SkyCity's offer number OFR13093. There are restrictions on offering, issuing or selling bonds outside New Zealand, as set out in the Disclose Register entry for the offer.

There is no public pool for the offer, with all of the bonds being reserved for clients of the Joint Lead Managers, NZX Participants and other approved financial intermediaries.

Investors can register their interest by contacting a Joint Lead Manager or their usual financial adviser.

This offer is being made in accordance with the Financial Markets Conduct Act 2013 and the bonds are expected to be quoted on the NZX Debt Market.

Copies of the PDS, the bond presentation and the indicative terms sheet for the bonds have been provided to NZX with this announcement.

For more information, please contact:

Investors and analysts	Media
Ben Kay General Manager, Strategy & Investor Relations DDI: +64 9 363 6067 E-mail: ben.kay@skycity.co.nz	Kate Gourdie Group Communications Manager Mobile +64 21 197 2845 E-mail: kate.gourdie@skycity.co.nz

Arranger and Joint Lead Manager



0800 772 142

Joint Lead Managers



0800 269 476



0800 272 266



0800 226 263



0800 367 227



0800 005 678

ENDS



PRODUCT DISCLOSURE STATEMENT

Offer of unsecured, unsubordinated,
fixed rate 6 year bonds

Issued by SkyCity
Entertainment Group Limited

30 April 2021



This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on www.business.govt.nz/disclose, offer number (OFR13093).

SkyCity Entertainment Group Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider to help you to make an investment decision.

Joint Lead Managers



Commonwealth
Bank







Key Information Summary

1.1 What is this?

This is an offer (**Offer**) of unsecured, unsubordinated, fixed rate 6 year bonds (**Bonds**). The Bonds are debt securities issued by SkyCity Entertainment Group Limited (**SkyCity**). You give SkyCity money and, in return SkyCity promises to pay you interest and repay the money at the end of the term. If SkyCity runs into financial trouble, you might lose some or all of the money you invested.

1.2 About the SkyCity Group

SkyCity and its subsidiaries (**SkyCity Group**) operate integrated entertainment complexes in New Zealand and Australia – each featuring casino gaming facilities and premium restaurants and bars, which appeal to both domestic and international visitors alike. The SkyCity Group also offers luxury hotel accommodation in Auckland and Adelaide and provides New Zealanders with an offshore online casino platform, SkyCity Online Casino.

SkyCity is listed on the NZX Main Board

and the ASX and, as at the close of the Business Day before the date of this Product Disclosure Statement (**PDS**), had a market capitalisation of approximately \$2.7 billion.

1.3 Purpose of this Offer

This Offer forms part of the SkyCity Group's ongoing capital management strategy, enhancing diversity of sources of funding and lengthening the debt maturity profile. The net proceeds of this Offer will be used to reduce the drawings on SkyCity's bank facilities.

See section 4 of this PDS (Purpose of the Offer) for more information.

1.4 Key Terms of the Offer

Issuer	SkyCity Entertainment Group Limited.
Description of the Bonds	Unsecured, unsubordinated, fixed rate bonds.
Term and Maturity Date	6 years, maturing on 21 May 2027.
Offer Amount	Up to \$125 million (with the ability to accept oversubscriptions of up to an additional \$50 million at SkyCity's discretion). The Offer is not underwritten.
Interest Rate	The Bonds will pay a fixed rate of interest until the Maturity Date. The Interest Rate will be no lower than a minimum Interest Rate. This minimum Interest Rate and the indicative Issue Margin will be determined by SkyCity in conjunction with the Joint Lead Managers and announced via NZX and ASX on the Opening Date (10 May 2021). The Interest Rate will be determined by SkyCity in conjunction with the Arranger on the Rate Set Date (14 May 2021) and will be the greater of: - the minimum Interest Rate; and - the sum of the Swap Rate on the Rate Set Date and the Issue Margin. The Issue Margin will be determined by SkyCity in conjunction with the Joint Lead Managers following a bookbuild and announced via NZX and ASX on the Rate Set Date. A bookbuild is a process whereby a margin is determined by reference to bids from market participants for an allocation of Bonds at different margins. The Interest Rate will be announced via NZX and ASX on the Rate Set Date.
Interest Payment Dates	Interest will be paid quarterly in arrear in equal amounts on 21 February, 21 May, 21 August and 21 November in each year (or if that day is not a Business Day, the next Business Day without adjustment, interest or further payment as a result thereof) until and including the Maturity Date. The First Interest Payment Date is 21 August 2021 (with payment on 23 August 2021, being the first Business Day following the First Interest Payment Date).
Early Redemption	SkyCity may elect to redeem all, but not some only, of the Bonds for cash on any Interest Payment Date on or after the third anniversary of the Issue Date by giving not less than 20 Business Days' notice to the Supervisor and each Bondholder. In the event of early redemption, SkyCity will pay to Bondholders the greater of: - the Principal Amount of the Bonds; and - the average market price of the Bonds calculated in accordance with the Series Supplement (adjusted to exclude the value attributable to the next scheduled but unpaid interest payment), in each case, plus all accrued interest as at the early redemption date and any other amount due and payable in respect of the Bonds (less withholding tax and any other required deductions) – as calculated in the manner described in section 3.1 of this PDS (Terms of the Offer). See section 5.5 of this PDS (Early Redemption) for more information.
Distribution Restriction	The payment of distributions by SkyCity and the other Guarantors to shareholders (other than to a Guarantor) is restricted if any Event of Default has occurred and is continuing (or would occur as a result of that distribution). See section 5.7 of this PDS (Distribution Restriction) for more information.

Further Payments, Fees or Charges	Taxes may be deducted from interest payments on the Bonds. See section 7 of this PDS (Tax) for more information. You are not required to pay brokerage or any other fees or charges to SkyCity to purchase the Bonds. However, you may have to pay brokerage to the firm from whom you receive an allocation of Bonds. Please contact your broker for further information on any brokerage fees.
Selling Restrictions	The Offer is subject to certain selling restrictions and you will be required to indemnify certain people if you breach these. See section 3.1 of this PDS (Terms of the Offer) for more information.
Opening Date	Monday, 10 May 2021
Closing Date	Friday, 14 May 2021 at 12.00pm (NZ time)
Issue Date	Friday, 21 May 2021
Minimum Application Amount	\$5,000 and multiples of \$1,000 thereafter

1.5 Who is Responsible for Repaying You?

SkyCity is responsible for paying interest on the Bonds and for the repayment of the Bonds.

The obligations of SkyCity to make payments with respect to the Bonds are guaranteed by the Guarantors under the Guarantee. As at the date of this PDS, those members of the SkyCity Group named in the definition of "Guarantors" in the Glossary are the Guarantors and no other members of the SkyCity Group are Guarantors. Other members of the SkyCity Group may become Guarantors from time to time. A Guarantor (including any other member of the SkyCity Group that becomes a Guarantor after the date of this PDS) may be released in certain circumstances, including if it has ceased to be a guarantor under SkyCity's Principal Lending Facilities, is not otherwise required to be a Guarantor and no Event of Default has occurred or is continuing.

See section 5.3 of this PDS (Guarantees) for more information.

1.6 How You Can Get Your Money Out Early

You have no right to require SkyCity to repay your Bonds prior to the Maturity Date. SkyCity may however be required to repay the Bonds early if there is an Event of Default (see section 5 of this PDS (Key features of the Bonds) for more information).

SkyCity has the right to redeem all of the Bonds for cash on any Interest Payment Date on or after the third anniversary of the Issue Date by giving Bondholders and the Supervisor not less than 20 Business Days' notice in writing. If Bonds are redeemed early in this manner, they will be redeemed for the greater of their Principal Amount or their average market price as calculated in accordance with the Series Supplement (adjusted to exclude the value attributable to the next scheduled but unpaid

interest payment), in each case plus all accrued interest as at the early redemption date and any other amount due and payable in respect of the Bonds (less withholding tax and any other required withholdings or deductions) – as calculated in the manner described in section 3.1 of this PDS (Terms of the Offer).

See section 5 of this PDS (Key features of the Bonds) for more information.

SkyCity intends to quote these Bonds on the NZX Debt Market. This means you may be able to sell them on the NZX Debt Market before the end of their term if there are interested buyers. If you sell your Bonds, the price you get will vary depending on factors such as the financial condition of the SkyCity Group and movements in the market interest rates. You may receive less than the full amount that you paid for them.

1.7 How the Bonds Rank for Repayment

The Bonds are unsecured, unsubordinated, fixed rate debt obligations of SkyCity. This means that, on a liquidation of SkyCity, your rights and claims as a Bondholder:

- will rank **after** all secured creditors (if any) and creditors preferred by law (e.g. Inland Revenue in respect of certain unpaid tax);
- will rank **equally** with other Bondholders and equally among the rights and claims of holders of equal ranking obligations (including the lenders of SkyCity's bank debt and the holders of the USPP Notes and all other unsecured obligations, including trade creditors); and
- will rank **ahead** of holders of subordinated debt (if any) and ahead of holders of Shares.

Further important information on the ranking of the Bonds on a liquidation of SkyCity can be found in section 5 of this PDS (Key features of the Bonds).

1.8 No Security

The Bonds are not secured against any asset of the SkyCity Group.

1.9 Key Risks Affecting this Investment

Investments in debt securities have risks. A key risk is that SkyCity does not meet its commitments to repay you or pay you interest (credit risk). Section 6 of the PDS (Risks of investing) discusses the main factors that give rise to the risk. You should consider if the credit risk of these debt securities is suitable for you.

The interest rate for these Bonds should also reflect the degree of credit risk. In general, higher returns are demanded by investors from businesses with higher risk of defaulting on their commitments. You need to decide whether the Offer is fair. SkyCity considers that the most significant risk factors are:

- **COVID-19 Pandemic and Business Continuity Risk:** The COVID-19 pandemic, related actions taken in response by the New Zealand, Australian and other governments (including national and regional lockdowns, border closures and 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's operations, liquidity and financial performance. Risks arising from the outbreak of infectious disease, including the ongoing COVID-19 pandemic, are particularly relevant to SkyCity as a gaming, hospitality and entertainment provider. Closure of its facilities during government-imposed lockdowns, social distancing measures, restrictions on public gatherings and decreased levels of domestic and international visitors have together had a significant impact on SkyCity's financial performance. The wider ongoing health and

safety risks and potential economic impacts of COVID-19 could have further material adverse effects on SkyCity's activity levels and resulting revenues for an unknown duration.

- **Highly Regulated Industry Risk:** SkyCity operates in industries which are highly regulated in each of the jurisdictions in which it has business operations. In particular, the casino industry is highly regulated and SkyCity requires the approval of the relevant gaming regulators (usually in the form of licences) in order to conduct its business. Consequently, SkyCity's operations, its financial performance and future prospects are highly dependent upon the regulatory framework in which it operates and maintenance of its licences. The regulatory framework (consisting of legislation, regulation and government policy, including taxation) is subject to change from time to time in both material and immaterial respects, which may impact the environment in which SkyCity operates and the cost of operating its business. Any unfavourable changes to this regulatory framework could have a significant negative impact on SkyCity's operations and financial performance.
- **Earnings Concentration in Auckland Risk:** SkyCity's Auckland property contributed approximately 80% of SkyCity Group normalised EBITDA (before corporate costs) for the year ended 30 June 2020. A significant disruption to SkyCity's Auckland property could have a significant negative impact on SkyCity's operations and financial performance, including through a permanent loss of customers.
- **Completion of NZICC Project Risk:** There are significant risks associated with SkyCity's construction of the New Zealand International Convention Centre (NZICC) and Horizon Hotel in Auckland (NZICC Project):

- SkyCity is required to complete the development of the NZICC by 2 January 2025 (**Completion Long Stop Date**) under the Project and Licensing Agreement for the NZICC (**NZICC Agreement**). If SkyCity does not complete the development of the NZICC by the Completion Long Stop Date, then the New Zealand Government can seek to terminate the NZICC Agreement. In this situation, SkyCity could lose the benefits of the regulatory and operational concessions at its Auckland property provided for under the NZICC Agreement, including the extension of the Auckland casino licence to 2048.
- SkyCity also faces ongoing uncertainty regarding the total cost of the NZICC Project, which could have a significant negative impact on SkyCity's financial position.
- SkyCity also has obligations under the concession agreement with (now) MPF Parking Limited (**Macquarie**) pursuant to which SkyCity Auckland Limited granted a long term concession over the SkyCity Auckland car parks to Macquarie. SkyCity is required to make payments to Macquarie for car parks that are not available under the concession agreement (including those impacted by the NZICC Project works and remediation activities). Macquarie may also have other contractual rights under that agreement which could negatively impact SkyCity's financial position and financial performance in the event that the NZICC car parks are not made available within the timeframe required by the Concession Agreement and which results in Macquarie validly exercising those contractual rights (if available).

This summary does not cover all of the risks of investing in the Bonds. You should also read section 5 of this PDS (Key features of the Bonds) and section

6 of this PDS (Risks of investing).

1.10 What is SkyCity's Credit Rating?

A credit rating is an independent opinion of the capability and willingness of an entity to repay its debts (in other words, its creditworthiness). It is not a guarantee that the financial product being offered is a safe investment. A credit rating should be considered alongside all other relevant information when making an investment decision.

SkyCity has been rated by S&P Global Ratings (**Standard & Poor's**). Standard & Poor's gives ratings from 'AAA' through to 'C'.

As at the date of this PDS, SkyCity has been given a corporate credit rating by Standard & Poor's of BBB- (with a stable outlook).

The Bonds are to be rated. As at the date of this PDS, SkyCity has not received a credit rating for the Bonds. However, SkyCity expects that Standard & Poor's will assign the Bonds a credit rating prior to the Issue Date. SkyCity expects that the initial credit rating assigned by Standard & Poor's to the Bonds would be the same as SkyCity's corporate credit rating.

1.11 Where You Can Find Other Market Information About SkyCity

The Offer is being made under a short-form disclosure process that SkyCity is permitted to use because the Bonds rank in priority to existing quoted financial products of SkyCity. The existing quoted financial products are ordinary shares in SkyCity, which are traded on the NZX Main Board and the ASX.

SkyCity is subject to a disclosure obligation that requires it to notify certain material information to the NZX for the purpose of that information being made available to participants in the market. SkyCity's NZX issuer page, which includes information made available under the relevant disclosure obligation referred to above, can be found at www.nzx.com/companies/SKC.

SkyCity's Credit Rating BBB- (stable outlook)

Range of credit ratings for Standard & Poor's ¹	AAA	AA	A	BBB	BB	B	CCC	CC to C
Summary description of the rating (capacity to meet financial obligations)	Extremely strong	Very strong	Strong	Adequate	Less vulnerable	More vulnerable	Currently vulnerable	Currently highly vulnerable
Standard & Poor's statistics on the rate of default for entities with that rating over a period of at least 5 years	1 in 600	1 in 300	1 in 150	1 in 30	1 in 10	1 in 5	1 in 2	

Note: 1. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. SkyCity's BBB rating has been modified by a minus (-)

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Chair's Letter

Dear Investor,

On behalf of the Board of Directors, SkyCity is pleased to offer you this opportunity to invest in SkyCity Bonds.

SkyCity owns and operates leading gaming, entertainment and hospitality businesses in New Zealand and Australia and its intrinsic value is underpinned by long-term exclusive casino licences¹ and significant investment in property assets, particularly at our flagship property in Auckland and our recently completed expansion development in Adelaide.

Across its properties, SkyCity operates integrated entertainment complexes each featuring casino gaming facilities and premium restaurants, together with bars and world-class accommodation in Auckland and Adelaide.

SkyCity employs over 4,200 staff across its operations and makes a significant contribution to local economies through its role in employment, training, tourism and its sustainability and community initiatives.

The Offer of SkyCity Bonds is part of our ongoing capital management strategy. SkyCity is seeking to raise up to \$125 million from the Offer and may accept oversubscriptions for up to an additional \$50 million. Participation in New Zealand debt capital markets is an appropriate diversification of funding sources and a natural fit with SkyCity's strong New Zealand presence. The proceeds from the Offer will be used to reduce the SkyCity Group's drawings on its bank facilities.

SkyCity has an investment grade credit rating of BBB- (stable outlook) from Standard & Poor's and expects the initial credit rating of the Bonds will also be BBB-.

This Product Disclosure Statement provides details of the investment opportunity SkyCity is offering

and describes other important information, including an overview of some of the key risks associated with the Bonds that may affect your returns and repayment of your investment. We encourage you to read this document, the additional information contained on the Offer Register and all of SkyCity's recent market announcements carefully and in full, including the investor presentation and other materials released by SkyCity on 30 April 2021, SkyCity's most recent annual report (for the year ended 30 June 2020) and its interim report (for the six months ended 31 December 2020) at www.nzx.com and www.asx.com.au under the code "SKC". For more information, please visit SkyCity's website www.skycityentertainmentgroup.com/BondOffer.

We recommend that you consult your financial advice provider before making any decisions with respect to the Bonds.

On behalf of the Board, we encourage you to consider this opportunity and welcome your support of SkyCity.



A stylized handwritten signature in black ink.

Rob Campbell
Chair
SkyCity Entertainment Group Limited

¹ Each New Zealand casino venue licence can be renewed for successive periods of 15 years each pursuant to sections 134-138 of the New Zealand Gambling Act 2003.



Key Dates and Offer Process

2.1 Key Dates

Opening Date	Monday, 10 May 2021
Closing Date	Friday, 14 May 2021 at 12.00pm (NZ time)
Rate Set Date	Friday, 14 May 2021
Issue Date and allotment date	Friday, 21 May 2021
Expected Date of Initial Quotation and Trading of the Bonds on the NZX Debt Market (and earliest expected mailing of holding statements)	Monday, 24 May 2021
Interest Payment Dates	21 February, 21 May, 21 August and 21 November in each year ¹
First Interest Payment Date	21 August 2021 (with payment on 23 August 2021, being the first Business Day following the First Interest Payment Date)
Maturity Date	21 May 2027 ²

Notes:

1. If any Interest Payment Date is not a Business Day, payment will be made on the next Business Day without adjustment, interest or further payment as a result thereof.
2. Unless redeemed before the Maturity Date as permitted under the Trust Deed. See section 5 of this PDS (Key features of the Bonds) for more information.

The timetable is indicative only and subject to change. SkyCity may, in its absolute discretion and without notice, determine to vary the timetable (including by opening or closing the Offer early, accepting late applications and extending the Closing Date). Changes will be advised by way of announcement through NZX and ASX.

If the Closing Date is extended, the Rate Set Date, the Issue Date, the expected date of initial quotation and trading of the Bonds on the NZX Debt Market, the Interest Payment Dates and the Maturity Date may also be extended. Any such changes will not affect the validity of any applications received.

SkyCity reserves the right to cancel the Offer and the issue of the Bonds, in which case any application monies received will be refunded (without interest) as soon as practicable and in any event within five Business Days of the cancellation.



Terms of the Offer

3.1 Terms of the Offer

Issuer	SkyCity Entertainment Group Limited.
Description of the Bonds	Unsecured, unsubordinated, fixed rate bonds.
Term and Maturity Date	The Bonds have a 6 year term and will mature on 21 May 2027.
Offer Amount	Up to \$125 million (with the ability to accept oversubscriptions of up to an additional \$50 million at SkyCity's discretion). The final Offer amount will be determined by SkyCity in conjunction with the Joint Lead Managers and announced via NZX and ASX on or about 14 May 2021.
Issue Price	\$1.00 per Bond, being the Principal Amount of each Bond.
Who may apply under the Offer	All of the Bonds offered under the Offer (including any oversubscriptions) have been reserved for subscription by clients of the Joint Lead Managers, NZX Firms and other approved financial intermediaries invited to participate in the Bookbuild. No person may apply for Bonds (including through a Joint Lead Manager, NZX Firm or other approved financial intermediary) unless they have obtained a copy of this PDS. There will be no public pool for the Bonds. SkyCity reserves the right to refuse all or any part of any application for Bonds under the Offer without giving a reason.
Ranking	On a liquidation of SkyCity, amounts owing to Bondholders rank equally with all other unsecured, unsubordinated obligations of SkyCity. On a liquidation of SkyCity, the Bonds will rank: • after all secured creditors (if any) and creditors preferred by law (e.g. Inland Revenue in respect of certain unpaid tax); • equally with other Bondholders and equally among the rights and claims of holders of equal ranking obligations (including the lenders of SkyCity's bank debt and the holders of the USPP Notes and all other unsecured obligations, including trade creditors); and • ahead of holders of subordinated debt and ahead of holders of Shares. Further details in relation to the ranking of Bonds in the event of a liquidation of SkyCity are set out in section 5.2 of this PDS (Ranking).
Guarantee	The Bonds will be guaranteed by the Guarantors. See section 5.3 of this PDS (Guarantees) for more information on the terms of the Guarantee.
No Security	The Bonds are not secured against any asset of the SkyCity Group.

