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Wynn Macau, Limited

永利澳門有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1128 and Debt Stock Codes: 5279, 5280, 40102, 40259, 40357)

INSIDE INFORMATION

UNAUDITED RESULTS FOR THE SECOND QUARTER AND THE FIRST HALF OF FISCAL 2022 ENDED 30 JUNE 2022 OF OUR CONTROLLING SHAREHOLDER, WYNN RESORTS, LIMITED

This announcement is issued pursuant to Rules 13.09 and 37.47B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and under Part XIVA of the Securities and Futures Ordinance (Cap. 571).

Our controlling shareholder, Wynn Resorts, Limited has, on or about 9 August 2022 (2:04 p.m., Las Vegas time), released its unaudited results for the second quarter ended 30 June 2022 and the first half of fiscal 2022 ended 30 June 2022.

This announcement is issued by Wynn Macau, Limited (“we” or our “**Company**”) pursuant to Rules 13.09 and 37.47B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and under Part XIVA of the Securities and Futures Ordinance (Cap. 571).

Our Company’s controlling shareholder, Wynn Resorts, Limited, is a company listed on the National Association of Securities Dealers Automatic Quotation System (“**NASDAQ**”) Global Select Market in the United States. As at the date of this announcement, Wynn Resorts, Limited beneficially owns approximately 72% of the issued share capital of our Company.

Reference is made to our announcement on 10 August 2022 (the “**WRL Earnings Release Announcement**”) in respect of the release by our controlling shareholder, Wynn Resorts, Limited, of its unaudited financial results for the second quarter ended 30 June 2022 and the first half of fiscal 2022 ended 30 June 2022. Unless otherwise defined in this announcement, terms defined in the WRL Earnings Release Announcement have the same meaning when used in this announcement.

* For identification purposes only.

Further to the WRL Earnings Release Announcement, Wynn Resorts, Limited has, on or about 9 August 2022 (2:04 p.m., Las Vegas time), released its quarterly report with unaudited financial results for the second quarter ended 30 June 2022 and the first half of fiscal 2022 ended 30 June 2022 (“**WRL Quarterly Report**”). If you wish to review the WRL Quarterly Report prepared by Wynn Resorts, Limited and as filed with the U.S. Securities and Exchange Commission, please visit <https://www.sec.gov/Archives/edgar/data/0001174922/000117492222000130/0001174922-22-000130-index.htm>. The WRL Quarterly Report contains segment financial information about Wynn Resorts, Limited’s Macau operations, which are owned by our Company. The WRL Quarterly Report is also available in the public domain.

The financial results of Wynn Resorts, Limited, including those contained in the WRL Quarterly Report, have been prepared in accordance with the Generally Accepted Accounting Principles of the United States (“**U.S. GAAP**”), which are different from the International Financial Reporting Standards (“**IFRS**”) that we use to prepare and present our financial information. As such, the financial information in the WRL Quarterly Report is not directly comparable to the financial results our Company discloses. Consequently, we offer no indication or assurance that the financial results of our Group for the second quarter ended 30 June 2022 will be the same as that presented in the WRL Quarterly Report. In the WRL Earnings Release Announcement, we announced our unaudited financial results for the second quarter ended 30 June 2022 prepared in accordance with IFRS.

To ensure that all shareholders and potential investors of our Company have equal and timely access to the information pertaining to our Company, set forth below are the key highlights of financial information and other information published by Wynn Resorts, Limited in the WRL Quarterly Report that relate to our Company and our operations in Macau (unless otherwise provided, all dollar amounts in the WRL Quarterly Report are denominated in United States dollars), some of which may constitute material inside information of the Company:

**“QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2022

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

**WYNN RESORTS, LIMITED AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)**

Note 1 — Organization

Organization

In the Macau Special Administrative Region (“Macau”) of the People’s Republic of China (“PRC”), the Company owns approximately 72% of Wynn Macau, Limited (“WML”), which includes the operations of the Wynn Palace and Wynn Macau resorts. The Company refers to Wynn Palace and Wynn Macau as its Macau Operations.

