

6 June 2025

Fletcher Building Updates on New Zealand International Convention Centre

Fletcher Building acknowledges the legal action announced today by SkyCity Entertainment Group (SkyCity) against its subsidiary, Fletcher Construction, regarding the New Zealand International Convention Centre (NZICC) project. The risk of a dispute with SkyCity over delay and costs associated with the NZICC has been flagged in previous disclosures, including most recently in the Company's 2024 Annual Report and the FY25 Interim Financial Results.

The Company notes that Fletcher Construction has already paid significant liquidated damages to SkyCity in relation to the delays in delivering the NZICC in accordance with the building works contract. Accordingly, Fletcher Construction will vigorously defend itself against the SkyCity claim for further liquidated damages beyond the capped amount provided for in the building works contract. Whilst the delivery of the NZICC project has suffered from a number of challenges, including as a consequence of the fire and Covid-related impacts, Fletcher Building rejects absolutely that it has breached its contract with SkyCity in the manner alleged.

More generally, Fletcher Building confirms that it has completed the construction work on the NZICC. Its focus has now moved to remediating defects and, seeking to work collaboratively with SkyCity, completing the complex commissioning processes and securing required Council sign-offs. Fletcher Building anticipates handing over the site to enable SkyCity to commence its operational readiness activities during the second half of 2025, in preparation for SkyCity's announced opening in February 2026.

The net costs to complete the NZICC have been re-assessed, including taking into account the costs and resources estimated to be required for the project's final stages, with the result that Fletcher Building expects to record a further provision of c\$12–15 million, in addition to provisions previously reported in February 2024. That provision does not include any costs associated with the SkyCity dispute announced today. The Group also continues to pursue recoveries under the NZICC Third Party Liability (TPL) insurance policy of more than \$100 million and has brought legal action against the roofing membrane subcontractors in relation to the fire, which will commence shortly in the High Court. While the Company considers it has good grounds to recover material amounts under the TPL policy and the Court action, it has not recognised any recoveries at this time.

Fletcher Building remains committed to delivering this landmark project and is confident that once it is available to be seen and used by the public and international guests they will be delighted with the quality of the asset that will make a meaningful contribution to the New Zealand economy.

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Authorised for release to the market by Haydn Wong, Company Secretary.

For further information please contact:

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