Interest Rate	The Bonds will pay a fixed rate of interest from the Issue Date up to and including the Maturity Date. The Interest Rate will be no lower than a minimum Interest Rate. This minimum Interest Rate and the indicative Issue Margin will be determined by SkyCity in conjunction with the Joint Lead Managers and announced via NZX and ASX on the Opening Date (10 May 2021). The Interest Rate will be determined by SkyCity in conjunction with the Arranger on the Rate Set Date (14 May 2021) and will be the greater of: • the minimum Interest Rate; and • the sum of the Swap Rate on the Rate Set Date and the Issue Margin. The Interest Rate will be announced via NZX and ASX on the Rate Set Date.
Swap Rate	The mid-market rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Arranger in consultation with SkyCity, according to market convention, with reference to Bloomberg page 'ICNZ4' (or any successor page) on the Rate Set Date and expressed on a quarterly basis (rounded to 2 decimal places, if necessary, with 0.005 being rounded up).
Issue Margin	The Issue Margin will be determined by SkyCity in conjunction with the Joint Lead Managers following the Bookbuild and announced via NZX and ASX on the Rate Set Date (14 May 2021).
Interest Payment Dates	Interest will be paid quarterly in arrear on 21 February, 21 May, 21 August and 21 November each year (or if that day is not a Business Day, the next Business Day without adjustment, interest or further payment as a result thereof) until and including the Maturity Date. The First Interest Payment Date is 21 August 2021 (with payment on 23 August 2021, being the first Business Day following the First Interest Payment Date).
Interest Payments and Entitlement	Interest on the Bonds shall be paid in arrear and shall be paid in equal quarterly amounts on each Interest Payment Date. Any interest on the Bonds payable on a date which is not an Interest Payment Date will be calculated on the basis of the number of days elapsed and a 365-day year and shall accrue in respect of the period from, and including, the previous Interest Payment Date until, but excluding, the date for payment of that interest. On each Interest Payment Date, interest will be paid to the persons registered as the Bondholders as at the record date immediately preceding that Interest Payment Date. The record date for interest payments is 5.00pm on the date 10 days before the relevant due date for that payment (or if that day is not a Business Day, on the Business Day immediately preceding such day).

Early Redemption	Bondholders have no right to require SkyCity to redeem their Bonds prior to the Maturity Date. However, SkyCity may be required to repay the Bonds early if there is an Event of Default (described further below). SkyCity may elect to redeem all, but not some only, of the Bonds for cash on any Interest Payment Date on or after the third anniversary of the Issue Date by giving not less than 20 Business Days' notice to the Supervisor and each Bondholder. In the event of early redemption, SkyCity will pay to Bondholders the greater of: • the Principal Amount of the Bonds; and • the average market price of the Bonds calculated in accordance with the Series Supplement (adjusted to exclude the value attributable to the next scheduled but unpaid interest payment), in each case, plus all accrued interest as at the redemption date and any other amount due and payable in respect of the Bonds (less withholding tax and any other required withholdings or deductions) – as calculated in the manner described in this section 3.1 of this PDS (Terms of the Offer). See section 5.5 of this PDS (Early Redemption) for more information.
Events of Default	Upon the occurrence of an Event of Default which is continuing, the Supervisor may in its discretion, and must upon being directed to do so by a Special Resolution of Bondholders, declare the Bonds to be immediately due and payable. The Events of Default are set out in clause 12.1 of the Trust Deed, some of which are summarised in section 5.6 of this PDS (Events of Default).
Distribution Restriction	Neither SkyCity nor any other Guarantor will be able to make any distribution to a shareholder (other than to a Guarantor) if an Event of Default has occurred and is continuing (or would occur as a result of that distribution). See section 5.7 of this PDS (Distribution Restriction) for more information.
How to Apply	Application instructions are set out in section 12 of this PDS (How to Apply).
Opening Date	Monday, 10 May 2021.
Closing Date	Friday, 14 May 2021 at 12.00pm (NZ time).
Minimum Application Amount	\$5,000 and multiples of \$1,000 thereafter.
Scaling	SkyCity may scale applications at its discretion, but will not scale any application to below \$5,000 or to an amount that is not a multiple of \$1,000.
No Underwriting	The Offer is not underwritten.
Brokerage	SkyCity will pay brokerage to market participants in respect of the Offer.

Transfer Restrictions	SkyCity may decline to accept or register a transfer of the Bonds if the transfer would result in the transferor or the transferee holding or continuing to hold Bonds with a Principal Amount of less than \$5,000 (if not zero) or if the transfer is not a multiple of \$1,000.
Further Payments, Fees or Charges	Taxes may be deducted from interest payments on the Bonds. See section 7 of this PDS (Tax) for more information. You are not required to pay brokerage or any other fees or charges to SkyCity to purchase the Bonds. However, you may have to pay brokerage to the firm from whom you receive an allocation of Bonds or for the transfer of the Bonds. Please contact your broker for further information on any brokerage fees.
Quotation	Application has been made to NZX for permission to quote the Bonds on the NZX Debt Market and all the requirements of NZX relating to that quotation that can be complied with on or before the date of this PDS have been duly complied with. However, the Bonds have not yet been approved for trading and NZX accepts no responsibility for any statement in this PDS. NZX is a licensed market operator, and the NZX Debt Market is a licensed market, under the Financial Markets Conduct Act 2013. NZX ticker code SKC050 has been reserved for the Bonds.
Selling Restrictions	The Offer and subsequent transfer of Bonds are subject to the selling restrictions referred to in section 8 of this PDS (Selling Restrictions). By subscribing for or otherwise acquiring any Bonds, each investor agrees to indemnify SkyCity, the Supervisor, the Joint Lead Managers and their respective directors, officers, employees and agents for any loss, cost, liability or damages suffered or incurred as a result of that investor breaching the selling restrictions referred to in section 8 of this PDS (Selling Restrictions).
Governing Law	New Zealand.

3.2 Other Documents

The terms of the Bonds, and other key terms of the Offer, are set out in the Trust Deed, as supplemented by the Series Supplement.

The Supervisor will also have the benefit of the Deed of Guarantee.

You should read these documents. Copies may be obtained from the Offer Register at www.business.govt.nz/disclose (OFR13093).

4

Purpose of the Offer

This Offer forms part of the SkyCity Group's ongoing capital management strategy, enhancing diversity of sources of funding and lengthening the debt maturity profile. Participation in the New Zealand debt capital markets is a natural fit with SkyCity's strong New Zealand presence. The net proceeds of

the Offer will be used to reduce the drawings on SkyCity's bank facilities.

The use of proceeds of the Offer will not change, irrespective of the total amount that is raised.

The Offer is not underwritten.

5

Key Features of the Bonds

A number of key features of the Bonds are described in section 3 of this PDS (Terms of the Offer). The other key features of the Bonds are described below.

The information in this section is a summary of certain terms of the Trust Deed and the Deed of Guarantee. Copies of the Trust Deed and the Deed of Guarantee are included on the Offer Register at www.business.govt.nz/disclose (OFR13093).

Capitalised terms used but not defined in this section 5 have the meanings given to them in the Trust Deed.

5.1 The Supervisor

The Supervisor is appointed to act as supervisor and trustee for the Bondholders on the terms contained in the Trust Deed.

You can only enforce your rights under the Bonds through the Supervisor – however, you can enforce your rights under the Bonds against SkyCity directly if the Supervisor is obliged to enforce them, but has failed to do so.



5.2 Ranking

The Bonds constitute unsecured, unsubordinated, debt obligations of SkyCity.

On a liquidation of SkyCity, amounts owing to Bondholders rank equally with all other unsecured, unsubordinated obligations of SkyCity. Amounts owing under the Guarantee constitute unsecured, unsubordinated debt obligations of the relevant Guarantor and, on a liquidation of the Guarantor, amounts owing to Bondholders under the Guarantee rank equally with all other unsecured, unsubordinated obligations of the relevant Guarantor.

The ranking of the Bonds on a liquidation of SkyCity is summarised in the following diagram.

RANKING ON THE LIQUIDATION OF SKYCITY GROUP		
	EXAMPLES	AMOUNT ¹
 Higher ranking/earlier priority	Liabilities that rank in priority to the Bonds	Secured creditors and creditors preferred by law (including employee entitlements and unpaid taxes) ²
	Liabilities that rank equally with the Bonds (including the Bonds)	Unsubordinated obligations (including SkyCity Group's bank debt and USPP Notes) and all other unsecured obligations (such as trade and general creditors)
	Liabilities that rank below the Bonds	Subordinated obligations
	Equity⁴	Ordinary shares, reserves and retained earnings
Lower ranking/later priority		

Notes:

- Amounts shown above are indicative amounts based on the financial position of SkyCity Group as at 31 March 2021, adjusted for the issue of the Bonds. They are subject to rounding adjustments.
- Liabilities that rank in priority to the Bonds include:
 - employee entitlements for unpaid salaries and wages, holiday pay and bonuses, and PAYE;
 - amounts owing to Inland Revenue or Australian tax authorities for unpaid taxes; and
 - registered personal property security interests. SkyCity Group pays most of its local creditors on a weekly payment cycle. In the ordinary course of business, some trade creditors may retain a security in the products they have sold to SkyCity Group until they are paid for. For the purposes of this diagram, SkyCity has treated as a secured claim the total balance (as at 31 March 2021) owing to each creditor who has registered a personal property security interest against SkyCity Group.
- The final size of the Offer will not materially impact this number as the proceeds of the Offer will be used to reduce the drawings on SkyCity Group's bank facilities which rank equally with the Bonds.
- The amount of equity stated includes an amount in relation to SkyCity's existing quoted financial products (i.e. SkyCity's Shares which are quoted on the NZX Main Board and ASX).

(a) Restrictions on Incurring Indebtedness

The Trust Deed contains financial covenants (described below under section 5.4 of this PDS (Financial Covenants)) that indirectly restrict the ability of SkyCity to incur indebtedness.

SkyCity or other members of the SkyCity Group are also party to the documents evidencing the Bank Debt and the USPP Notes, each of which contain covenants that indirectly restrict the ability of SkyCity to incur indebtedness, including:

- (i) financial covenants that are equivalent to or more restrictive than those in the Trust Deed (described below under section 5.4 of this PDS (Financial Covenants)); and
- (ii) additional financial covenants that restrict the amount of borrowed money indebtedness or financing costs that the consolidated group can incur as a percentage of EBITDA (as defined in those documents).

Other than compliance with the financial covenants in the Trust Deed, and the documents evidencing the Bank Debt and the USPP Notes, none of the Trust Deed or the documents evidencing the Bank Debt or the USPP Notes restrict SkyCity or any other Guarantor from creating (and accordingly SkyCity or another Guarantor could at any time create), further liabilities that rank equally with, in priority to, or subordinate to the Bonds on a liquidation of SkyCity.

For example, provided it complies with the terms of the Trust Deed and the documents evidencing the Bank Debt and the USPP Notes, SkyCity could enter into new debt facilities that rank equally with the Bonds. SkyCity also incurs trade liabilities and tax liabilities on a day-to-day basis that rank equally with or (in the case of some tax liabilities) ahead of the Bonds.

In addition, provided SkyCity complies with the limitations on creating security described below, SkyCity or a Guarantor could grant security to a creditor (including a trade creditor) with the effect that the relevant debt or liability ranks ahead of the Bonds on a liquidation of SkyCity.

(b) New Security Interests

Under the Trust Deed, SkyCity undertakes to the Supervisor and each Bondholder that (other than with the consent of the Supervisor) SkyCity and the

Guarantors will not create any security unless:

- (i) no Event of Default (nor any other event or circumstance which with the lapse of time, giving of notice or fulfilment of any other condition would constitute an Event of Default) has occurred and is continuing;
- (ii) that security is not over or in relation to a casino licence or casino lease; and
- (iii) the creation and existence of that security does not cause a breach of the total prior ranking debt covenant (described below under section 5.4(a) of this PDS (Financial Covenants)).

SkyCity or another Guarantor may also create security that falls within one of the categories of a permitted security under the terms of the Trust Deed. Permitted security includes security in the ordinary course of business in favour of a supplier over goods supplied and which is due to be and is actually discharged within 120 days, rights of set-off and netting of accounts arising in the ordinary course of business and certain security given in respect of SkyCity Adelaide as required by relevant legislation. Permitted security interests can be created in addition to security that is permitted under the total prior ranking debt covenant.

Accordingly, if SkyCity or a Guarantor exercised its right to grant such security, the claims of the beneficiaries of that security will rank ahead of the claims of Bondholders on a liquidation of SkyCity.

For full details of these covenants, see clauses 11.2(b) and 11.3(a) of the Trust Deed and the related definitions in clause 1.1 of the Trust Deed.

Under the terms of the documents evidencing the Bank Debt and the USPP Notes, SkyCity and the applicable guarantors of the Bank Debt and the USPP Notes have agreed to similar (and, in some cases, more restrictive) undertakings to those referred to above that restrict the ability of SkyCity and the Guarantors to grant new security interests that rank equally with, or in priority to, amounts owed to Bondholders on a liquidation of SkyCity.

5.3 Guarantees

Under the terms of the Deed of Guarantee entered into by the Guarantors in favour of the Supervisor, the obligations of SkyCity with respect to the Bonds (including the obligation to repay the Bonds and to pay any amount owed to the Supervisor under the

Trust Deed (which would include the Supervisor's fees and costs)) are jointly and severally guaranteed by the Guarantors.

There are no limits on the obligations of any Guarantor in respect of amounts owing under the Trust Deed.

Who are the Guarantors?

Not every member of the SkyCity Group is required to be a Guarantor.

As at the date of this PDS, those members of the SkyCity Group named in the definition of "Guarantors" in the Glossary are the Guarantors and no other members of the SkyCity Group are Guarantors.

Members of the SkyCity Group may become (or cease to be) Guarantors from time to time in accordance with the terms of the Deed of Guarantee and the Trust Deed.

SkyCity has undertaken to the Supervisor and each Bondholder that it will ensure that, at all times (but subject to the grace periods for joining a subsidiary as set out in clause 3.1(a) of the Deed of Guarantee), the Guarantors shall consist of not less than all members of the SkyCity Group who are guarantors or obligors of borrowed money indebtedness owing pursuant to any Principal Lending Facility (and for this reason, SkyCity is included as a Guarantor despite being the issuer of the Bonds). The intention of this undertaking is to align the composition of the Guarantors with the members of the SkyCity Group which provide guarantees to SkyCity's other principal debt financiers.

If there is no Principal Lending Facility, SkyCity has undertaken to the Supervisor to ensure that (subject to certain grace periods) SkyCity and the Guarantors collectively will have Total Tangible Assets of at least 200 per cent of the Face Value of all Bonds on issue at any time (as described in further detail below under section 5.4 of this PDS (Financial Covenants)).

When can a Guarantor be released?

A Guarantor may be released from its obligations under the Guarantee in certain circumstances, including if a director or other appropriate officer of SkyCity has certified in writing to the Supervisor that the Guarantor has ceased to be a guarantor under SkyCity's Principal Lending Facilities, is not

otherwise required to be a Guarantor and (amongst other matters) no Event of Default or potential event of default has occurred or is continuing.

If the relevant conditions for release of a Guarantor (as set out in clause 3.2(a) of the Deed of Guarantee) have been complied with, the consent of the Supervisor or Bondholders is not required for the release to be effective.

However, SkyCity cannot be released as a Guarantor without the consent of the Supervisor.

Are the obligations of the Guarantors secured?

The obligations of each Guarantor under the Deed of Guarantee are not secured by a security interest. Accordingly, the obligations of the Guarantors to you under the Guarantee are not secured against any asset of the Guarantors.

5.4 Financial Covenants

Under the Trust Deed, SkyCity gives the following financial covenants to the Supervisor and each Bondholder:

- (a) **Total Prior Ranking Debt Ratio:** Total Prior Ranking Debt will at no time exceed 10% of Guaranteeing Group Total Tangible Assets.
- (b) **Net Group Debt Ratio:** Net Group Debt will not exceed 75% of the aggregate of Net Group Debt, Share Capital and Retained Earnings as at 30 June and 31 December in each year, provided that:
 - (i) if Retained Earnings is a negative number then the relevant amount of Retained Earnings shall be deducted from the aggregate of Net Group Debt and Share Capital; and
 - (ii) all reserves shall be excluded from the definition of Share Capital and Retained Earnings in the calculation of this ratio.

If a compliance certificate delivered by SkyCity to the Supervisor in accordance with the terms of the Trust Deed evidences a breach of the Net Group Debt Ratio and that breach is not remedied within six months of the latest date (**final date**) on which that compliance certificate was required to be delivered, then, within 20 Business Days after the final date,

SkyCity must give notice to the Supervisor of the Net Group Debt Ratio breach and provide the Supervisor with SkyCity's plan to remedy the breach. An Event of Default only occurs if the breach is not remedied within six months of the latest date on which the notice to the Supervisor of the Net Group Debt Ratio breach was required to be delivered.

- (c) **Guaranteeing Group Cover:** At all times (but subject to the grace periods for joining a subsidiary as set out in clause 3.1(a) of the Deed of Guarantee), the guarantors pursuant to the Deed of Guarantee (being, as at the date of this PDS, the members of the SkyCity Group specified in the definition of 'Guarantor' in the Glossary) shall consist of not less than all members of the Consolidated Group who are guarantors or obligors of borrowed money indebtedness owing pursuant to any Principal Lending Facility provided that if at any time:
- (i) there is no Principal Lending Facility; and
 - (ii) the aggregate Total Tangible Assets of SkyCity and any Guarantors by reference to any compliance certificate delivered to the Supervisor are less than 200 per cent of the Face Value of all Bonds on issue at that time (**Minimum TTA**),

SkyCity will ensure that, from such time (but subject to the grace periods set out in clause 3.1 of the Deed of Guarantee), subsidiaries of SkyCity become guarantors pursuant to the Deed of Guarantee such that, immediately after those subsidiaries become guarantors pursuant to the Deed of Guarantee, the aggregate Total Tangible Assets of SkyCity and all Guarantors are not less than the Minimum TTA.

The capitalised terms used in this section 5.4 refer to defined terms in the Trust Deed (to the extent not otherwise defined in the Glossary). Those defined terms contain the financial information that forms the basis of each financial covenant. For full details of these covenants, see clause 11.3 of the Trust Deed and the related definitions in clause 1.1 of the Trust Deed.

5.5 Early Redemption

Bondholders have no right to require SkyCity to redeem their Bonds prior to the Maturity Date, except in the case of an Event of Default (described further below).

SkyCity may elect to redeem all, but not some only, of the Bonds for cash on any Interest Payment Date on or after the third anniversary of the Issue Date by giving not less than 20 Business Days' notice to the Supervisor and each Bondholder.

On early redemption, SkyCity will pay to Bondholders, in respect of each Bond, the greater of:

- an amount equal to the Principal Amount; and
- the average price, weighted by volume, of all trades of Bonds through the NZX Debt Market over the 10 Business Days immediately prior to the date of the early redemption notice (or, if the Bonds have not traded on the NZX Debt Market for at least half of such 10 Business Day period, the average price of the Bonds for that period will be determined by an independent adviser appointed in accordance with the Series Supplement), (adjusted to exclude the value attributable to the next scheduled but unpaid interest payment),

in each case, plus all accrued interest in respect of that Bond as at the redemption date and any other amount due and payable in respect of that Bond and less all withholding tax and other withholdings or deductions required to be made.

5.6 Events of Default

The Events of Default are contained in the Trust Deed. They include:

- SkyCity or any other Guarantor fails to pay any amount of its indebtedness under a Transaction Document (including with respect to payment of principal or interest, or any other amount) – subject to certain grace periods;
- a failure by SkyCity to comply with the Total Prior Ranking Debt Ratio or the Guaranteeing Group Cover financial covenant (as each is described in section 5.4(a) and (c) (Financial Covenants) above);
- a failure by SkyCity to meet the Net Group Debt Ratio (as described in section 5.4(b) (Financial Covenants) above) and that breach is not remedied in accordance with the process outlined in section 5.4 (Financial Covenants) above;
- SkyCity or any other Guarantor (other than an Immaterial Guarantor) does not comply with any of its obligations under a Transaction Document in a material respect, subject to certain grace periods;

- SkyCity or any other Guarantor (other than an Immaterial Guarantor) makes a material misrepresentation in or in connection with a Transaction Document;
- indebtedness of SkyCity or any other Guarantor in respect of borrowed money of or in excess of \$20,000,000 is not paid within any applicable grace period or (if no grace period applies) when due or is accelerated by being declared due and payable before it would otherwise have been due by reason of any event of default, termination event or equivalent or analogous event; and
- insolvency events that affect SkyCity or any other Guarantor (other than an Immaterial Guarantor).