Recent Developments Related to COVID-19

Macau Operations

Visitation to Macau has fallen significantly since the outbreak of COVID-19, driven by the strong deterrent effect of the COVID-19 pandemic on travel and social activities, quarantine measures put in place in Macau and elsewhere, travel and entry restrictions and conditions in Macau, the PRC, Hong Kong and Taiwan involving COVID-19 testing, and mandatory quarantine, among other things, and the suspension or reduced accessibility of transportation to and from Macau. Although there have been periods during which certain restrictions and conditions were eased by the Macau government to allow for greater visitation and quarantine-free travel to Macau, adverse conditions and evolving conditions created by and in response to the COVID-19 pandemic may cause these restrictions and conditions to be reintroduced. For example, in response to an outbreak in Macau which initially commenced in mid-June 2022, the Macau government extended its COVID-19 containment measures, including the closures of casino operations in full as well as all non-essential business as of July 11, 2022, and the closure and the limiting of the opening hours and/or operational capacity of various areas and facilities in Macau. On July 23, 2022, casino operations at Wynn Palace and Wynn Macau resumed on a limited basis, and remain limited at the present time due to severely reduced visitation to Macau as a result of enhanced border controls. On August 2, 2022, the Macau government lifted most of the remaining enhanced COVID-19 restrictions which went into effect in June and July and limited non-gaming operations at Wynn Palace and Wynn Macau began to resume. Certain enhanced COVID-19 protective measures remain in effect at the present time with respect to gaming and non-gaming operations. Given the uncertainty around the extent and timing of the potential future spread or mitigation of COVID-19 and around the imposition or relaxation of containment measures, management cannot predict whether future closures, in full or in part, will occur in our properties, and cannot reasonably estimate the impact to the Company’s future results of operations, cash flows, or financial condition.

Liquidity

The COVID-19 pandemic has materially impacted and is likely to continue to materially impact our business, financial condition and results of operations. As of June 30, 2022, the Company had total cash and cash equivalents, excluding restricted cash, of \$2.01 billion, and had access to \$835.6 million of available borrowing capacity from the WRF Revolver and \$211.5 million of available borrowing capacity from the WM Cayman II Revolver. As a result of the negative impact the COVID-19 pandemic has had, and will likely continue to have, on our operating income, the Company has suspended its dividend program for the foreseeable future. Given the Company's liquidity position as of June 30, 2022, the Company believes it will be able to support continuing operations and respond to the continuing impact of the COVID-19 pandemic and related economic disruptions.

Macau Gaming Concession

On June 23, 2022, Wynn Resorts (Macau) S.A. ("WRM") and the Macau government entered into a concession extension agreement (the "Concession Extension Agreement"), pursuant to which the expiration date of WRM's gaming concession was extended from June 26, 2022 to December 31, 2022. Under the Concession Extension Agreement, WRM paid the Macau government MOP47.0 million (approximately \$6.0 million) as a contract premium for the extension, and by no later than September 23, 2022 will provide a first demand bank guarantee of not less than MOP1,210.0 million (approximately \$150.0 million) in favor of the Macau government for securing the fulfillment of its labor liabilities upon the expiration of the Concession Extension Agreement.

In order to enable WRM to fulfill the relevant requirements to become eligible to obtain a concession extension, each of WRM and Palo Real Estate Company Limited ("Palo") (the land concessionaires of Wynn Macau and Wynn Palace, respectively) entered into a letter of undertaking, pursuant to which each of WRM and Palo has undertaken, pursuant to Article 40 of the Macau gaming law and Clause 43 of the concession agreement, to revert to the Macau government relevant gaming equipment and gaming areas at Wynn Macau and Wynn Palace, without compensation and free of encumbrance upon the expiration of the concession agreement term, as amended by the Concession Extension Agreement.

Under the indentures governing the Company's \$4.7 billion aggregate principal amount of WML Senior Notes and the facility agreement governing the WM Cayman II Revolver, upon the occurrence of any event after which the Company does not own or manage casino or gaming areas or operate casino games of fortune and chance in Macau in substantially the same manner and scope as of the issue date of the respective senior notes or the date of the facility agreement, for a period of 10 consecutive days or more in the case of the WML Senior Notes or a period of 30 consecutive days or more in the case of the WM Cayman II Revolver, and such event has a material adverse effect on the financial condition, business, properties or results of operations of WML and its subsidiaries, taken as a whole, holders of the WML Senior Notes can require the Company to repurchase all or any part of the WML Senior Notes at par, plus any accrued and unpaid interest (the "Special Put Option"), and any amounts owed under the WM Cayman II Revolver may become immediately due and payable (the "Property Mandatory Prepayment Event").

