MEDIA RELEASE
17 June 2020

SkyCity funding plan and equity raising

SkyCity Entertainment Group has today launched an equity raising as part of a comprehensive funding plan to strengthen its balance sheet in response to uncertainty around the impacts of COVID-19.

SkyCity closed its operations in late March 2020 and reopened its New Zealand properties (excluding Wharf Casino) on 14 May 2020, with the Adelaide Casino anticipated to reopen in late June 2020.

Whilst trading since reopening has been encouraging, SkyCity has been severely impacted by the closures and continues to closely monitor the potential impacts of the virus on its operations, financial position and outlook. Uncertainty remains regarding the future economic environment and ongoing closure of international borders.

SkyCity is aiming to raise a total of $230 million through a $180 million share placement to institutional investors and a $50 million share purchase plan targeting retail shareholders, reflecting the composition of SkyCity's share register as at 16 June 2020.

In structuring the offer, priority has been given to ensure existing shareholders get their pro rata share. Shares will be issued under the institutional placement at $2.50 per share (which represents a circa 6% discount to yesterday's closing price). The share purchase plan, that opens on 22 June 2020, will be priced at the lower of $2.50 or a 2.5% discount to the average market price during the week before the offer closes on 3 July 2020.

SkyCity has also secured new debt facilities of $160 million and an extension of existing bank facilities of $170 million. Covenant waivers/relief have also been secured from existing lenders through to June 2021.

Chief Executive Officer, Graeme Stephens says these measures are in addition to other company-wide savings being made in SkyCity's operating and capital expenditure to ensure the business succeeds as a smaller, domestic business in the medium term.

"This includes downsizing our waged workforce to ensure our business is best prepared to operate in the new environment. Fortunately the majority of affected employees have requested voluntary redundancy and the restructure is expected to be finalised this week.

"These have been incredibly difficult decisions to make, but we continue to be one of the largest private sector employers in New Zealand, providing thousands of jobs for a diverse range of people.

"For now, our focus is on ensuring we continue to manage our business safely and effectively through this challenging period to emerge in a strong position to capitalise on the great assets we have and the opportunities that lie ahead," says Stephens.

ENDS

For further information please contact:

Liza McNally
Chief Marketing Officer
SkyCity Entertainment Group
Email: Liza.McNally@skycity.co.nz
Phone: +64 21 944 989