This summary does not cover all of the Events of Default. For full details of the Events of Default, see clause 12.1 of the Trust Deed and the related definitions in clause 1.1 of the Trust Deed.

At any time while an Event of Default continues, the Supervisor may in its discretion, and must upon being directed to do so by a Special Resolution of Bondholders, declare the Principal Amount and any accrued interest on the Bonds, due and payable.

The capitalised terms used in this section 5.6 refer to defined terms in the Trust Deed (to the extent not otherwise defined in the Glossary).

5.7 Distribution Restriction

Neither SkyCity nor any other Guarantor will be able to make any distribution (as defined in section 2 of the Companies Act 1993, and in the case of any non-New Zealand company such definition shall apply as if it were a New Zealand company for the purposes of the Companies Act 1993) to a shareholder (other than to a Guarantor) if any Event of Default has occurred and is continuing (or would occur as a result of that distribution).

For full details of the distribution restriction, see clause 11.2 of the Trust Deed.

5.8 Other Relevant Information About The Trust Deed

The Trust Deed also contains a number of standard terms, including in relation to:

- the role, powers and duties of the Supervisor. The Supervisor will not be responsible for monitoring the application by SkyCity of the money paid by the subscribers of the Bonds;
- the process for replacement of the Supervisor;
- the right of the Supervisor to be indemnified;
- the payment of fees, expenses and other amounts owing to the Supervisor (including that amounts owing to the Supervisor are, on a default, paid from the proceeds of enforcement before payments to Bondholders);
- holding meetings of Bondholders; and
- the process for amending the Trust Deed.

The Trust Deed can be amended:

- with the consent of the Supervisor;
- by the Financial Markets Authority under section 109 of the Financial Markets Conduct Act 2013;
- under section 22(7) or 37(6) of the Financial Markets Supervisors Act 2011; or
- under any other enactment which confers such power to amend.

The Supervisor must only consent to an amendment if:

- the amendment is approved by, or is contingent on approval by, a Special Resolution of the Bondholders or each class of Bondholders that is or may be adversely affected by the amendment; or
- the Supervisor and SkyCity are satisfied that the amendment does not have a material adverse effect on the Bondholders.

You should read the Trust Deed for further information, a copy of which is included on the Offer Register at www.business.govt.nz/disclose (OFR13093).



Risks of Investing

6.1 Introduction

This section describes the following potential key risk factors:

- general risks associated with an investment in the Bonds; and
- specific risks relating to SkyCity's creditworthiness.

The selection of key risks has been based on an assessment of a combination of the probability of a risk occurring and the impact of the risk if it did occur. This assessment is based on the knowledge of the Directors as at the date of this PDS. There is no guarantee or assurance that the importance of different risks will not change or that no other risks may emerge over time.

Where practicable, SkyCity will seek to implement risk mitigation strategies to minimise the exposure to some of the risks outlined in the following

table, although there can be no assurance that such arrangements will fully protect SkyCity from such risks.

You should carefully consider these risks (together with the other information in this PDS and available on the Offer Register) before deciding to invest in the Bonds. This summary does not cover all of the risks of investing in the Bonds.

The statement of risks in this section does not take account of the personal circumstances, financial position or investment requirements of any particular person. It is important, therefore, that before making any investment decision, you give consideration to the suitability of an investment in the Bonds in light of your individual risk profile for investments, investment objectives and personal circumstances (including financial and taxation issues).

6.2 Risks

General Risks

An investment in the Bonds is subject to the following general risks:

Credit Risk on SkyCity	If SkyCity becomes insolvent, there may be a shortfall of funds to pay all amounts ranking ahead of and equally with the Bonds. If this occurs, and the Guarantors are unable to meet SkyCity's defaulted payment obligations, you might not receive a return of all or any of the Principal Amount and/or any interest due and unpaid at that time. See section 5.2 of this PDS (Ranking) for more information on the ranking of the Bonds in the event of a liquidation of SkyCity.
Secondary Market Risk	Secondary market risk is the risk that, if you wish to sell your Bonds before maturity: • you may be unable to find a buyer; or • the price at which you are able to sell them is less than the amount you paid for them. These outcomes may arise because of factors related to SkyCity's creditworthiness, or because of other factors including: • the fact that a trading market for the Bonds never develops or, if it develops, is not very liquid. Although permission is expected to be granted to quote the Bonds on the NZX Debt Market, this does not guarantee any trading market in the Bonds; • the level, direction and volatility of market interest rates. For example, if market interest rates go up, the market value of the Bonds would typically be expected to go down and vice versa; and • the fact that Bondholders seeking to sell relatively small or relatively large amounts of Bonds may not be able to do so at prices comparable to those available to other Bondholders.

Specific Risks Relating to SkyCity's Creditworthiness

SkyCity considers that the main circumstances which significantly increase, either individually or in combination, the risk that SkyCity may default on its payment obligations under the Bonds are as follows:

COVID-19 Pandemic and Business Continuity Risk

Impacts of COVID-19

The COVID-19 pandemic, related actions taken in response by the New Zealand, Australian and other governments (including national and regional lockdowns, border closures and 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's operations, liquidity and financial performance.

Risks arising from the outbreak of infectious disease, including the ongoing COVID-19 pandemic, are particularly relevant to SkyCity as a gaming, hospitality and entertainment provider if it is forced to close its facilities. SkyCity's Auckland property (which is the most significant contributor of revenue) was closed and unable to operate whilst Auckland was in Alert Level 3 or Alert Level 4 for 70 days in 2020 and, as at the date of this PDS has been closed for 11 days in 2021.

Closure of its facilities during government-imposed lockdowns, social distancing measures, restrictions on public gatherings and decreased levels of domestic and international visitors have together had a significant impact on SkyCity's financial performance. By way of example, SkyCity Group normalised EBITDA for the first six months of 2020 (during a period of significant lockdown restrictions and SkyCity property closures) was 68% down compared to the comparable period in 2019. In response to COVID-19, SkyCity was also required to take a number of other decisive actions, including implementing significant cost savings (including a large labour restructuring), raising equity, suspending dividends and agreeing a suite of waivers with its debt syndicate.

The wider ongoing health and safety risks and potential economic impacts of COVID-19 could have further material adverse effects on SkyCity's activity levels and resulting revenues for an unknown duration. For example:

- there could be further major outbreaks of COVID-19 in New Zealand and/or Australia resulting in further property closures and operating restrictions for SkyCity. SkyCity's financial performance would be most significantly impacted by restrictions affecting its operations carried out at its Auckland property - see Earnings Concentration in Auckland Risk below;
 - international borders may be closed (or significantly restricted) for significant periods of time, resulting in SkyCity operating as a smaller and domestically focused business for that time, with limited or no international tourists;
 - despite controls around social distancing, contact tracing, hand hygiene and limits on the number of people in public spaces, a cluster could be attributed to a SkyCity employee or customer. The identification of a "SkyCity cluster", or a cluster originating from another casino, hotel or other hospitality venue, may result in a prolonged period of reduced visitation to SkyCity's properties regardless of the robustness of SkyCity's procedures;
 - there could be a significant reduction in demand for the services provided by SkyCity resulting from reduced discretionary spending during a period of uncertainty and deterioration in economic conditions; and
 - there could be a shift in customer preferences (exacerbated by COVID-19) towards online entertainment platforms and away from land-based entertainment at SkyCity's properties.
-

COVID-19 Pandemic and Business Continuity Risk

There is no certainty that demand for SkyCity's services will normalise to the level existing prior to the impact of COVID-19, especially if there is a significant change in the behaviour of customers or their spending habits, or further unforeseen adverse impacts related to COVID-19 (such as new and more transmissible strains of the virus or issues related to the speed of the vaccine roll-out programme (or its effectiveness) in New Zealand and Australia).

Mitigation

Many of the broader risks of COVID-19 are outside of SkyCity's control. To mitigate some of the ongoing direct risks associated with COVID-19, SkyCity continues to adopt a conservative approach to capital management and seeks to maintain adequate levels of liquidity. In addition, SkyCity maintains a comprehensive business continuity framework, which supports preparedness and response to a wide range of critical events, including a natural disaster, a fire, an emergency incident and a pandemic. This business continuity framework is subject to ongoing:

- monitoring to ensure management readiness and capability, including undertaking simulated crisis response drills on a regular basis; and
- improvement to enhance resilience.

See also Earnings Concentration in Auckland Risk below.

Highly Regulated Industry Risk
Regulatory framework

SkyCity operates in industries which are highly regulated in each of the jurisdictions in which it has business operations. In particular, the casino industry is highly regulated and SkyCity requires the approval of the relevant gaming regulators (usually in the form of licences) in order to conduct its business. Consequently, SkyCity's operations, its financial performance and future prospects are highly dependent upon the regulatory framework in which it operates and maintenance of its licences.

The regulatory framework (consisting of legislation, regulation and government policy, including taxation) is subject to change from time to time in both material and immaterial respects, which may impact the environment in which SkyCity operates and the cost of operating its business. Any unfavourable changes to this regulatory framework could have a significant negative impact on SkyCity's operations and financial performance. Potential examples of such changes include unfavourable changes to gaming legislation and regulations, licence conditions (or the loss of a key licence), gaming taxes and levies, smoking restrictions at SkyCity's properties and costs of compliance (e.g., anti-money laundering and host responsibility).

Highly Regulated Industry Risk

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, it is anticipated that there will be 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.

In addition, there is currently 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, and the resulting report released in February 2021. This could lead to more stringent regulations for casino operators such as SkyCity 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 anti-money laundering 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.

SkyCity operates its casinos in New Zealand and Australia in accordance with various casino licences. Any of these licences may be suspended or cancelled if SkyCity was to breach the provisions of the relevant licence (depending on the nature and severity of the relevant breach), which would prevent SkyCity from operating the relevant casino. Any prolonged suspension, cancellation or expiry of the Auckland casino licence would have a significant negative impact on SkyCity's business and materially increase the risk of default in relation to the Bonds - see Earnings Concentration in Auckland Risk below.

Online casino gaming is a new and developing market in New Zealand, Australia and overseas jurisdictions. Regulatory oversight and changes to the online casino market in New Zealand or Australia, including the introduction of an appropriate licensing regime for operators, may be implemented. Whilst it is not possible to predict the scope or extent of future regulatory changes, SkyCity's operations would be negatively impacted if it is prevented from competing in the online casino gaming market in New Zealand or Australia, including if it was not granted a licence to operate under any introduced licensing regime.

Mitigation

SkyCity mitigates the risk of regulatory change through maintaining frequent engagement with the governments and regulators in each jurisdiction in which it operates, and with industry stakeholders. SkyCity also maintains a robust compliance culture and framework to ensure compliance with licence conditions and applicable legislation and regulations.

Earnings Concentration in Auckland Risk
Auckland property concentration

SkyCity's Auckland property contributed approximately 80% of SkyCity Group normalised EBITDA (before corporate costs) for the year ended 30 June 2020. Completion of the New Zealand International Convention Centre project (and the associated expanded gaming concessions) is expected to further increase this concentration of earnings from SkyCity's Auckland property.

This concentration of earnings means that SkyCity's financial performance is heavily dependent upon its Auckland property. A significant disruption could result from numerous causes, including from the suspension, cancellation or expiry of the Auckland casino licence, an event such as an earthquake or fire, or as a result of government-imposed restrictions (including in relation to COVID-19). Auckland has been subject to greater levels of lockdown than other parts of New Zealand since the outbreak of COVID-19 and, given its relative population density compared to the rest of New Zealand, is at greater risk of further regional lockdowns.

A significant disruption to SkyCity's Auckland property could have a significant negative impact on SkyCity's operations and financial performance, and potentially a permanent loss of customers. The extent of the financial impact will depend on the nature and scale of the business interruption, which is not possible to predict.

Mitigation

While SkyCity maintains insurance (including business interruption insurance) to mitigate this risk, the policies may not provide sufficient coverage for all potential losses arising from a disruption to SkyCity's Auckland operations.

Any such loss may also be offset in part by the expected increased earnings from the redevelopment and expansion of SkyCity's Adelaide property.

See also COVID-19 Pandemic and Business Continuity Risk above.

Completion of NZICC Project Risk NZICC Project

SkyCity is continuing to progress the development of the New Zealand International Convention Centre (**NZICC**) and Horizon Hotel in Auckland (the **NZICC Project**).

The NZICC Project has already been significantly delayed due to initial building delays followed by extensive damage caused by the NZICC fire in October 2019. Reinstatement works are progressing, but slower than expected. The most recent draft programme received from the contractor for the NZICC Project (being, The Fletcher Construction Company Limited (**FCC**), a subsidiary of Fletcher Building Limited (**Fletcher Building**)) indicates that the NZICC will be completed in 2024. Further significant delays are possible, which may be caused by factors such as further building delays, another Alert Level 4 lockdown in Auckland and supply chain constraints.

Completion of NZICC Project Risk SkyCity is required to complete the development of the NZICC by 2 January 2025 (**Completion Long Stop Date**) under the Project and Licensing Agreement for the NZICC (**NZICC Agreement**). However, if SkyCity does not complete the development of the NZICC by the Completion Long Stop Date, then the New Zealand Government can seek to terminate the NZICC Agreement. In this situation, SkyCity could lose the benefits of the regulatory and operational concessions at its Auckland property provided for under the NZICC Agreement, including the extension of the Auckland casino licence to 2048. This would have a significant negative impact on SkyCity's financial performance, including the requirement for SkyCity to renew its Auckland casino licence in order to continue operating its Auckland casino business.

Costs

SkyCity also faces ongoing uncertainty regarding the total cost of the NZICC Project. The total project cost is expected to exceed the original budget of \$703 million but is currently not expected to exceed the market guidance of around \$750 million. However, while considered unlikely, the total cost of the NZICC Project may ultimately exceed that amount, which could have a significant negative impact on SkyCity's financial position.

Car parks

SkyCity and SkyCity Auckland Limited are parties to a Concession Agreement (**Concession Agreement**) with (now) MPF Parking Limited (**Macquarie**) pursuant to which Macquarie was granted a long term concession over the SkyCity Auckland car parks. Those car parks include the NZICC car parks.

SkyCity is required to make certain payments to Macquarie for car parks that are not available under the Concession Agreement (including those impacted by the NZICC Project works and remediation activities). Macquarie may also have other contractual rights under the Concession Agreement which could negatively impact SkyCity's financial position and financial performance in the event that the NZICC car parks are not made available within the timeframe required by the Concession Agreement which results in Macquarie validly exercising those contractual rights (if available). For example, Macquarie may have a right of termination if a certain number of the car parks are not repaired and reinstated by 22 October 2022. If Macquarie was to validly exercise its right to terminate, it would be entitled to compensation from SkyCity equal to the market value of the car parks as determined in accordance with the Concession Agreement.

Mitigation

SkyCity seeks to mitigate these risks in relation to the NZICC Project by:

- continually monitoring progress by FCC (as the contractor for the NZICC Project) and ensuring that FCC and Fletcher Building meet their obligations under the building works contract;
- working closely with the insurer in relation to claims arising from the NZICC fire; and
- maintaining a positive and transparent relationship with the New Zealand Government and with Macquarie.

SkyCity also recognises that robust management of the NZICC Project is critical to its successful completion. SkyCity has established strong governance and oversight frameworks for the NZICC Project.



Tax

Resident Withholding Tax

If you are tax resident in New Zealand or otherwise receive payments of interest on the Bonds that are subject to the resident withholding tax rules, resident withholding tax will be deducted from interest paid or credited to you at the relevant rate, unless you produce to the Registrar evidence you have RWT-exempt status (as defined in the Income Tax Act 2007) on or before the record date for the relevant payment date, and that your RWT-exempt status remains valid as at that record date.

Approved Issuer Levy

If interest on your Bonds is subject to the non-resident withholding tax rules, SkyCity will pay approved issuer levy (**AIL**) on interest paid to you and deduct the AIL from the interest payment if payment of such AIL has the effect of reducing the rate of non-resident withholding tax to zero percent.

SkyCity may apply the zero-percent rate of AIL (rather than the standard AIL rate of 2%) where it is able to do so.

Indemnity

If, in respect of any of your Bonds, the Registrar or SkyCity becomes liable to account for withholding taxes, or make any payment of, or on account of, tax payable by you, then the Registrar and SkyCity shall be indemnified by you in respect of such liability.

General

There may be other tax consequences from acquiring or disposing of the Bonds, including income tax consequences. If you have any queries relating to the tax consequences of the investment, you should obtain professional advice on those consequences in light of your specific circumstances.

Taxes may affect your returns. The preceding information does not constitute taxation advice to any Bondholder, is general and summary in nature and limited to consideration of New Zealand taxation impacts as at the date of this PDS. Future changes to these or other laws may affect the tax consequences of an investment in the Bonds.





Selling Restrictions

This PDS constitutes an offer of Bonds to institutional investors and members of the public who are resident in New Zealand and to certain overseas institutional investors only.

SkyCity has not taken and will not take any action which would permit a public offering of Bonds, or possession or distribution of any offering material in respect of the Bonds, in any country or jurisdiction where action for that purpose is required (other than New Zealand).

Any information memorandum, disclosure statement, circular, advertisement or other offering material in respect of the Bonds may only be published, delivered or distributed in compliance with all applicable laws and regulations (including those of the country or jurisdiction in which the material is published, delivered or distributed).

The Bonds may only be offered for sale or sold in a jurisdiction outside of New Zealand in compliance with the selling restrictions referred to below and all applicable laws and regulations in the applicable jurisdiction.

There are specific selling restrictions that apply to an offer of the Bonds in the European Economic Area, the United Kingdom, Australia, Hong Kong, Japan and Singapore.

These selling restrictions do not apply to an offer of the Bonds in New Zealand.

A copy of these selling restrictions can be found on the Offer Register at www.business.govt.nz/disclose (OFR13093).

These selling restrictions may be modified by SkyCity and the Joint Lead Managers, including following a change in a relevant law, regulation or directive. Persons into whose hands this PDS comes are, and each Bondholder is, required by SkyCity and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Bonds or have in their possession or distribute such offering material, in all cases at their own expense.

By subscribing for or otherwise acquiring any Bonds, each investor agrees to indemnify SkyCity, the Supervisor, the Joint Lead Managers and their respective directors, officers, employees and agents in respect of any loss, cost, liability or damages suffered or incurred as a result of that investor breaching the selling restrictions referred to in this section.



Who is Involved?

	Name	Role
Issuer	SkyCity Entertainment Group Limited	Issuer of the Bonds.
Supervisor	Public Trust	Holds certain covenants on trust for the benefit of the Bondholders, including the right to enforce SkyCity's obligations under the Bonds.
Arranger	Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch)	Provides advice and assistance to SkyCity in arranging the Offer.
Joint Lead Managers	ANZ Bank New Zealand Limited Commonwealth Bank of Australia (ABN 48 123 123 124) (acting through its New Zealand branch) Craigs Investment Partners Limited Forsyth Barr Limited Jarden Securities Limited Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch)	Assists with the Bookbuild and with the marketing and distribution of the Offer. Except as described above, the Joint Lead Managers are not otherwise involved in the Offer. None of the Arranger, the Joint Lead Managers and their respective directors, officers, employees, agents and advisers have independently verified the content of this PDS. This PDS does not constitute financial advice from the Arranger, any Joint Lead Manager, or any of their respective directors, officers, employees, agents or advisers to purchase any Bonds. You must make your own independent investigation and assessment of the financial condition and affairs of SkyCity before deciding whether or not to invest in the Bonds.
Registrar	Computershare Investor Services Limited	Maintains the Bond Register.
Solicitors to SkyCity	Bell Gully	Provides legal advice to SkyCity in respect of the Offer.
Solicitors to Supervisor	Russell McVeagh	Provides legal advice to the Supervisor in respect of the Offer.

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How to Complain

Complaints about the Bonds can be directed to:

SkyCity Entertainment Group Limited at:

Level 13, SkyCity HQ
99 Albert Street
Auckland 1010
Phone: +64 (9) 363 6000
Email: sceginfo@skycity.co.nz

If for any reason SkyCity is unable to resolve your complaint, please contact:

The Supervisor at:

Manager Client Services
Corporate Trustee Services
Public Trust
Level 9
34 Shortland Street
Auckland 1010
Phone: 0800 371 471
Email: cts.enquiry@publictrust.co.nz

The Supervisor is a member of an external, independent dispute resolution scheme operated by Financial Services Complaints Limited (**FSCL**) and approved by the Ministry of Consumer Affairs. If the Supervisor has not been able to resolve your issue, you can refer the matter to FSCL by:

- emailing complaints@fscl.org.nz;
- calling FSCL on 0800 347 257;
- completing the complaints form online at www.fscl.org.nz/complaints/complaint-form; or
- writing to FSCL at PO Box, 5967, Wellington 6145.