In June 2022, the Macau government published the amendments to the Macau gaming law approved by the Macau Legislative Assembly. These amendments include, for example, the awarding of up to six gaming concessions with a term up to ten years with a maximum three-year extension possible, and an increase in the minimum capital requirement applicable to concession holders to MOP5.0 billion (approximately \$625.0 million), an increase in the percentage of the share capital of the concessionaire that must be held by the local managing director to 15% from 10% and a prohibition on revenue sharing arrangements between gaming promoters and concession holders. The Macau government also published the administrative regulations and related documents in relation to a public tender for the awarding of new gaming concessions in July 2022. Upon the publication and entry into force of the revised gaming law on June 23, 2022, the Company is monitoring developments with respect to the Macau government's public tender process, including the adoption of additional administrative regulations, instructions, dispatches, and further adaptations to the current legal and regulatory system, and at this time believes that its concession agreement will be further extended, renewed or replaced by a new gaming concession agreement beyond December 31, 2022. However, it is possible the Macau government could further change or interpret the associated gaming laws in a manner that could negatively impact the Company.

If the Company is unable to further extend or renew its concession agreement or obtain a new gaming concession agreement, an election by the WML Senior Notes holders to exercise the Special Put Option and the triggering of the Property Mandatory Prepayment Event would have a material adverse effect on the Company's business, financial condition, results of operations, and cash flows.

Note 3 — Cash, Cash Equivalents and Restricted Cash

Cash, cash equivalents and restricted cash consisted of the following (in thousands):

	June 30, 2022	December 31, 2021
Restricted cash ⁽³⁾	8,838	8,537

(3) Restricted cash consists of cash subject to certain contractual restrictions, cash collateral associated with obligations and cash held in a trust in accordance with WML's share award plan.

Note 6 — Goodwill and Intangible Assets, net

The following table shows the movement in the Company's goodwill and intangible assets, net balances that occurred during the periods presented (in thousands):

	June 30, 2022	December 31, 2021
Finite-lived intangible assets:		
Macau gaming concession	\$ 5,964	\$ 42,300
Less: accumulated amortization	—	(41,114)
	5,964	1,186

The finite-lived intangible asset pertaining to the Company's original Macau gaming concession was acquired in 2004 and was amortized over the 20 year life of the original concession, which expired on June 26, 2022. On June 23, 2022, a Concession Extension Agreement was entered into between the Macau Government and WRM, pursuant to which the gaming concession of WRM has been extended from June 26, 2022 to December 31, 2022, in exchange for a payment to the Macau government equivalent to \$6.0 million. The Company expects that amortization of the Macau gaming concession will be \$6.0 million for the second half of 2022.

Note 7 — Long-Term Debt

Long-term debt consisted of the following (in thousands):

	<u>June 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Macau Related:		
WM Cayman II Revolver, due 2025 ⁽¹⁾	\$ 1,281,271	\$ 1,287,766
WML 4 7/8% Senior Notes, due 2024	600,000	600,000
WML 5 1/2% Senior Notes, due 2026	1,000,000	1,000,000
WML 5 1/2% Senior Notes, due 2027	750,000	750,000
WML 5 5/8% Senior Notes, due 2028	1,350,000	1,350,000
WML 5 1/8% Senior Notes, due 2029	1,000,000	1,000,000

(1) The borrowings under the WM Cayman II Revolver bear interest at LIBOR or HIBOR plus a margin of 1.875% to 2.875% per annum based on WM Cayman II's leverage ratio on a consolidated basis, subject to a floor on the interest rate margin of 2.625% per annum through June 30, 2023. Approximately \$268.2 million and \$1.01 billion of the WM Cayman II Revolver bears interest at a rate of LIBOR plus 2.625% per year and HIBOR plus 2.625% per year, respectively. As of June 30, 2022, the weighted average interest rate was approximately 3.66%. As of June 30, 2022, the available borrowing capacity under the WM Cayman II Revolver was \$211.5 million. In July 2022, the Company drew \$211.5 million on the WM Cayman II Revolver for general corporate purposes.