The scheme will not charge a fee to any complainant to investigate or resolve a complaint.

Complaints may also be made to the Financial Markets Authority through its website at www.fma.govt.nz.





Where You Can Find More Information

11.1 Offer Register

Further information relating to SkyCity and the Bonds is available on the Offer Register.

The information contained on that register includes a copy of the Trust Deed, the Series Supplement, the Deed of Guarantee and other material information.

The Offer Register can be accessed at www.business.govt.nz/disclose, offer number (OFRI3093). A copy of the information on the Offer Register is available on request to the Registrar of Financial Service Providers (email: registrar@fspr.govt.nz).

11.2 Companies Office

Further information relating to SkyCity is also available on the public register at the Companies Office of the Ministry of Business, Innovation and Employment. This information can be accessed free of charge on the Companies Office website at www.business.govt.nz/companies.

11.3 NZX and ASX Disclosures

As SkyCity is listed on the NZX Main Board and is admitted to the official list of ASX as a 'Foreign Exempt Listing', it makes half-yearly and annual announcements to NZX and ASX and such other announcements to comply with the continuous disclosure rules of the Listing Rules (including as modified by any waivers, rulings or exemptions applicable to SkyCity) from time to time.

You can obtain information provided to NZX and ASX by SkyCity in accordance with the Listing Rules and ASX Listing Rules free of charge by searching under SkyCity's stock code "SKC" on the NZX website (www.nzx.com). You can also obtain information provided to ASX by SkyCity in accordance with the ASX Listing Rules free of charge by searching under SkyCity's stock code "SKC" on the ASX website (www.asx.com.au).

SkyCity has been designated as a "Non-Standard" (NS) issuer by NZX due to the nature of the company's constitution. In particular, the constitution places restrictions on the transfer of shares in SkyCity in certain circumstances and provides that votes and other rights attached to Shares may be disregarded and Shares may be sold if these restrictions are breached. Further details of these restrictions are included on pages 151-152 of SkyCity's 2020 Annual Report.



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How to Apply

How to apply

All of the Bonds offered under the Offer (including any oversubscriptions) have been reserved for subscription by clients of the Joint Lead Managers, NZX Firms and other approved financial intermediaries in New Zealand invited to participate in the Bookbuild.

There is no public pool for the Bonds.

This means that you can only apply for Bonds through an NZX Firm or other approved financial intermediary in New Zealand who has obtained an allocation of Bonds. You can find an NZX Firm by visiting www.nzx.com/services/market-participants/find-a-participant.

The NZX Firm or approved financial intermediary will:

- provide you with a copy of this PDS (if you have not already received a copy);
- explain what you need to do to apply for Bonds; and
- explain what payments need to be made by you, and by when.

SkyCity reserves the right to refuse all or any part of any application for Bonds under the Offer without giving a reason.

What you need to do to sell your Bonds on the NZX Debt Market

If you wish to sell your Bonds on the NZX Debt Market, after confirming your allocation, you must contact an NZX Firm or your financial advice provider. They will be able to advise you as to what arrangements will need to be put in place for you to trade the Bonds, including obtaining a Common Shareholder Number (CSN), an Authorisation Code (FIN) and opening an account with an NZX Firm as well as the costs and timeframes for putting such arrangements in place.



Contact Information

Issuer

SkyCity Entertainment Group Limited

Level 13, SkyCity HQ
99 Albert Street
Auckland 1010
Phone: +64 (9) 363 6000

New Zealand legal advisers

Bell Gully

Level 21
Vero Centre
48 Shortland Street
Auckland 1010
Phone: +64 (9) 916 8800

Supervisor

Public Trust

Level 9
34 Shortland Street
Auckland 1010
Phone: 0800 371 471

Registrar

Computershare Investor Services Limited

Level 2, 159 Hurstmere Road
Takapuna
Auckland 0622
Private Bag 92119
Auckland 1142
Phone: +64 (9) 488 8700

Arranger and Joint Lead Manager

Westpac Banking Corporation

(ABN 33 007 457 141)
(acting through its New Zealand Branch)
Westpac on Takutai Square
Level 8, 16 Takutai Square
Auckland 1010
Phone: 0800 772 142

Other Joint Lead Managers

ANZ Bank New Zealand Limited

Level 10, ANZ Centre
170 Featherston Street
Wellington 6011
Phone: 0800 269 476

Commonwealth Bank of Australia

(ABN 48 123 123 124)
(acting through its New Zealand branch)
ASB North Wharf
12 Jellicoe Street
Auckland 1010
Phone: 0800 272 266

Craigs Investment Partners Limited

Level 36 Vero Centre
48 Shortland Street
Auckland 1010
Phone: 0800 226 263

Forsyth Barr Limited

Level 23, Shortland & Fort
88 Shortland Street
Auckland 1010
Phone: 0800 367 227

Jarden Securities Limited

Level 32, PwC Tower
15 Customs Street West
Auckland 1010
Phone: 0800 005 678



Glossary

\$	New Zealand dollars
Arranger	Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch)
ASX	ASX Limited, or the financial market operated by ASX Limited, as the context requires (also known as the Australian Securities Exchange)
ASX Listing Rules	The listing rules of ASX, as amended from time to time
Bank Debt	Indebtedness of one or more members of the SkyCity Group to bank lenders from time to time, including those lenders who are party as at the date of this PDS to the Syndicated Facility Agreement
Board	SkyCity's Board of Directors
Bond Register	The register in respect of the Bonds maintained by the Registrar
Bondholder or you	A person whose name is entered in the Bond Register as a holder of a Bond
Bonds	The bonds constituted and issued pursuant to the Trust Deed and offered pursuant to this PDS
Bookbuild	The bookbuild process to determine the Issue Margin, expected to be conducted by the Joint Lead Managers on the Rate Set Date
Business Day	A day on which NZX is open for trading
Closing Date	Friday, 14 May 2021 at 12.00pm (NZ time)
Deed of Guarantee	The deed of guarantee dated 29 April 2021 between SkyCity, the Guarantors and the Supervisor under which the Guarantors provide a guarantee of SkyCity's obligations under the Trust Deed to the Supervisor (for the benefit of the Bondholders), a copy of which is available on the Offer Register
Director	A director of SkyCity
Event of Default	Each event set out in clause 12.1 of the Trust Deed, some of which are summarised in section 5 of this PDS (Key features of the Bonds)
First Interest Payment Date	21 August 2021 (with payment on 23 August 2021, being the first Business Day following the First Interest Payment Date)
Guarantee	The guarantee of SkyCity's obligations under the Trust Deed provided by the Guarantors to the Supervisor (for the benefit of Bondholders) under the Deed of Guarantee

Guarantors	The guarantors under the Guarantee, being, as at the date of this PDS: 1. Cashel Asset Management Limited 2. Horizon Tourism Limited (Hong Kong) 3. Horizon Tourism (New Zealand) Limited 4. New Zealand International Convention Centre Limited 5. Otago Casinos Limited 6. Queenstown Casinos Limited 7. Sky Tower Limited 8. SkyCity Action Management Limited 9. SkyCity Adelaide Pty Limited (Australia) 10. SkyCity Auckland Holdings Limited 11. SkyCity Auckland Limited 12. SkyCity Australia Finance Pty Limited (Australia) 13. SkyCity Australia Pty Limited (Australia) 14. SkyCity Australian Limited Partnership (Australia) 15. SkyCity Casino Management Limited 16. SkyCity Development Limited 17. SkyCity Enterprises Limited 18. SkyCity Entertainment Group Limited 19. SkyCity Hamilton Limited 20. SkyCity Holdings Limited 21. SkyCity International Holdings Limited 22. SkyCity Investments Australia Limited 23. SkyCity Investment Holdings Limited (Hong Kong) 24. SkyCity Investments Queenstown Limited 25. SkyCity Malta Holdings Limited (Malta) 26. SkyCity Malta Limited, C91750 (Malta) 27. SkyCity Management Limited 28. SkyCity Management (UK) Limited (United Kingdom) 29. SkyCity Precinct Limited 30. SkyCity Projects Limited 31. SkyCity Properties Limited 32. SkyCity Properties Albert St Limited 33. SkyCity Properties Victoria St Limited 34. SkyCity Treasury Australia Pty Limited (Australia) 35. SkyCity Ventures Limited
Inland Revenue	The New Zealand Inland Revenue Department
Interest Payment Dates	21 February, 21 May, 21 August and 21 November each year (or if that day is not a Business Day, the next Business Day), until and including the Maturity Date, and with the first payment on the First Interest Payment Date
Interest Rate	The rate of interest per annum payable on the Principal Amount of the Bonds as announced by SkyCity through NZX on the Rate Set Date
Issue Date	Friday, 21 May 2021
Issue Margin	The margin determined by SkyCity in conjunction with the Joint Lead Managers following the Bookbuild, as announced via NZX and ASX on the Rate Set Date

Joint Lead Managers	ANZ Bank New Zealand Limited, Commonwealth Bank of Australia (ABN 48 123 123 124) (acting through its New Zealand branch), Craigs Investment Partners Limited, Forsyth Barr Limited, Jarden Securities Limited and Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch)
Listing Rules	The listing rules applying to the NZX Main Board, as amended from time to time
Maturity Date	21 May 2027
Minimum Interest Rate	The minimum Interest Rate, expected to be announced by SkyCity on the Opening Date
NZX	NZX Limited
NZX Debt Market	The debt security market operated by NZX
NZX Firm	Any company, firm, organisation or corporation designated or approved as a Primary Market Participant (as defined in the NZX Participant Rules made by NZX from time to time) from time to time by NZX
NZX Main Board	The main board equity security market operated by NZX
Offer	The offer of Bonds made by SkyCity under this PDS
Offer Register	The online offer register maintained by the Companies Office and the Registrar of Financial Service Providers known as "Disclose" and accessible online at www.business.govt.nz/disclose offer number (OFR13093)
Opening Date	Monday, 10 May 2021
PDS	This product disclosure statement
Principal Amount	\$1.00 per Bond
Principal Lending Facility	Has the meaning given to it in the Trust Deed
Rate Set Date	Friday, 14 May 2021
Registrar	Computershare Investor Services Limited
Series Supplement	The Series Supplement dated 29 April 2021 between SkyCity and the Supervisor setting the terms and conditions of the Bonds (as amended or supplemented from time to time), a copy of which is available on the Offer Register
Share	An ordinary share in SkyCity
SkyCity	SkyCity Entertainment Group Limited
SkyCity Group	SkyCity and its subsidiaries
Special Resolution	A resolution approved by Bondholders with a combined Principal Amount of not less than 75% of the aggregate Principal Amount of the Bonds held by those persons who are entitled to vote and who vote on the question
Supervisor	Public Trust or such other supervisor as may hold office as supervisor under the Trust Deed from time to time

Swap Rate	The mid-market swap rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date, as calculated by the Arranger in consultation with SkyCity, according to market convention, with reference to Bloomberg page 'ICNZ4' (or any successor page) on the Rate Set Date and expressed on a quarterly basis (rounded to 2 decimal places, if necessary, with 0.005 being rounded up)
Syndicated Facility Agreement	The facility agreement dated 9 March 2011 as amended and restated from time to time between SkyCity, certain lenders and ANZ Bank New Zealand Limited as facility agent
Trust Deed	The Master Trust Deed dated 29 April 2021 between SkyCity and the Supervisor pursuant to which certain bonds, including the Bonds, may be issued (as amended or supplemented from time to time), a copy of which is available on the Offer Register, and, where the context requires, includes the Series Supplement
USPP Notes	The debt instruments issued by members of the SkyCity Group to certain financiers under a note purchase agreement dated 23 November 2017 (as amended and restated from time to time)





skycityentertainmentgroup.com



INDICATIVE TERMS SHEET

Unsecured, Unsubordinated,
Fixed Rate 6 Year Bonds
30 April 2021



Joint Lead Managers



Commonwealth
Bank





Indicative terms sheet for an issue of up to NZ\$125 million of 6 year, unsecured, unsubordinated, fixed rate bonds (plus up to an additional NZ\$50 million of oversubscriptions) due 21 May 2027.

This document gives you important information about this investment to help you decide whether you want to invest and should be read together with the product disclosure statement for the Bonds (**PDS**) dated 30 April 2021. There is other useful information about this offer on www.business.govt.nz/disclose offer number OFR13093.

The PDS is also available at www.skycityentertainmentgroup.com/BondOffer, and can also be obtained from the Joint Lead Managers, or your usual financial adviser. Investors must obtain, and should read and carefully consider, a copy of the PDS before they apply for Bonds.

Capitalised terms used but not defined in this Terms Sheet have the meanings given to them in the PDS.

Issuer	SkyCity Entertainment Group Limited (SkyCity).
Description of the Bonds	Unsecured, unsubordinated, fixed rate bonds (Bonds).
Term and Maturity Date	6 years, maturing on 21 May 2027.
Offer Amount	Up to NZ\$125 million (with the ability to accept oversubscriptions of up to an additional NZ\$50 million at SkyCity's discretion). The offer of Bonds (Offer) is not underwritten.
Purpose	The Offer forms part of SkyCity Group's ongoing capital management strategy, enhancing diversity of sources of funding and lengthening the debt maturity profile. The net proceeds of the Offer will be used to reduce the drawings on SkyCity's bank facilities.

Financial Covenants	SkyCity gives certain financial undertakings to the Supervisor and Bondholders, namely that: Financial Covenants: • Total Prior Ranking Debt at no time exceeds 10% of Guaranteeing Group Total Tangible Assets; and • Net Group Debt does not exceed 75% of the aggregate of Net Group Debt, Share Capital and Retained Earnings as at 30 June and 31 December in each year, provided that: – if Retained Earnings is a negative number then the relevant amount of Retained Earnings shall be deducted from the aggregate of Net Group Debt and Share Capital; and – all reserves shall be excluded from the definition of Share Capital and Retained Earnings in the calculation of this ratio; and • the Guarantors pursuant to the Deed of Guarantee shall consist of not less than all members of the Consolidated Group who are guarantors or obligors of borrowed money indebtedness owing pursuant to any Principal Lending Facility, provided that if at any time: – there is no Principal Lending Facility; and – the aggregate Total Tangible Assets of SkyCity and any Guarantors by reference to any compliance certificate delivered to the Supervisor are less than 200 per cent of the Face Value of all Bonds on issue at that time (Minimum TTA), SkyCity will ensure that, from such time, subsidiaries of SkyCity become Guarantors in accordance with the Deed of Guarantee (but subject to the grace periods set out in the Deed of Guarantee) such that, immediately after those subsidiaries become Guarantors, the aggregate Total Tangible Assets of SkyCity and all Guarantors are not less than the Minimum TTA. A breach by SkyCity of these financial covenants can lead to an Event of Default (subject to certain grace periods). Refer to the Trust Deed and the PDS for more detail on covenants that will apply to the Bonds.
Distribution Restriction	Under the Trust Deed, SkyCity and the other Guarantors are not permitted to make any distribution to a shareholder (other than to a Guarantor) if any Event of Default has occurred and is continuing (or would occur as a result of that distribution).

Credit Rating	Issuer Credit Rating	Expected Issue Credit Rating
S&P Global Ratings	BBB- (Stable Outlook)	BBB-
A credit rating is an independent opinion of the capability and willingness of any entity to repay its debts (in other words, its creditworthiness). It is not a guarantee that a financial product is a safe investment. A credit rating should be considered alongside all other relevant information when making any investment decision. A credit rating is not a recommendation by any rating organisation to buy, sell or hold Bonds. The above issuer credit rating is current as at the date of this Terms Sheet and any credit rating may be subject to suspension, revision or withdrawal at any time by the assigned rating organisation.		
Guarantee	The Bonds will be guaranteed by the Guarantors under the Deed of Guarantee. More information on the Guarantee can be found in section 5 of the PDS (Key features of the Bonds).	
Security	The Bonds are not secured against any asset of the SkyCity Group.	
Ranking	On a liquidation of SkyCity, the Bonds will rank equally with all other unsecured, unsubordinated obligations of SkyCity and will rank: • after all secured creditors (if any) and creditors preferred by law; • equally with other Bondholders and equally among the rights and claims of holders of equal ranking obligations (including the lenders of SkyCity's bank debt and the holders of the USPP Notes and all other unsecured obligations, including trade creditors); and • ahead of holders of subordinated debt (if any) and ahead of holders of Shares. More information on the ranking of the Bonds is set out in section 5 of the PDS (Key features of the Bonds).	
Who May Apply Under the Offer	All of the Bonds offered under the Offer (including any oversubscriptions) have been reserved for subscription by clients of the Joint Lead Managers, NZX Firms and other approved financial intermediaries invited to participate in the bookbuild conducted by the Joint Lead Managers. There will be no public pool for the Bonds. No person may apply for Bonds (including through a Joint Lead Manager, NZX Firm or other approved financial intermediary) unless they have obtained a copy of the PDS.	

Interest Rate	The Interest Rate will be determined by SkyCity in conjunction with the Arranger on the Rate Set Date (following a bookbuild). It will be announced via NZX and ASX on the Rate Set Date. The Interest Rate will be equal to the greater of: (i) the minimum Interest Rate; and (ii) the sum of: (a) the Issue Margin determined following the bookbuild and announced via NZX and ASX on the Rate Set Date; and (b) the Swap Rate on the Rate Set Date. The minimum Interest Rate and indicative Issue Margin will be announced via NZX and ASX on or about the Opening Date.
Issue Margin	Determined by SkyCity in conjunction with the Joint Lead Managers following the bookbuild for the Offer and as announced by SkyCity via NZX and ASX on the Rate Set Date.
Swap Rate	The mid-market rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Arranger in consultation with SkyCity, according to market convention, with reference to Bloomberg page 'ICNZ4' (or any successor page) on the Rate Set Date and expressed on a quarterly basis (rounded to 2 decimal places, if necessary, with 0.005 being rounded up).
Interest Payment Dates and Entitlement	Interest will be paid quarterly in arrear in equal payments on 21 February, 21 May, 21 August and 21 November in each year (or if that day is not a Business Day, the next Business Day without adjustment, interest or further payment as a result thereof) until and including the Maturity Date (each an Interest Payment Date). The First Interest Payment Date is 21 August 2021 (with payment on 23 August 2021, being the first Business Day following the First Interest Payment Date). Any interest on the Bonds payable on a date which is not an Interest Payment Date will be calculated on the basis of the number of days elapsed and a 365-day year and shall accrue in respect of the period from, and including, the previous Interest Payment Date until, but excluding, the date for payment of that interest. The record date for interest payments is 5.00pm on the date 10 days before the due date for that payment (or if that day is not a Business Day, on the Business Day immediately preceding such day).

Early Redemption	Bondholders have no right to require SkyCity to redeem the Bonds prior to the Maturity Date. However, SkyCity may be required to repay the Bonds early if there is an Event of Default (as described in the PDS and the Trust Deed). SkyCity may elect to redeem all, but not some only, of the Bonds for cash on any Interest Payment Date on or after the third anniversary of the Issue Date by giving not less than 20 Business Days' notice to the Supervisor and each Bondholder. In the event of early redemption, SkyCity will pay to Bondholders the greater of: • the Principal Amount of the Bonds; and • the average market price of the Bonds calculated in accordance with the Series Supplement (adjusted to exclude the value attributable to the next scheduled but unpaid interest payment), in each case, plus all accrued interest as at the redemption date and any other amount due and payable in respect of the Bonds (less withholding tax and any other required deductions). See section 5.5 of the PDS (Early Redemption) for more information.
Issue Price	NZ\$1.00 per Bond, being the Principal Amount of each Bond.
Minimum Application Amount	NZ\$5,000 and multiples of NZ\$1,000 thereafter.
Scaling	SkyCity may scale applications at its discretion, but will not scale any application to below NZ\$5,000 or to an amount that is not a multiple of NZ\$1,000.
ISIN	NZSKCDT001C7.
Quotation	Application has been made to NZX for permission to quote the Bonds on the NZX Debt Market and all the requirements of NZX relating to that quotation that can be complied with on or before the date of the PDS have been duly complied with. However, the Bonds have not yet been approved for trading and NZX accepts no responsibility for any statement in the PDS. NZX is a licensed market operator, and the NZX Debt Market is a licensed market, under the Financial Markets Conduct Act 2013. NZX ticker code SKC050 has been reserved for the Bonds.
Transfer Restrictions	SkyCity may decline to accept or register a transfer of the Bonds if the transfer would result in the transferor or the transferee holding or continuing to hold Bonds with a Principal Amount of less than NZ\$5,000 (if not zero) or if the transfer is not in a multiple of NZ\$1,000.
Arranger	Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch) (Westpac).

Joint Lead Managers	ANZ Bank New Zealand Limited, Commonwealth Bank of Australia (ABN 48 123 123 124) (acting through its New Zealand branch), Craigs Investment Partners Limited, Forsyth Barr Limited, Jarden Securities Limited and Westpac.
Supervisor	Public Trust.
Securities Registrar	Computershare Investor Services Limited.
Brokerage	0.50% brokerage plus 0.25% on firm allocations, paid by SkyCity.
Governing Law	New Zealand.
Selling Restrictions	This is an offer of Bonds to institutional investors and members of the public who are resident in New Zealand and certain overseas institutional investors only. SkyCity has not taken and will not take any action which would permit a public offering of Bonds, or possession or distribution of any offering material in respect of the Bonds (including this Terms Sheet), in any country or jurisdiction where action for that purpose is required (other than New Zealand). This Terms Sheet may only be published, delivered or distributed in compliance with all applicable laws and regulations (including those of the country or jurisdiction in which this Terms Sheet is published, delivered or distributed). The Bonds may only be offered for sale or sold in a jurisdiction outside of New Zealand in compliance with the selling restrictions referred to in the Schedule to this Terms Sheet and all applicable laws and regulations in the applicable jurisdiction. The selling restrictions may be modified by SkyCity and the Joint Lead Managers, including following a change in a relevant law, regulation or directive. By subscribing for or otherwise acquiring any Bonds, each investor agrees to indemnify SkyCity, the Supervisor, the Joint Lead Managers and their respective directors, officers, employees and agents for any loss, cost, liability or damages suffered or incurred as a result of that investor breaching the selling restrictions referred to in the Schedule to this Terms Sheet.
Documentation	The terms of the Offer of the Bonds are set out in the PDS. Other terms of the Bonds are set out in: • the Trust Deed; • the Series Supplement; and • the Deed of Guarantee. You should read each of these documents. Copies may be obtained from the Offer Register at www.business.govt.nz/disclose, offer number OFR13093. Copies are also available at www.skycityentertainmentgroup.com/BondOffer.



Important Dates

Opening Date	Monday, 10 May 2021
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Closing Date	Friday, 14 May 2021 at 12.00pm (NZ time)
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Rate Set Date	Friday, 14 May 2021
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Issue Date	Friday, 21 May 2021
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Expected Date of Initial Quotation and Trading of the Bonds on the NZX Debt Market	Monday, 24 May 2021
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Interest Payment Dates	21 February, 21 May, 21 August and 21 November in each year ¹
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First Interest Payment Date	21 August 2021 (with payment on 23 August 2021, being the first Business Day following the First Interest Payment Date)
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Maturity Date	Friday, 21 May 2027 ²
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Notes to table:

1. If any Interest Payment Date is not a Business Day, payment will be made on the next Business Day.
2. Unless redeemed before the Maturity Date as permitted under the Trust Deed. See section 5 of the PDS (Key features of the Bonds) for more information.

The timetable is indicative only and subject to change. SkyCity may, in its absolute discretion and without notice, determine to vary the timetable (including by opening or closing the Offer early, accepting late applications and extending the Closing Date). Changes will be advised by way of announcement through NZX and ASX.

If the Closing Date is extended, the Rate Set Date, the Issue Date, the expected date of initial quotation and trading of the Bonds on the NZX Debt Market, the Interest Payment Dates and the Maturity Date may also be extended. Any such changes will not affect the validity of any applications received.

SkyCity reserves the right to cancel the Offer and the issue of the Bonds, in which case any application monies received will be refunded (without interest) as soon as practicable and in any event within five Business Days of the cancellation.



Schedule – Selling Restrictions and Indemnity

Selling Restrictions

SkyCity has not taken and will not take any action which would permit a public offering of Bonds, or possession or distribution of any offering material in respect of the Bonds, in any country or jurisdiction where action for that purpose is required (other than New Zealand).

Any information memorandum, disclosure statement, circular, advertisement or other offering material in respect of the Bonds may only be published, delivered or distributed in compliance with all applicable laws and regulations (including those of the country or jurisdiction in which the material is published, delivered or distributed).

The Bonds may only be offered for sale or sold in a jurisdiction outside of New Zealand in compliance with the selling restrictions referred to below and all applicable laws and regulations in the applicable jurisdiction.

There are specific selling restrictions that apply to an offer of the Bonds in the European Economic Area, the United Kingdom, Australia, Hong Kong, Japan and Singapore.

These selling restrictions do not apply to an offer of the Bonds in New Zealand.

These selling restrictions may be modified by SkyCity and the Joint Lead Managers, including following a change in a relevant law, regulation or directive. Persons into whose hands the PDS comes are, and each Bondholder is, required by SkyCity and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Bonds or have in their possession or distribute such offering material, in all cases at their own expense.

Without limiting the generality of the above, the following selling restrictions apply in respect of each relevant jurisdiction:

(i) European Union

Neither the PDS nor any Terms Sheet or any other document relating to the Offer has been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this

document may not be made available, nor may the Bonds be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the **Prospectus Regulation**).

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Bonds in the European Union is limited to persons who are “qualified investors” (as defined in Article 2(e) of the Prospectus Regulation).

(ii) United Kingdom

Neither the PDS nor any Terms Sheet or any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Bonds.

The PDS and any Terms Sheet are issued on a confidential basis to “qualified investors” (within the meaning of Article 2(e) of the UK Prospectus Regulation) in the United Kingdom, and the Bonds may not be offered or sold in the United Kingdom by means of the PDS, any Terms Sheet, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. Neither the PDS nor any Terms Sheet should be distributed, published or reproduced, in whole or in part, nor may their contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Bonds has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to SkyCity.

In the United Kingdom, documents are being distributed only to, and are directed at, persons (i) who have professional experience in matters

relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together **relevant persons**). The investments to which any such documents relate are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

(iii) Singapore

The PDS, any Terms Sheet and any other materials relating to the Bonds have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore.

Accordingly, the PDS, any Terms Sheet and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Bonds, may not be issued, circulated or distributed, nor may the Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) of Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

Any documents relating to the Bonds have been given to you on the basis that you are (i) an “institutional investor” (as defined in the SFA) or (ii) an “accredited investor” (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return those documents immediately. You may not forward or circulate those documents to any other person in Singapore.

Any offer is not made to you with a view to the Bonds being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors

who acquire Bonds. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

(iv) Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (**Corporations Act**)), offering material or advertisement in relation to the Bonds (including the PDS) has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission (**ASIC**), ASX Limited (**ASX**) (or any successor thereto) or any other regulatory authority in Australia. No person may:

- make or invite (directly or indirectly) an offer of the Bonds for issue, sale or purchase in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- distribute or publish, the PDS, any Terms Sheet, information memorandum, prospectus or other disclosure document (as defined in the Corporations Act) or any other offering material or advertisement relating to the Bonds in Australia,

unless:

- the minimum aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act;
- the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act;
- such action complies with all applicable laws, regulations and directives; and
- such action does not require any document to be lodged with, or registered by, ASIC, ASX (or any successor thereto) or any other regulatory authority in Australia.

By applying for the Bonds under the PDS, each person to whom the Bonds are issued will be deemed by SkyCity and the Joint Lead Managers to have undertaken not to on-sell the Bonds within 12 months from their issue, unless either:

- that sale is to an investor within one of the categories set out in sections 708(8) or 708(11) of the Corporations Act to whom it is lawful to offer the Bonds in Australia without a prospectus or other disclosure document lodged with ASIC; or
- the sale offer is received outside Australia.

The PDS is not, and under no circumstances is to be construed as, an advertisement or public offering of any Bonds in Australia.

(v) Hong Kong

WARNING: The PDS and any Terms Sheets have not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the SFO). No action has been taken in Hong Kong to authorise or register the PDS or to permit the distribution of the PDS or any documents (including any Terms Sheet) issued in connection with it. Accordingly, the Bonds have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Bonds has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds that are or are intended to be disposed of only to persons outside Hong Kong or

only to professional investors. No person allotted Bonds may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of the PDS or any Terms Sheet have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of the PDS or any Terms Sheet, you should obtain independent professional advice.

(vi) Japan

The Bonds have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the FIEA) pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEA and the regulations promulgated thereunder). Accordingly, the Bonds may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires Bonds may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of Bonds is conditional upon the execution of an agreement to that effect.

Indemnity

By its subscription for the Bonds, each Bondholder agrees to indemnify SkyCity, the Joint Lead Managers and the Supervisor and each of their respective directors, officers, employees and agents for any loss, cost, liability or damages suffered or incurred as a result of the breach by that Bondholder of the selling restrictions set out above.



skycityentertainmentgroup.com

SkyCity Entertainment Group Limited

Retail Bond Offer

Investor Presentation
30 April 2021



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- This presentation has been prepared by SkyCity Entertainment Group Limited ("SkyCity") in relation to the offer of unsecured, unsubordinated, fixed rate bonds described in this presentation ("Bonds"). SkyCity has lodged a Product Disclosure Statement dated 30 April 2021 ("PDS") with the Registrar of Financial Service Providers in New Zealand ("Registrar") and made available the information on the register of offers of financial products administered by the Registrar ("Register Entry") (the PDS and the Register Entry, together the "Offer Materials") in respect of the offer of Bonds ("Offer").
- The Offer Materials contain details of the Offer and other material information in relation to the Offer and should be read before any investment decision is made. SkyCity is subject to disclosure obligations that require it to notify certain material information to NZX Limited ("NZX") and ASX Limited ("ASX"). The Offer Materials and this presentation should be read in conjunction with SkyCity's other periodic and continuous disclosure announcements released to NZX and ASX (which are available at www.nzx.com and www.asx.com.au under the ticker code "SKC").
- A copy of the PDS is available through www.business.govt.nz/disclose (OFR13093) or by contacting one of the Joint Lead Managers. No applications will be accepted or money received unless the applicant has been given the PDS. Capitalised terms used in this presentation but not defined bear the meaning given to that term in the PDS.

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- This presentation has been prepared solely for informational purposes and does not purport to be complete or comprehensive and does not constitute financial product, investment, tax or other advice, nor does it constitute a recommendation from SkyCity, the Supervisor, the Arranger, the Joint Lead Managers or any of their respective shareholders, directors, officers, employees, affiliates, agents or advisors to subscribe for or purchase the Bonds. The information in this presentation is summary in nature and is necessarily brief. No representation or warranty, express or implied, is made as to the accuracy, reliability, completeness, correctness or currency of the information, statements, estimates, projections, targets, opinions or forecasts, or as to the reasonableness of any assumptions, any of which may change without notice to you, contained in this presentation. This presentation does not take into account your personal objectives, financial situation or needs and you should consult your financial and other advisors before any investment decision is made.

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- This presentation is not, and should not be construed as, an offer to sell or, a solicitation of an offer to buy, Bonds and may not be relied upon in connection with any purchase of SkyCity securities. It shall not form the basis of or be relied on by you to make an investment decision, nor shall this presentation or any information communicated in it form the basis of any contract or commitment to purchase or transfer any securities. The distribution of this presentation, and the offer or sale of the Bonds, may be restricted by law in certain jurisdictions. Persons who receive this presentation outside New Zealand must inform themselves about and observe all such restrictions. Nothing in this presentation is to be construed as authorising its distribution, or the offer or sale of the Bonds, in any jurisdiction other than New Zealand or in accordance with applicable laws. The Bonds may not be offered or sold directly or indirectly, and neither this presentation nor any other offering material may be distributed or published, in any jurisdiction except with the prior consent of SkyCity and under circumstances that will result in compliance with any applicable law or regulations.

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Disclaimer

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- Past performance information provided in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) a promise, representation, warranty or guarantee as to the past, present or future performance of SkyCity. No guarantee of future returns is implied or given.

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Disclaimer & Important Notice (3 of 3)

NZX

- Application has been made to NZX for permission to quote the Bonds on the NZX Debt Market and all the requirements of NZX relating thereto that can be complied with on or before the date of this presentation have been duly complied with. However, the Bonds have not yet been approved for trading and NZX accepts no responsibility for any statement in this presentation. NZX is a licensed market operator and the NZX Debt Market is a licensed market, each regulated under the Financial Markets Conduct Act 2013.

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- For the purposes of this Disclaimer and Important Notice, "presentation" shall mean the slides, any oral presentation of the slides by SkyCity, any question-and-answer session that follows that oral presentation, hard copies of this document and any materials distributed at, or in connection with, that presentation.
- The information and opinions contained in this presentation are provided as at the date of this presentation and are subject to change without notice. SkyCity reserves the right to withdraw or vary the timetable for the Offer, without notice.

Acceptance

- By attending or reading this presentation, you agree to be bound by the foregoing limitations and restrictions and, in particular, will be deemed to have represented, warranted, undertaken and agreed that: (i) you have read and agree to comply with the contents of this Disclaimer and Important Notice; (ii) you are permitted under applicable laws and regulations to receive the information contained in this presentation; (iii) you will base any investment decision solely on the Offer Materials; and (iv) you agree that this presentation may not be reproduced in any form or further distributed to any other person, passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Currency

- All figures in this presentation are in New Zealand Dollars (\$NZ) unless otherwise stated.

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02	Corporate Overview	06	Key Terms and Offer Timetable
03	Business Update	07	Key Credit Highlights
04	Historical Financial Performance	08	Appendices



Offer Highlights

Retail Bond Offer

Issuer	SkyCity Entertainment Group Limited
Description	Unsecured, unsubordinated, fixed rate bonds
Expected Issue Credit Rating	BBB- from S&P Global Ratings
Term & Maturity Date	6 years, maturing on 21 May 2027
Offer Amount	Up to \$125m (with ability to accept oversubscriptions of up to an additional \$50m at SkyCity's discretion)
Purpose	- Offer forms part of SkyCity's capital management strategy to enhance diversity of funding and extend debt maturity profile - Net proceeds of Offer to reduce drawings on bank facilities
Quotation	Application to quote Bonds on NZX Debt Market (NZDX) – NZX ticker code SKC050 has been reserved
Joint Lead Managers	ANZ, CBA, Craigs Investment Partners, Forsyth Barr, Jarden and Westpac



Corporate Overview

SkyCity at a Glance

1

Founded in 1996 – leading gaming, entertainment and hospitality operator in New Zealand (“NZ”) and South Australia

2

Key activities – casinos (land-based and online), restaurants and bars, hotels, attractions and convention facilities

3

Launched online casino in August 2019 – pursuing omnichannel opportunity

4

Two major projects – Adelaide expansion (recently completed) and NZICC/Horizon Hotel in Auckland

5

Significant private sector employer (around 4,200 staff across the business) – diverse workforce in terms of age, gender and ethnicity

6

Listed on NZX and ASX – current market capitalisation around \$2.7bn⁽¹⁾

7

Focused on being a good corporate citizen – responsible gaming, AML/KYC, community, sustainability and people

⁽¹⁾ As at close of business on 29 April 2021

Portfolio Overview and Casino Licences



Exclusive casino licence in Adelaide to 2035 – full licence term to 2085

Exclusive casino licence in Auckland to 2048⁽¹⁾



Exclusive casino licence in Hamilton to 2027⁽¹⁾



Exclusive casino licences to 2024 (Wharf) and 2025 (Queenstown)⁽¹⁾

Exclusive casino licences secured at all sites – casino licence to 2048 at key Auckland property

(1) Each NZ casino licence can be renewed for further periods of 15 years pursuant to the NZ Gambling Act 2003

Key Business Features

Location	Opened/Acquired	Activities Summary
Auckland, NZ	Opened in 1996	1,877 EGMs, 150 tables, 240 ATGs ~630 hotel rooms ~20 restaurants and bars
Hamilton, NZ	Opened in 2002 Acquired 100% ownership in 2005	339 EGMs, 23 tables
Queenstown, NZ	SkyCity Queenstown Acquired 100% ownership in 2012 Wharf Casino Acquired in 2013	SkyCity Queenstown 86 EGMs, 12 tables Wharf Casino (currently closed) 74 EGMs, 6 tables
Adelaide, South Australia, Australia	Acquired in 2000 (A\$330m expansion completed in December 2020)	1,100 EGMs, 120 tables, 120 ATGs ⁽¹⁾ 120 hotel rooms ~14 restaurants and bars
Malta, Europe	Offshore online casino launched in mid-2019 with GiG, based out of Malta	Full-suite online casino offering available for NZ customers

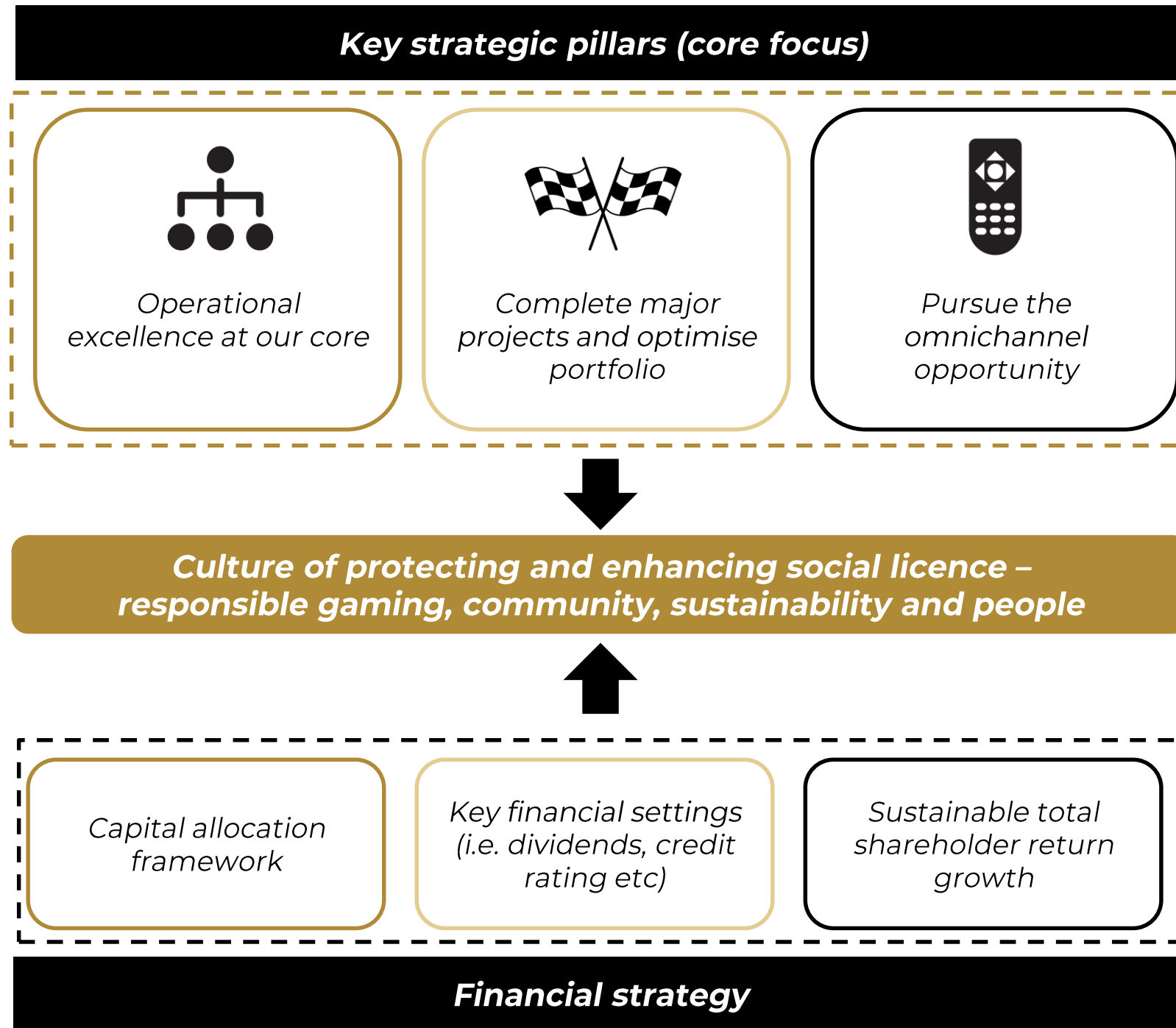
Diversified business by activity and geography, with move into online casino through partnership with Gaming Innovation Group (“GiG”)