WM Cayman II Revolver Amendment

On May 5, 2022, WM Cayman II and its lenders agreed to waive certain financial covenants in the facility agreement under the WM Cayman II Revolver in respect of the relevant periods ending on the following applicable test dates: (a) June 30, 2022; (b) September 30, 2022; (c) December 31, 2022; and (d) March 31, 2023; and to provide for a floor on the interest rate margin of 2.625% per annum through June 30, 2023. WML, as guarantor, may be subject to certain restrictions on payments of dividends or distributions to its shareholders, unless certain financial criteria have been satisfied through the facility agreement.

Note 12 — Income Taxes

The Company recorded an income tax expense of \$0.7 million and \$0.7 million for the three months ended June 30, 2022 and 2021, respectively and an income tax expense of \$1.9 million and \$1.2 million for the six months ended June 30, 2022 and 2021, respectively. Income tax expense in both periods primarily related to the Macau dividend tax agreement that provides for an annual payment as complementary tax otherwise due by stockholders of WRM.

In March 2021, the Company received an extension of its Macau dividend tax agreement, providing for a payment of MOP12.8 million (approximately \$1.6 million) for 2021 and MOP6.3 million (approximately \$0.8 million) for the period ended June 26, 2022.

In April 2020, WRM received an extension of the exemption from Macau's 12% Complementary Tax on casino gaming profits earned from January 1, 2021 to June 26, 2022. In June 2022, WRM requested an extension of the exemption from Complementary Tax on casino gaming profits.

For the three and six months ended June 30, 2022 and 2021, the Company did not have any casino gaming profits exempt from the Macau Complementary Tax. The Company's non-gaming profits remain subject to the Macau Complementary Tax and its casino winnings remain subject to the Macau special gaming tax and other levies in accordance with its gaming concession agreement.

In March 2021, the Financial Services Bureau concluded its review of the 2017 and 2018 Macau income tax returns of Palo Real Estate Company Limited, a subsidiary of WRM, with no changes.

In January 2022, the Financial Services Bureau issued final tax assessments for WRM for the year 2017 and 2018. While no additional tax was due, adjustments were made to WRM's tax loss carryforwards.

In March 2022, the Financial Services Bureau commenced examination of Palo's 2019 and 2020 Macau Complementary Tax returns.

Note 15 — Related Party Transactions

Home Purchase

In 2022, Linda Chen, President and Executive Director of WRM exercised an option to purchase a home provided by the Company for her use for no consideration, as provided by the terms of her employment agreement. Based on a third-party appraisal as of the date of option exercise, the estimated fair value of the home is \$6.4 million. The home purchase is expected to close during the second half of 2022.

Note 16 — Commitments and Contingencies

Litigation

Macau Litigation Related to Dore

WRM has been named as a defendant in lawsuits filed in the Macau Court of First Instance by individuals who claim to be investors in or persons with credit in accounts maintained by Dore Entertainment Company Limited (“Dore”), an independent, Macau registered and licensed company that operated a gaming promoter business at Wynn Macau. In connection with the alleged theft, embezzlement, fraud and/or other crime(s) perpetrated by a former employee of Dore (the “Dore Incident”), the plaintiffs of the lawsuits allege that Dore failed to honor withdrawal of funds deposited with Dore as investments or gaming deposits that allegedly resulted in certain losses for these individuals. The principal allegations common to the lawsuits are that WRM, as a gaming concessionaire, should be held responsible for Dore’s conduct on the basis that WRM is responsible for the supervision of Dore’s activities at Wynn Macau that resulted in the purported losses.

The Company believes most remaining cases are without merit and unfounded and intends to vigorously defend against the remaining claims pleaded against WRM in these lawsuits. The Company has made estimates for potential litigation costs based upon its assessment of the likely outcome and has recorded provisions for such amounts in the accompanying condensed consolidated financial statements. No assurances can be provided as to the outcome of the pending Dore cases, and actual results may differ from these estimates.

Note 18 — Segment Information

The Company has identified its reportable segments based on factors such as geography, regulatory environment, the information reviewed by its chief operating decision maker, and the Company’s organizational and management reporting structure.