(1) By start of FY22, allowance for 1,500 EGMs and 200 tables

Our Vision

*“To be the leader in gaming, entertainment
and hospitality in our communities”*

Group Strategic Plan



- Focus on continuous improvement in operational performance (and investments to support this)
- Focus on maximising value of exclusive casino licences
- Execute major projects in Adelaide and Auckland and leverage benefits
- Unique opportunity to monetise omnichannel and consolidate on leadership position in gaming industry
- Focus on growing free cashflows as major projects complete
- Critical to protect/enhance social licence to operate



Competitive Advantages

- Strong brand/reputation
- Stable regulatory framework in key NZ market
- Exclusive long-term casino licences and significant entertainment destinations
- Strong cashflow generation expected as major projects complete
- Resilient operating model, particularly local gaming
- Relatively low downside risk to earnings and cashflows
- Well established and credible casino operator, with strong probity credentials
- Culture of care and compliance
- Strong exposure to NZ economy, including expected recovery in travel/tourism sector

Commitment to CSR/Sustainability

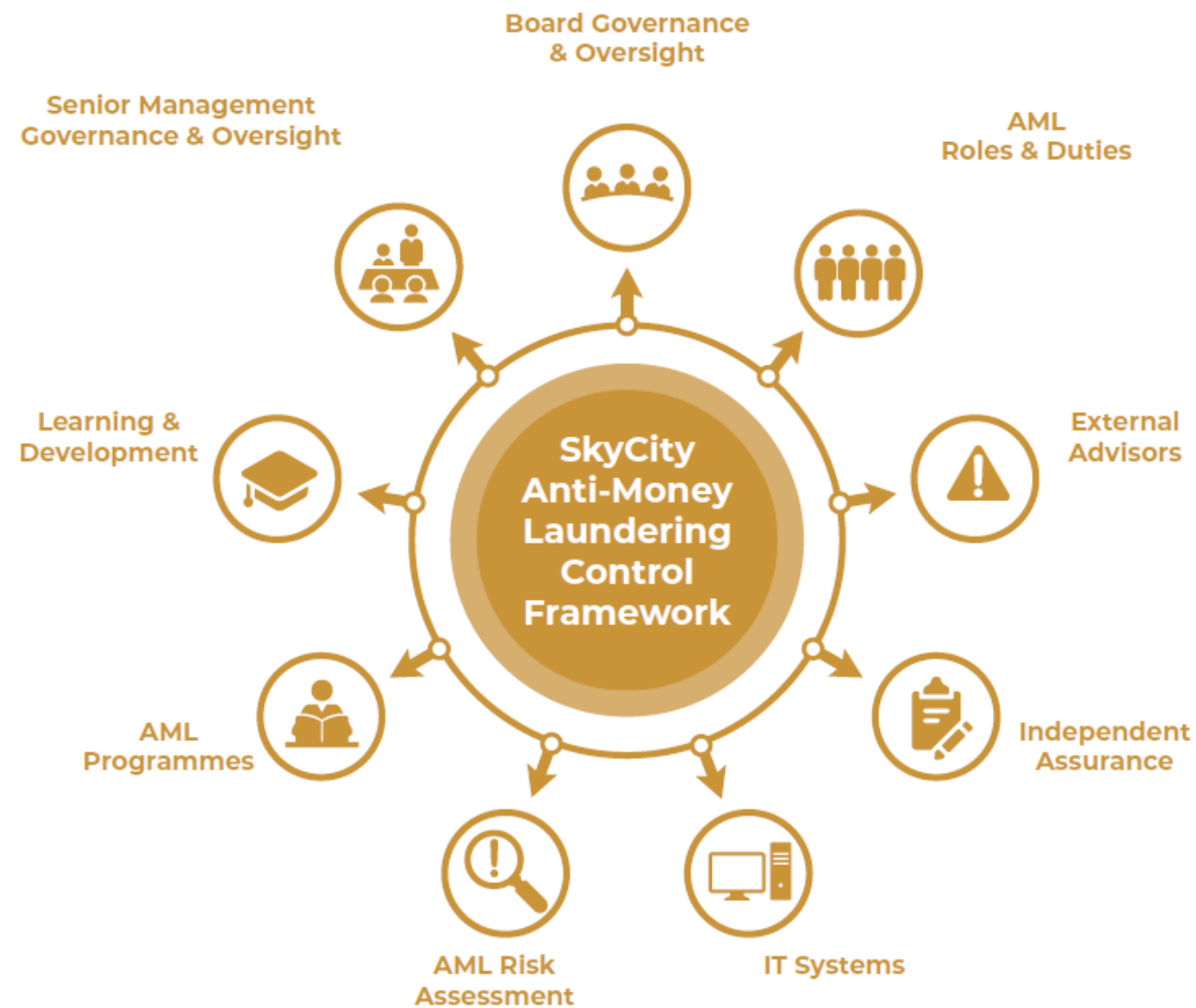


Host Responsibility



- Gaming a fun and enjoyable activity for vast majority of customers
- Promotion of responsible/safe gaming at heart of business
- Board (Sustainability) Committee oversees Harm Minimisation framework
- Internal governance group meets monthly to consider Host Responsibility matters
- Regular engagement with regulators on effectiveness of Host Responsibility programme
- Leverage best-in-class technology to support programme
 - Facial recognition across all land-based casinos

AML/KYC Controls



- Board (Audit & Risk) Committee responsible for ensuring compliance with AML/KYC obligations
- Specialist AML team in place since 2013
 - Internal systems provide detailed record keeping
 - Specialised customer screening tool utilised
 - Increased resourcing planned for AML team
- AML Senior Management Group established in 2020 – provides additional governance and assurance
- Regular independent reviews completed
 - No material issues raised
 - Engage with experienced third-party advisors as required



Response to Covid-19

- Prioritised safety for staff, customers and broader community
- Properties in NZ and Adelaide required to close for extended periods
- Implemented significant cost saving initiatives in response to pandemic
 - Labour restructure in NZ during 4Q20 (annualised opex savings around \$40m)
 - Stood-down majority of staff in Adelaide whilst closed
 - Reduced non-essential or discretionary operating costs
 - Significant reduction in stay-in-business capex
- Took decisive action to strengthen balance sheet and improve liquidity
 - Raised \$230m of new equity from shareholders in June/July 2020
 - Secured additional liquidity from banking syndicate and extension of maturing debt
 - Secured covenant waivers/relief for 31 December 2020 and 30 June 2021 testing periods
 - Dividends suspended for period of covenant waivers/relief
 - Redeemed \$125m of 2015 NZ Bonds in full during September 2020
- Covid-19 management plan established
 - Able to rapidly respond to changes in operating environment

Near-Term Strategic Priorities

1 Navigate through uncertainty of Covid-19 operating environment

2 Return business to FY19 earnings when fully operational

3 Implement new management structure

4 Optimise Adelaide expansion

5 Progress NZICC/Horizon Hotel reinstatement

6 Pursue online gaming opportunity in NZ

7 Leverage new assets in Auckland, particularly in VIP/premium gaming



Business Update

NZICC/Horizon Hotel Project

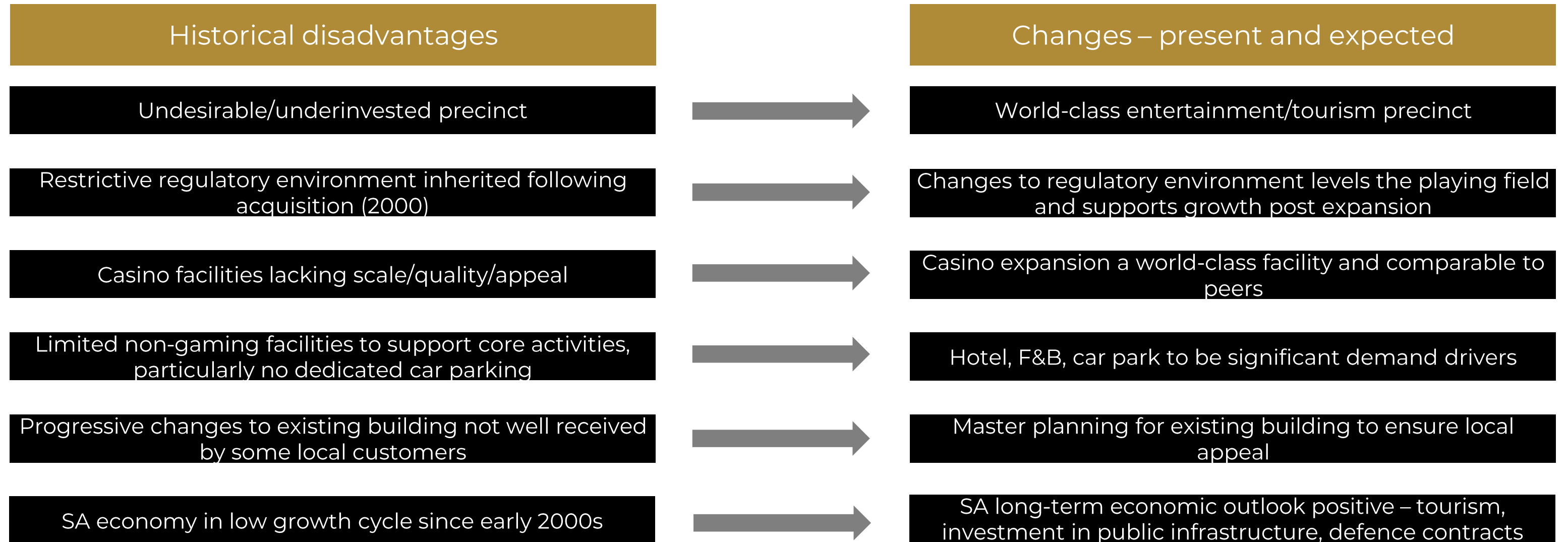


View from Hobson St – new linkway bridge

- Significant investment in future of Auckland
- NZICC/Horizon Hotel to be world-class tourism infrastructure adding to SkyCity Auckland precinct
- Project secured exclusive casino licence for key Auckland property out to 2048 and other gambling concessions
- NZICC fire causing significant project delays
- Reinstatement works progressing, but slower than expected – working closely with Fletcher Construction
- Latest Fletcher Construction draft programme now indicates completion of Horizon Hotel in 2022 and NZICC in 2024
- Remain comfortable with contractual position on project
- Comprehensive insurance responding to damage caused by fire
- No material change to previous guidance for total project costs for SkyCity (around \$750m)

Adelaide Expansion (1 of 2)

- Vision to transform Adelaide into world-class casino and entertainment complex
- Significant opportunity to grow market share and turn around underperforming casino
- Project represents a significant investment in the future of Adelaide



Adelaide Expansion (2 of 2)

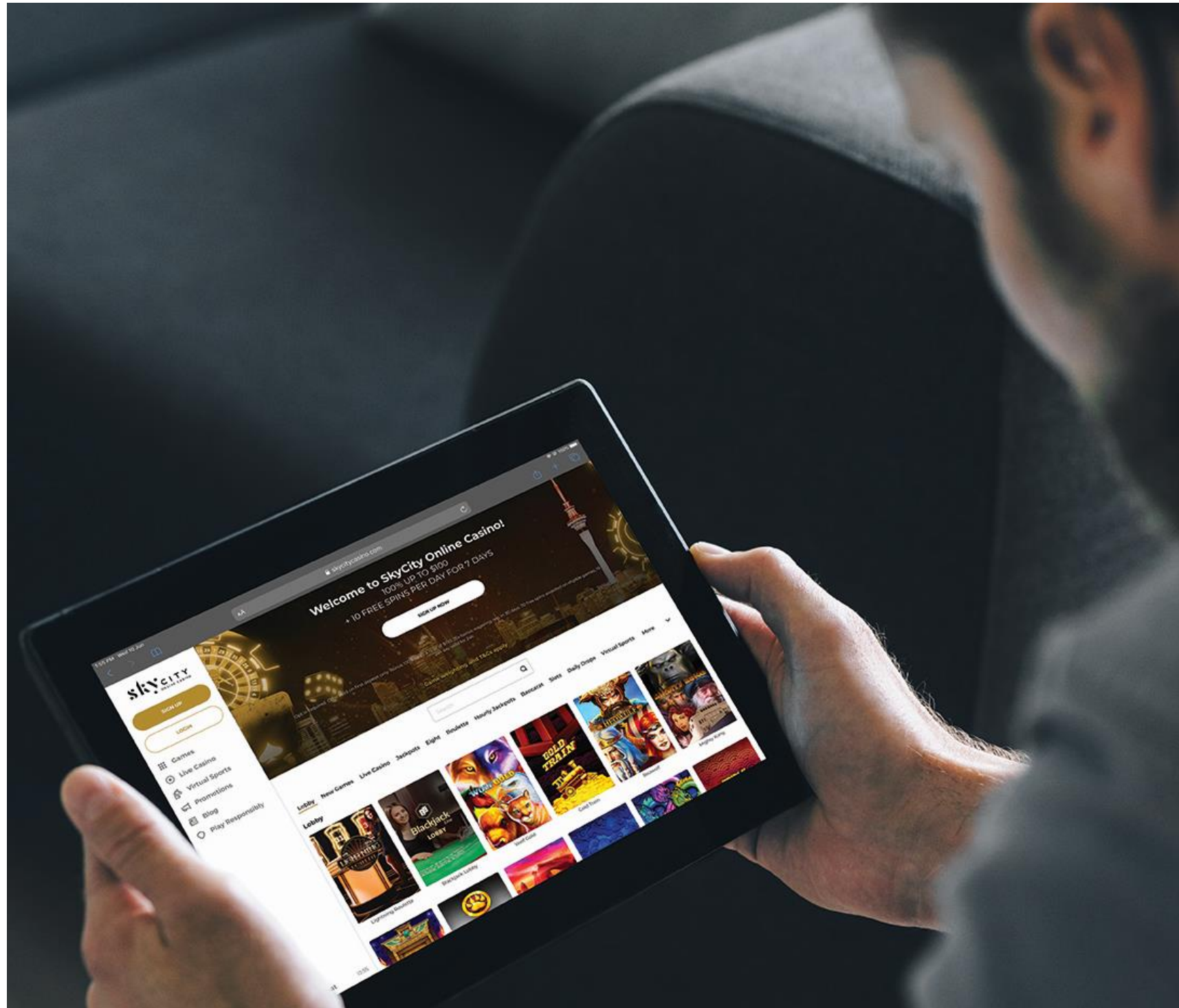


Expansion from River Torrens

- Project handed over on-time and on-budget
- New gaming spaces, EoS by SkyCity and majority of F&B venues opened during first week of December 2020
- Focus initially on local and interstate customers (given expected ongoing international border closures)
- Walker Corporation car park (750 spaces to be exclusively leased) at Festival Plaza expected to be handed over during 4Q21 – access from start of FY22
- Consistent trading performance post opening of expansion across all business activities⁽¹⁾
- Expect project to deliver meaningful incremental earnings

(1) For further details, refer to SkyCity's 1H21 investor presentation (released 18 February 2021) and NZX/ASX announcement on current trading and FY21 outlook (released 30 April 2021)

Online Gaming



- Online casino launched in August 2019 via Malta-based subsidiary
- Strategic entry into growth category
- Optimising offshore venture with GiG, despite operational constraints
- Support future regulation in NZ
 - Emphasis needs to be on protecting harm and community benefits
 - Significant omnichannel opportunity for SkyCity if online market regulated in NZ
 - NZ gambling regulator's (DIA) policy review ongoing
- Growth in online gambling significant global industry theme
 - Numerous jurisdictions regulating online gambling
 - Transition from physical to online across most industries – exacerbated by impact of Covid-19



Historical Financial Performance

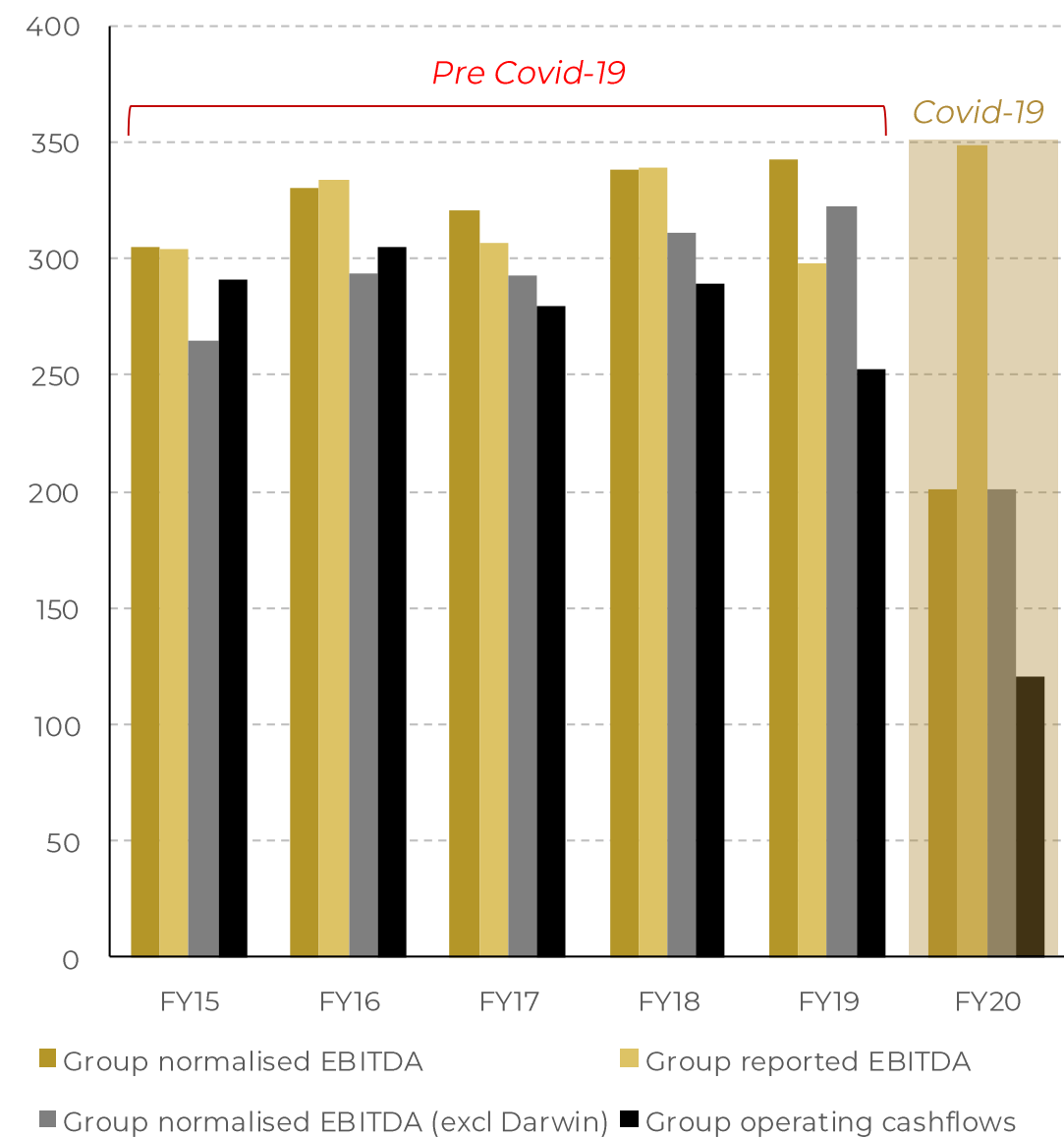
Key Earnings Streams & Value Drivers

SkyCity's earnings streams		
1	Local gaming	Electronic gaming machines, table games and automated table games
2	International Business ("IB")	International VIP customers – predominately table games
3	Online gaming	NZ online casino – offshore venture with GiG
4	Non-gaming	Hotels, restaurants and bars, attractions and conventions

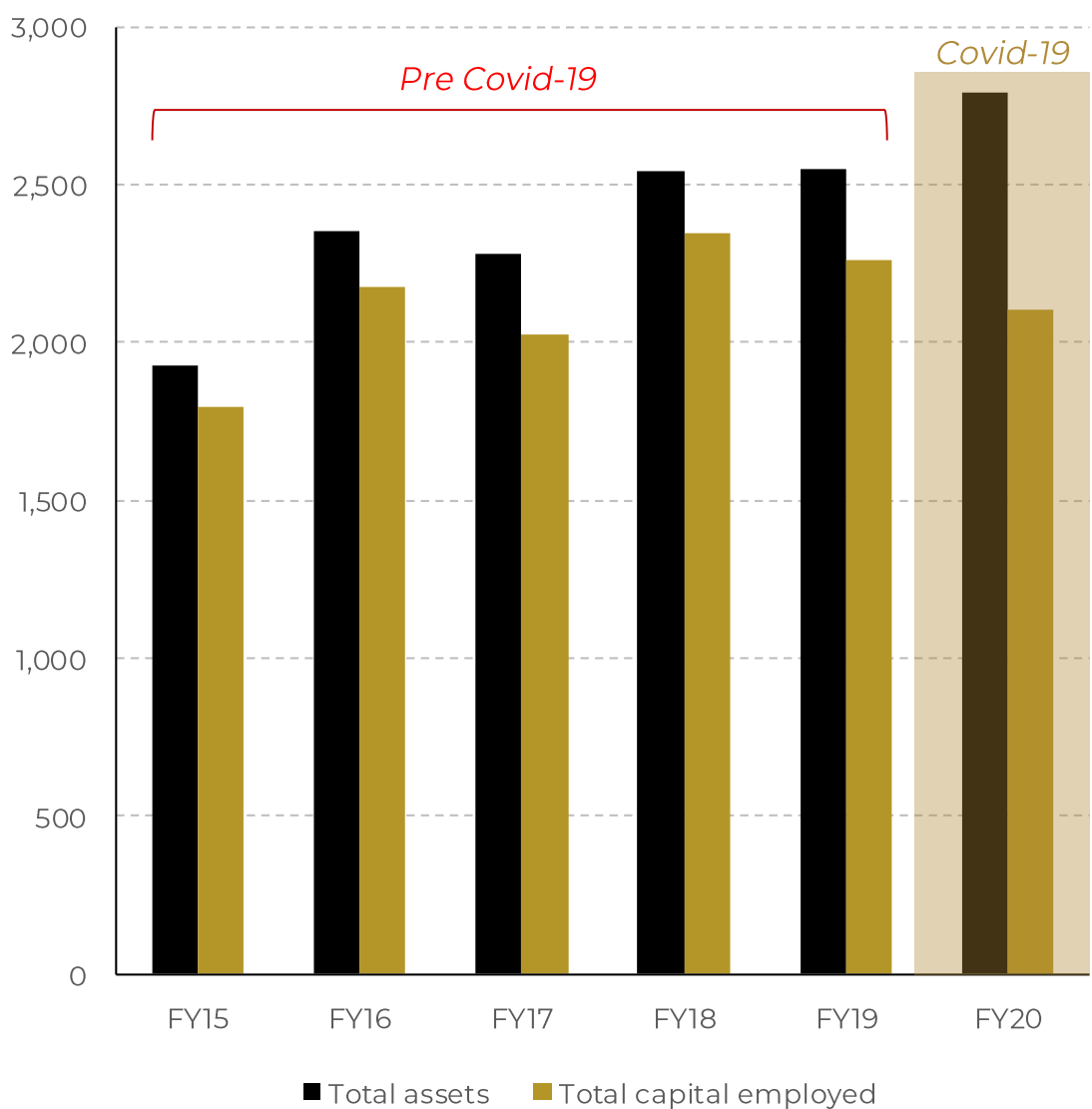
- Local gaming key value driver for Group in terms of business activity
- SkyCity Auckland (Group's key property) represents around 80% of Group normalised EBITDA
- Largely a domestic business, but benefit from international tourism (IB, hotels, F&B and attractions)

Historical Financial Performance (1 of 2)

Group EBITDA and operating cashflows: FY15-FY20 (\$m)



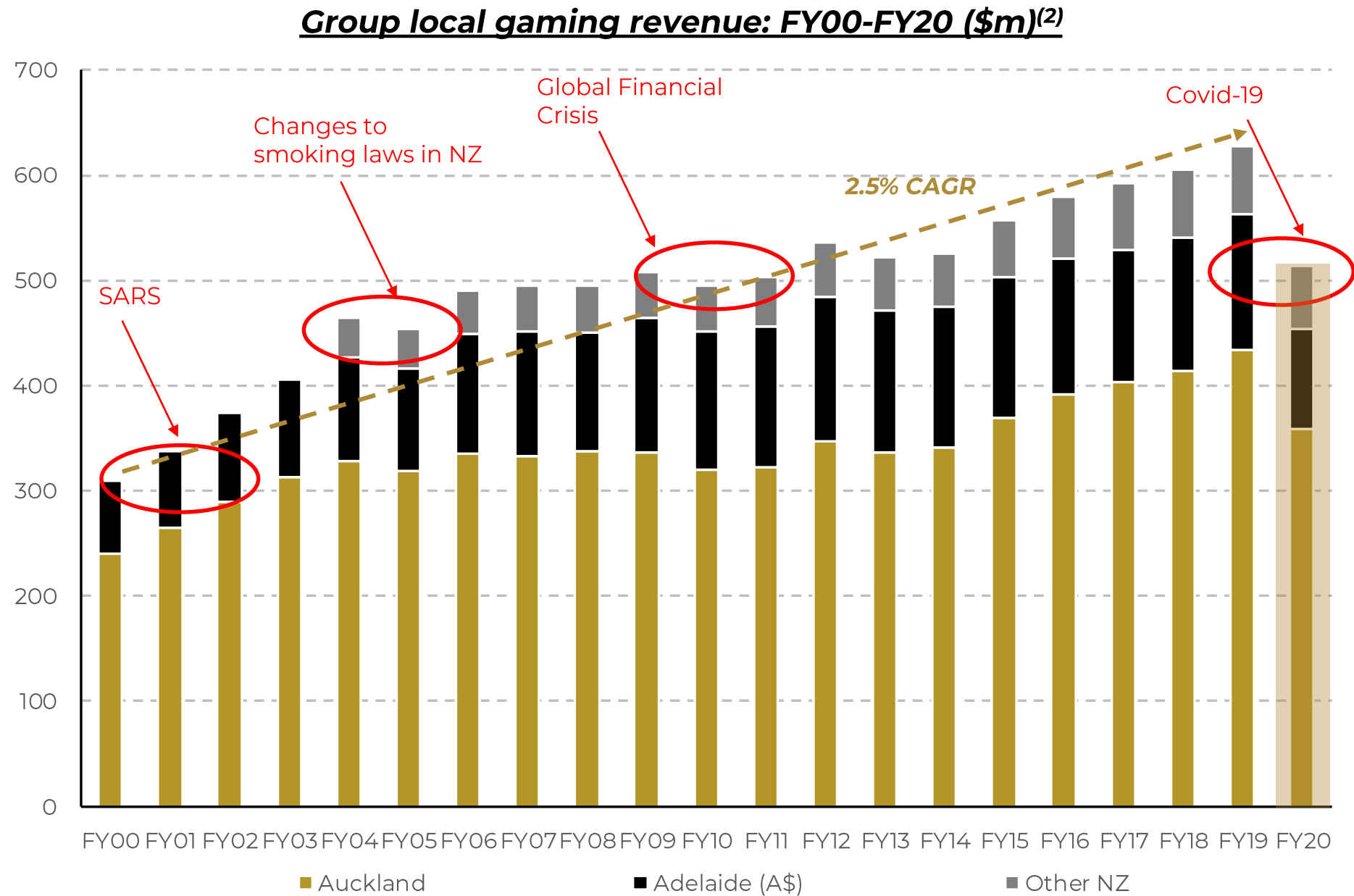
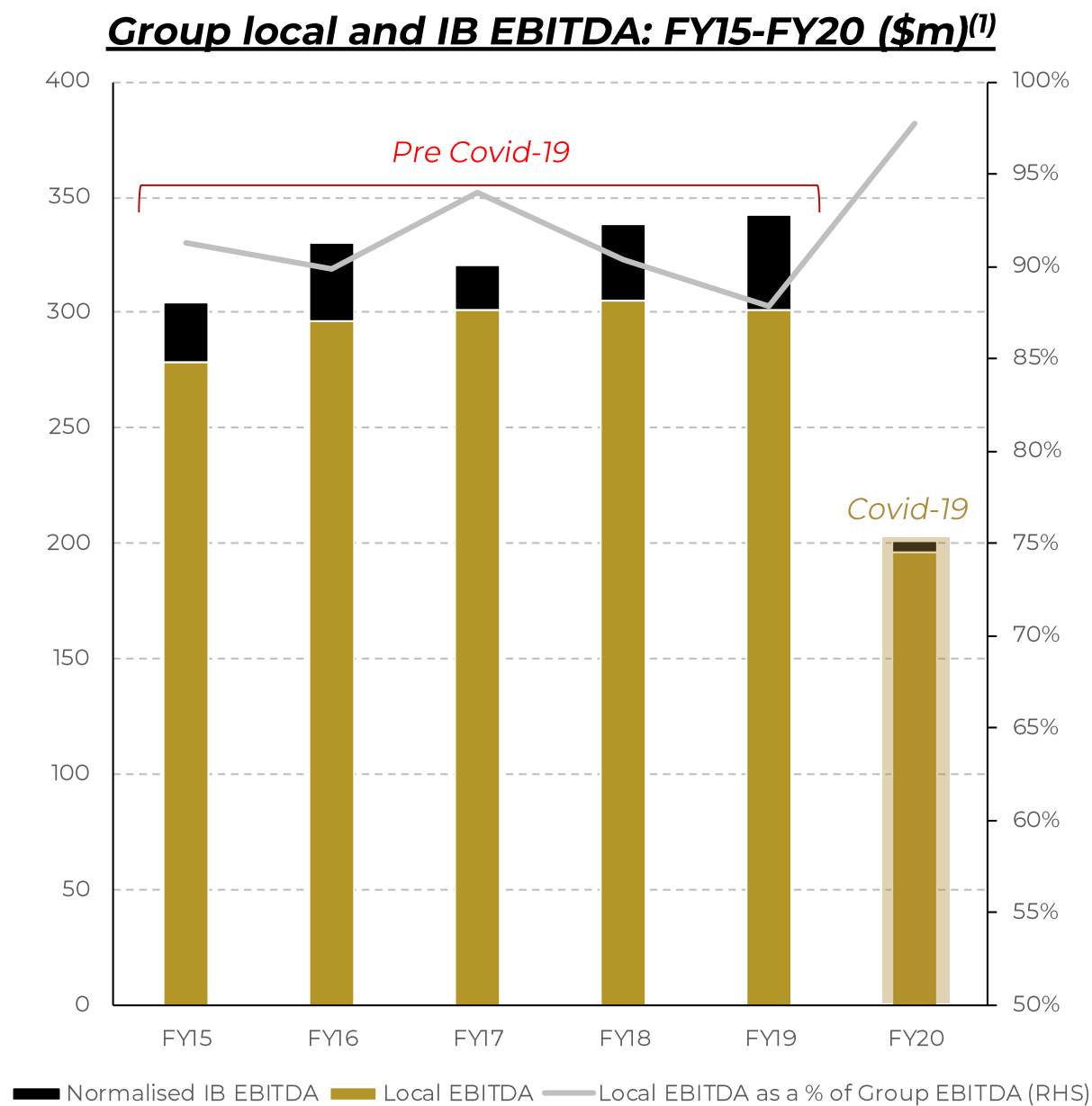
Group total assets and capital employed: FY15-FY20 (\$m)



Highly cash generative operating model and significant asset backing (including over \$2bn of land & buildings owned⁽¹⁾)

(1) Market value of property, including the NZICC/Horizon Hotel and Adelaide expansion “as built”

Historical Financial Performance (2 of 2)



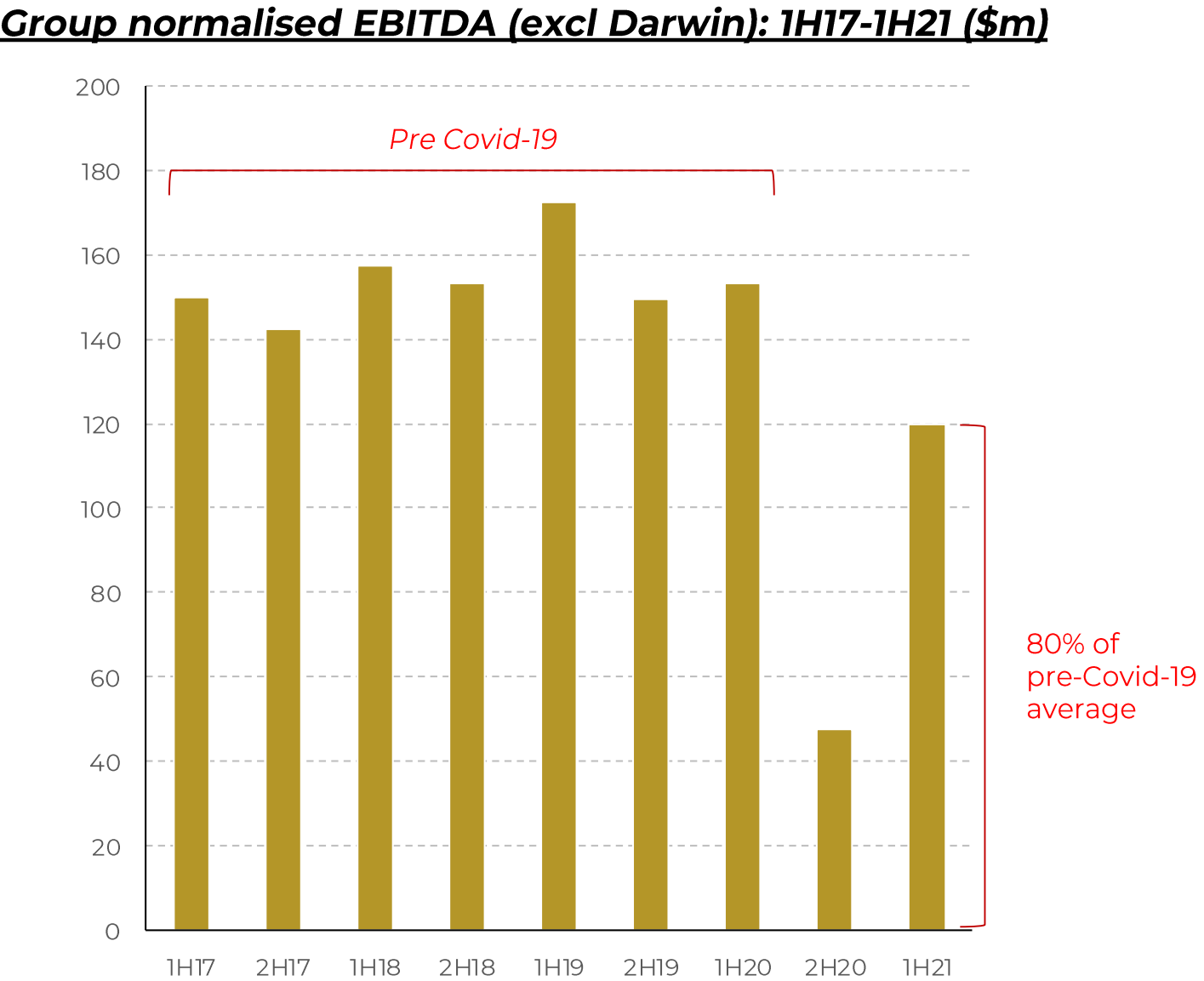
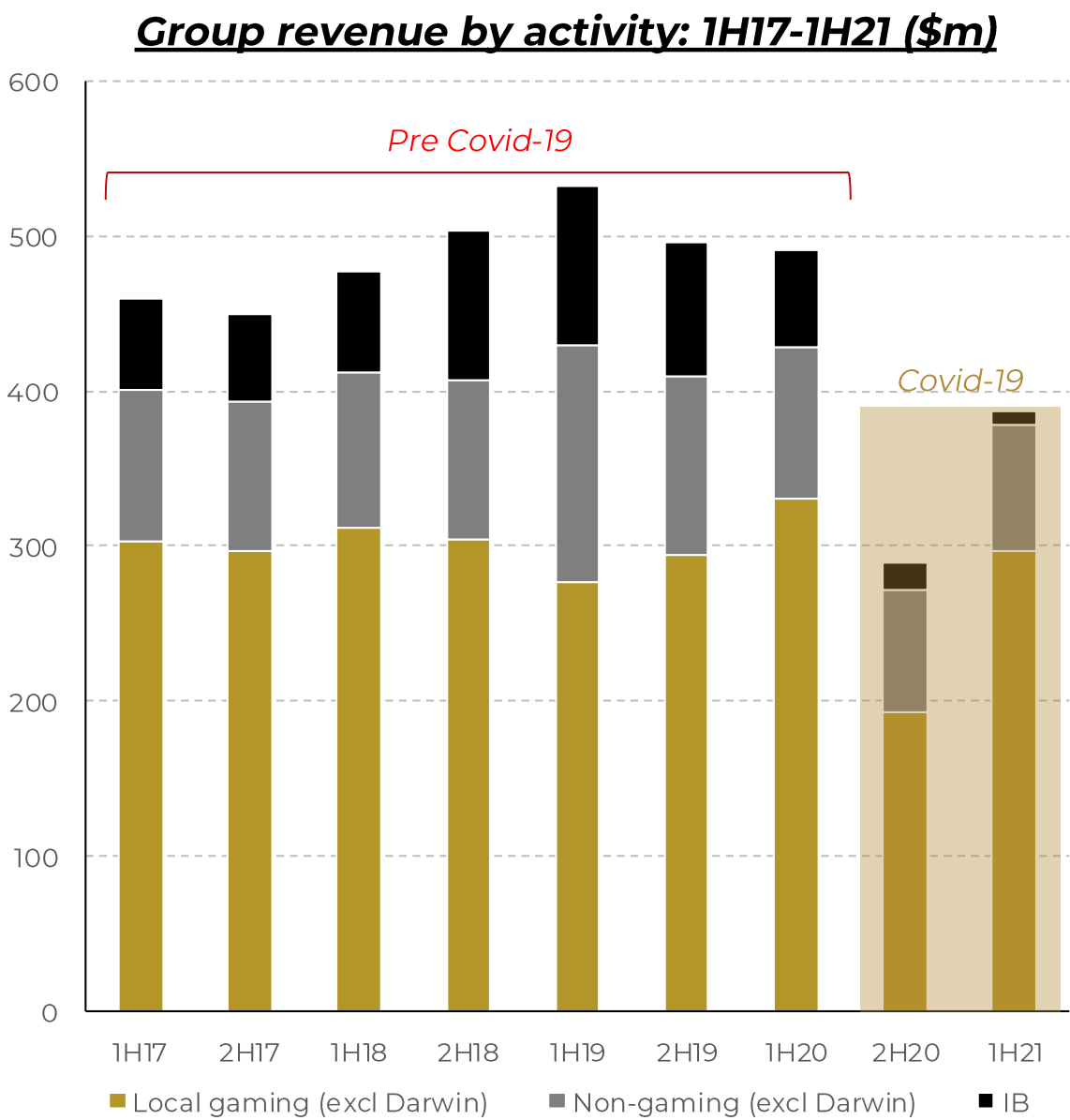
Historically 80%+ of Group earnings derived from local businesses

Recovered quickly from previous economic shocks and/or regulatory changes, typically led by local gaming

(1) Includes contribution from Darwin Casino prior to sale in April 2019

(2) Excludes gaming revenue from Darwin Casino, Christchurch Casino and other NZ casinos prior to FY04 for comparability

1H21 Performance



Resilient domestic revenue and earnings in 1H21 – Group EBITDA at around 80% of 3-year average pre-Covid-19 despite significant disruption
Expect earnings recovery to continue over the medium-term



Capital Management

Capital Structure (1 of 2)

Pro-forma Capital Structure

	31 December 2020			Pro-forma ⁽¹⁾			
	Actual			Pro-forma ⁽¹⁾			
	Drawn	Undrawn	Total	Drawn	Undrawn	Total	Maturity
	\$m	\$m	\$m	\$m	\$m	\$m	
Debt							
<u>Bank debt</u>							
Tranche A	175	123	298	108	190	298	Mar-22
Tranche B	-	85	85	-	85	85	Jun-23
Tranche C	-	85	85	-	85	85	Jun-24
Tranche D	-	60	60	-	60	60	Jun-22
Bridging Facility	-	100	100	-	-	-	N/A
Sub-total	175	453	628	108	420	528	
<u>USPP notes</u>							
2011 notes	108	-	108	-	-	-	N/A
2018 notes (Tranche A)	147	-	147	147	-	147	Mar-25
2018 notes (Tranche B)	70	-	70	70	-	70	Mar-28
Sub-total	324	-	324	216	-	216	
NZ Bonds	-	-	-	175	-	175	May-27
Total Debt	499	453	952	499	420	920	
Lease-related liabilities	101	-	101	101	-	101	
Total Debt (incl lease-related liabilities)	600	453	1,053	600	420	1,021	
Cash at bank	13	-	-	13	-	-	
Net debt (incl lease-related liabilities)	587	-	-	587	-	-	
Equity							
Total assets			2,734			2,734	
Net assets (total equity)			1,567			1,567	
Market capitalisation (@ share price of NZ\$3.21 on 31-12-2020)			2,440			2,440	

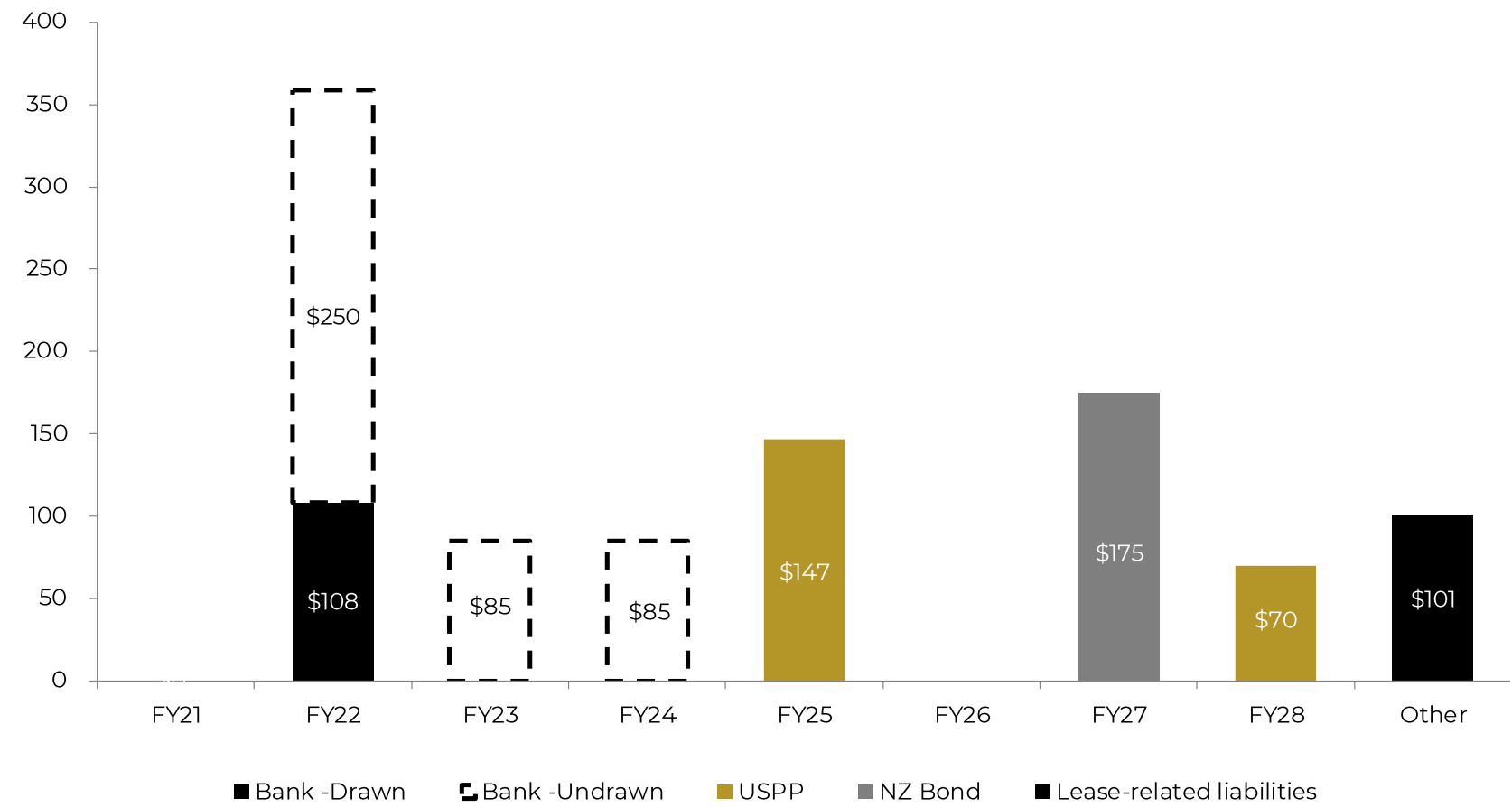
- Debt used to fund operations and capital commitments
 - Fluctuates depending on trading performance, working capital balances and status of investment projects
- Pro-forma committed debt (at hedged exchange rates) around \$1.0bn
- Net assets of \$1.6bn as at 31 December 2020
 - Significant property backing, particularly in Auckland

Financial undertakings to Bondholders	
1	Total prior ranking debt ≤ 10% of Group TTA
2	Leverage ratio (net debt/net debt + equity) ≤ 75%
3	Guaranteeing group = guarantors of Principal Lending Facility ("PLF")
4	Cross-default and cross-acceleration with PLF
5	Distribution stopper in an Event of Default

(1) Pro-forma capital structure: repayment of 2011 USPP notes during March 2021 (including drawdown of bank facility to facilitate this), cancellation of \$100m bridging facility from CBA and assumed 6 year, \$175m NZ Bond to be issued during May 2021

Capital Structure (2 of 2)

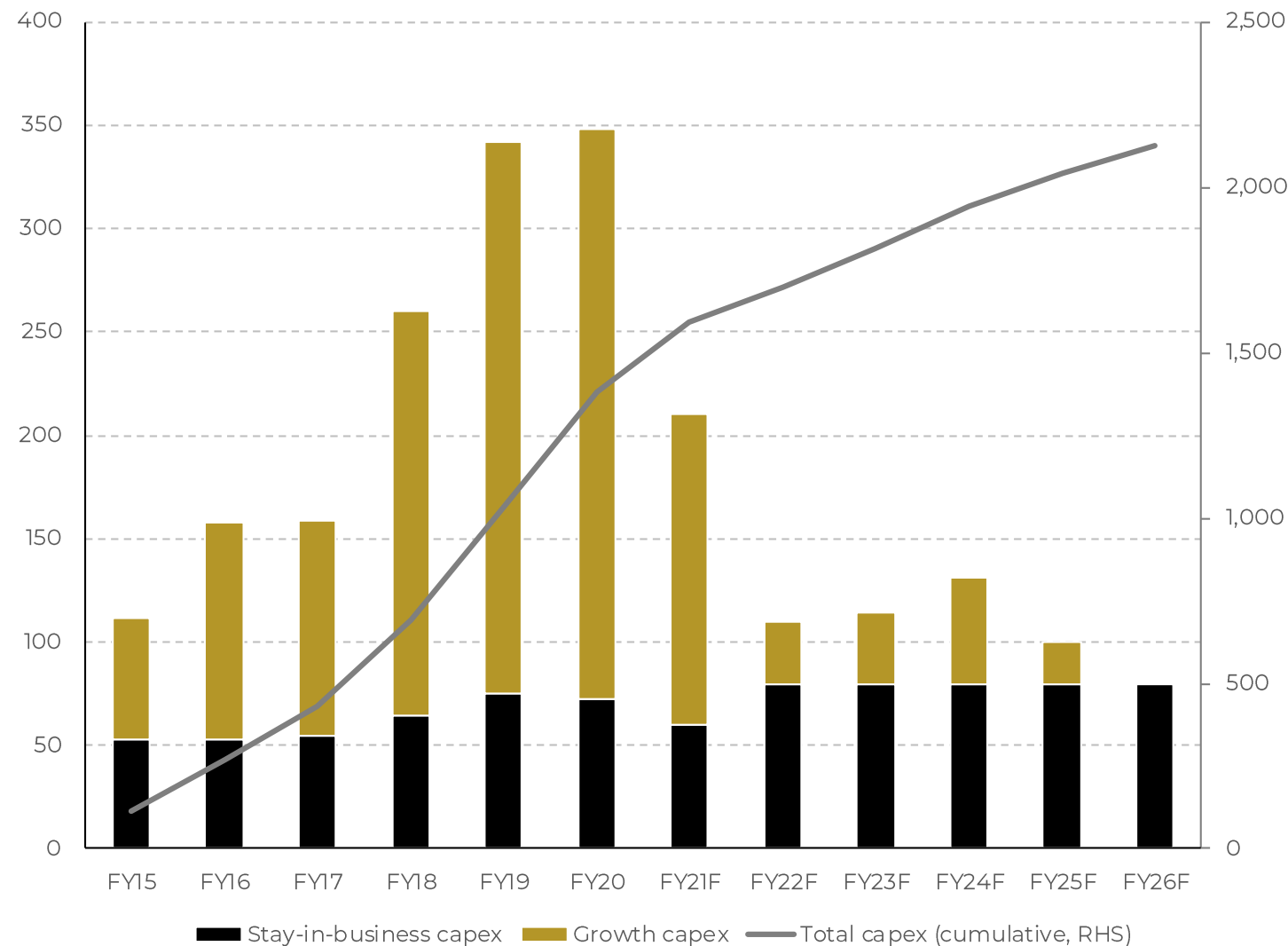
Pro-forma Debt Maturity Profile (\$m)(as at 31 December 2020)



- Average maturity of committed debt facilities around 3.5 years
- US\$100m (\$108m) USPP notes redeemed during March 2021 – funded by drawdown of bank facility (Tranche A)
- \$499m in pro-forma drawn facilities – \$390m fixed-term and \$108m bank debt
- Currently engaging with banks on extension of near-term debt maturities

Capital Expenditure

Total capex⁽¹⁾: FY15-FY26F (\$m)



- Capex peaked in FY19 and FY20
- Adelaide expansion completed⁽²⁾
- Around \$140m of net capex remaining on NZICC/Horizon Hotel project as at 30 April 2021
 - Excludes reinstatement costs of at least \$340m funded via insurance
- Ongoing stay-in-business capex of around \$80m per annum
 - Required to maintain and refurbish existing properties
- No new major growth projects in current pipeline

(1) Excludes capex on NZICC/Horizon Hotel reinstatement which is funded via insurance
(2) Around A\$2m of capex remaining on Adelaide expansion as at 30 April 2021



Key Terms and Offer Timetable

Key Terms of the Offer (1 of 2)

Retail Bond Offer	Details
Issuer	SkyCity Entertainment Group Limited
Description	Unsecured, unsubordinated, fixed rate bonds
Issuer Credit Rating	BBB- (Stable Outlook) from S&P Global Ratings
Expected Issue Credit Rating	BBB- from S&P Global Ratings
Term & Maturity Date	6 years, maturing on 21 May 2027
Offer Amount	Up to \$125m (with ability to accept oversubscriptions of up to an additional \$50m at SkyCity's discretion)
Purpose	- Offer forms part of SkyCity's capital management strategy to enhance diversity of funding and extend debt maturity profile - Net proceeds of Offer to reduce drawings on bank facilities
Interest Rate	The Interest Rate will be determined by SkyCity in conjunction with the Arranger on the Rate Set Date (following a bookbuild). The Interest Rate will be equal to the greater of: - the minimum Interest Rate; and - the sum of: - the Issue Margin determined following the bookbuild and announced via NZX and ASX on the Rate Set Date; and - the Swap Rate on the Rate Set Date The minimum Interest Rate and indicative Issue Margin will be announced via NZX and ASX on or about the Opening Date
Interest Payments	Quarterly in arrear in equal payments on 21 February, 21 May, 21 August and 21 November in each year (or if that day is not a Business Day, the next Business Day) until and including the Maturity Date, with the first Interest Payment Date being 21 August 2021 with payment on 23 August 2021 given that date is not a Business Date
Ranking and Priority	The Bonds will rank pari passu with all other unsecured, unsubordinated obligations of SkyCity on a liquidation of SkyCity
Guarantee	The Bonds will be guaranteed by the Guarantors under the Deed of Guarantee
Minimum Application	\$5,000 and multiples of \$1,000 thereafter
Distribution Restriction	SkyCity and the other Guarantors not permitted to make any distribution to a shareholder (other than to a Guarantor) if any Event of Default has occurred and is continuing (or would occur as a result of that distribution)

Key Terms of the Offer (2 of 2)

Retail Bond Offer	Details
Financial Covenants	SkyCity gives certain financial undertakings to Bondholders, namely that: ▪ Total Prior Ranking Debt at no time exceeds 10% of Guaranteeing Group Total Tangible Assets (“TTA”); and ▪ Net Group Debt does not exceed 75% of the aggregate of Net Group Debt, Share Capital and Retained Earnings as at 30 June and 31 December in each year; and ▪ The Guaranteeing Group shall consist of not less than all members of the Consolidated Group who are guarantors or obligors of any PLF (i.e. bank debt or USPP). If there is no PLF (i.e. no bank debt or USPP), then Guaranteeing Group TTA minimums apply A breach by SkyCity of these financial covenants can lead to an Event of Default (subject to certain grace periods). Refer to the Trust Deed and the PDS for more detail on covenants that will apply to the Bonds. Capitalised terms used in this section but not defined in the Glossary or PDS have the meanings given in the Trust Deed
Early Redemption	Bondholders have no right to require SkyCity to redeem the Bonds prior to the Maturity Date SkyCity may elect to redeem all, but not some only, of the Bonds for cash on any Interest Payment Date on or after the third anniversary of the Issue Date by giving not less than 20 Business Days' notice to the Supervisor and each Bondholder. If the Bonds are redeemed early in this manner, they will be redeemed for the greater of: ▪ their Principal Amount; and ▪ their average market price (adjusted to exclude the value attributable to the next scheduled but unpaid interest payments) in each case, plus all accrued interest as at the redemption date and any other amount due and payable in respect of the Bonds (less withholding tax and any other required deductions)
Quotation	Application has been made for the Bonds to be quoted on the NZX Debt Market under the ticker code SKC050
Joint Lead Managers	ANZ, CBA, Craigs Investment Partners, Forsyth Barr, Jarden and Westpac

Key Dates of the Offer

Event	Date ⁽¹⁾
PDS Lodgment Date	Friday, 30 April 2021
Indicative Issue Margin and minimum Interest Rate announced	Monday, 10 May 2021
Opening Date	Monday, 10 May 2021
Closing Date	Friday, 14 May 2021 at 12pm (NZ time)
Rate Set Date	Friday, 14 May 2021
Issue Date and allotment date	Friday, 21 May 2021
Expected Quotation	Monday, 24 May 2021
Maturity Date	Friday, 21 May 2027

⁽¹⁾ Indicative only and subject to change

Key Credit Highlights

1

Exclusive long-term casino licences in attractive gaming markets – leading local businesses

2

High-quality/defensive earnings – resilient performance despite Covid-19 disruptions and international border closures

3

Financial flexibility following implementation of funding plan during 2020

4

Major projects underpin medium-term earnings growth – opportunity to become omnichannel gaming operator

5

Platform to respond to expected recovery in gaming, tourism and hospitality sectors

6

Major capital investment programme concluding – strong cashflow generation expected over the medium-term

7

Long-standing commitment to BBB- credit rating from S&P Global Ratings

8

Sustainable business over the long-term – focus on CSR/sustainability and protecting/enhancing social licence



Appendices

Board Of Directors⁽¹⁾



Rob Campbell

Chair

Rob is currently⁽²⁾ the Chair of Summerset Group Holdings Limited, Tourism Holdings Limited, Ultrafast Fibre Limited, New Zealand Rural Land Company Limited, Ara Ake Limited and WEL Networks Limited and a director of Precinct Properties New Zealand 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 NZ, Australia, Hong Kong and the United States of America.

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



Murray Jordan

Non-Executive Director

Murray is currently a director of Metlifecare Limited, Chorus Limited, Metcash Limited, Stevenson 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, Murray 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.



Sue Suckling

Non-Executive Director

Sue 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, Brannigans Consulting Limited, Rubix Limited and Jade Software Corporation Limited. Previous governance roles include chairing NIWA, the NZ Qualifications Authority and AgriQuality Limited, and as a director of Restaurant Brands Limited, Westpac Investments Limited and the New Zealand Dairy Board. She was awarded an OBE for her contribution to NZ business.



Jennifer Owen

Non-Executive Director

Jennifer has more than 30 years' experience in the areas of accountancy, audit, finance, treasury and equities research. She has specific specialist knowledge of the NZ 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 has 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.

(1) Intend to appoint Chad Barton, Julian Cook and Silvana Schenone as Non-Executive Directors subject to regulatory approvals

(2) Announced an intention to retire as Chair of Summerset Group Holdings Limited on 16 December 2020

Executive Team (1 of 2)



Michael Ahearne

Chief Executive Officer

Michael joined SkyCity in December 2017 as Group Chief Operating Officer and was appointed Chief Executive Officer in November 2020.

Michael has significant global experience in the gaming industry across both 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/product leadership roles at Paddy Power Betfair, one of the world's leaders in sports betting and gaming and enjoyed a 13-year career in the Australasian gaming and entertainment sector including 10 years at The Star Casino, Sydney and 3 years as Chief Operating Officer for Aristocrat in the Australia and NZ regions.



Julie Amey

Chief Financial Officer

Julie joins SkyCity in May 2021 as Chief Financial Officer.

Julie is a highly experienced executive who has worked in senior finance roles with the Shell Group internationally, and previously held positions at Fletcher Challenge Energy, BBC Worldwide Publishing and Deloitte & Touche.

Julie is a returning New Zealander and is excited about the opportunity to move back to NZ with her family.



Callum Mallet

Chief Operating Officer – NZ

Callum, as Chief Operating Officer NZ, takes on the operating responsibility for the NZ businesses and day-to-day operations of SkyCity Auckland.

Callum has held a number of senior roles at SkyCity, including General Manager SkyCity Darwin and General Manager SkyCity Auckland Hotels, Convention Centre and Sky Tower, and more recently, Executive General Manager Hospitality at SkyCity Auckland.

Callum facilitated the recently opened All Blacks Experience and Weta Unleashed attractions at SkyCity Auckland and Emirates Team NZ partnership with SkyCity.



David Christian

Chief Operating Officer – Australia

David was appointed Chief Operating Officer Australia in January 2021 and oversees the operations of SkyCity's second largest property.

David has previously held several significant positions within SkyCity, including General Manager SkyCity Darwin from June 2016 to April 2019, General Manager SkyCity Adelaide from 2008 to 2014 and, prior to that, General Manager SkyCity Auckland and General Manager SkyCity Hamilton.

David has more than 30 years' experience in hospitality, hotel and casino management, including working in several Australian States and Singapore.



Matt Ballesty

Chief Casino Officer

Matt joined SkyCity in 2013 and has held several senior operational and strategic roles.

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

Hailing from Australia, Matt has experienced a diverse 27-year career in the casino and hospitality sector having held senior executive positions in Australia, NZ, Macau and Canada.



Jo Wong

General Counsel & Company Secretary

Jo joined SkyCity as Senior Legal Counsel in January 2009 and was subsequently appointed as Deputy General Counsel before being appointed as General Counsel and Company Secretary in September 2016. As General Counsel and Company Secretary, Jo is responsible for SkyCity's legal, company secretarial, regulatory affairs and AML functions.

Jo has more than 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 NZ financial services industry and was a Senior Solicitor at Russell McVeagh, one of the leading law firms in NZ.

Executive Team (2 of 2)



Claire Walker

Chief People & Culture Officer

Claire was appointed General Manager Human Resources in August 2016 and Chief People & Culture Officer in April 2019. She is responsible for leading the development/implementation of best practice human resource strategy across SkyCity. She also 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 resources roles with Carter Holt Harvey and Downer after several years working in the education sector.



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 25 years of technology experience from across several industries globally, having worked in the UK, France, USA, Australia, Malaysia, India, China and the Middle East.



Simon Jamieson

Group GM NZICC Development & Tourism

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 health and safety at SkyCity.

With more than 30 years' experience in large-scale hospitality businesses, Simon brings a wealth of commercial experience and tourism know-how to the SkyCity business.

Glossary of Terms⁽¹⁾

Term	Explanation
AML	Anti-money laundering
ATGs	Automated table games
Bonds	Bonds described in this presentation
CPS	Cents per share
CSR	Corporate Social Responsibility
DIA	Department of Internal Affairs (NZ gambling regulator)
EBITDA	Earnings before interest, tax, depreciation and amortisation
EGMs	Electronic gaming machines
GiG	Gaming Innovation Group
IRR	Internal rate of return
Issuer	SkyCity
KYC	Know-your-customer
NPAT	Net profit after tax
NZ	New Zealand
NZICC	New Zealand International Convention Centre
PDS	Product Disclosure Statement dated 30 April 2021
PLF	Principal Lending Facility
S&P	Standard & Poor's
SkyCity	SkyCity Entertainment Group Limited
Trust Deed	Master Trust Deed dated 29 April 2021 between SkyCity and the Supervisor pursuant to which the Bonds will be issued
TSR	Total shareholder return
TTA	Total tangible assets
USPP	United States Private Placement
WACC	Weighted average cost of capital

(1) Defined terms set out in this presentation shall have the meanings given to them in the PDS or otherwise as set out above