The Company has identified the following reportable segments: (i) Wynn Macau, representing the aggregate of Wynn Macau and Encore, an expansion at Wynn Macau, which are managed as a single integrated resort; (ii) Wynn Palace; (iii) Las Vegas Operations, representing the aggregate of Wynn Las Vegas, Encore, an expansion at Wynn Las Vegas, and the Retail Joint Venture, which are managed as a single integrated resort; (iv) Encore Boston Harbor; and (v) Wynn Interactive. For geographical reporting purposes, Wynn Macau, Wynn Palace, and Other Macau (which represents the assets of the Company’s Macau holding company and other ancillary entities) have been aggregated into Macau Operations.

debt, make capital expenditures and meet working capital requirements. Gaming companies have historically reported EBITDA as a supplement to GAAP. In order to view the operations of their casinos on a more stand-alone basis, gaming companies, including us, have historically excluded from their EBITDA calculations pre-opening expenses, property charges, corporate expenses and stock-based compensation, that do not relate to the management of specific casino properties. However, Adjusted Property EBITDA should not be considered as an alternative to operating income as an indicator of the Company's performance, as an alternative to cash flows from operating activities as a measure of liquidity, or as an alternative to any other measure determined in accordance with GAAP. Unlike net loss, Adjusted Property EBITDA does not include depreciation or interest expense and therefore does not reflect current or future capital expenditures or the cost of capital. The Company has significant uses of cash flows, including capital expenditures, interest payments, debt principal repayments, income taxes and other non-recurring charges, which are not reflected in Adjusted Property EBITDA. Also, the Company's calculation of Adjusted Property EBITDA may be different from the calculation methods used by other companies and, therefore, comparability may be limited.

	June 30,	December 31,
	2022	2021
Assets		
Macau Operations:		
Wynn Palace	\$ 2,981,546	\$ 3,122,424
Wynn Macau	765,591	1,032,521
Other Macau	1,016,683	1,173,913
Total Macau Operations	4,763,820	5,328,858

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

We are a designer, developer, and operator of integrated resorts featuring luxury hotel rooms, high-end retail space, an array of dining and entertainment options, meeting and convention facilities, and gaming, all supported by an unparalleled focus on our guests, our people, and our community. Through our approximately 72% ownership of Wynn Macau, Limited ("WML"), we operate two integrated resorts in the Macau Special Administrative Region ("Macau") of the People's Republic of China ("PRC"), Wynn Palace and Wynn Macau (collectively, our "Macau Operations").

Recent Developments Related to COVID-19

Macau Operations

Visitation to Macau has fallen significantly since the outbreak of COVID-19, driven by the strong deterrent effect of the COVID-19 pandemic on travel and social activities, quarantine measures put in place in Macau and elsewhere, travel and entry restrictions and conditions in Macau, the PRC, Hong Kong and Taiwan involving COVID-19 testing, and mandatory quarantine, among other things, and the suspension or reduced accessibility of transportation to and from Macau. Although there have been periods during which certain restrictions and conditions were eased by the Macau government to allow for greater visitation and quarantine-free travel to Macau, adverse conditions and evolving conditions created by and in response to the COVID-19 pandemic

may cause these restrictions and conditions to be reintroduced. For example, in response to an outbreak in Macau which initially commenced in mid-June 2022, the Macau government extended its COVID-19 containment measures, including the closures of casino operations in full as well as all non-essential business as of July 11, 2022, and the closure and the limiting of the opening hours and/or operational capacity of various areas and facilities in Macau. On July 23, 2022, casino operations at Wynn Palace and Wynn Macau resumed on a limited basis, and remain limited at the present time due to severely reduced visitation to Macau as a result of enhanced border controls. On August 2, 2022, the Macau government lifted most of the remaining enhanced COVID-19 restrictions which went into effect in June and July and limited non-gaming operations at Wynn Palace and Wynn Macau began to resume. Certain enhanced COVID-19 protective measures remain in effect at the present time with respect to gaming and non-gaming operations. Given the uncertainty around the extent and timing of the potential future spread or mitigation of COVID-19 and around the imposition or relaxation of containment measures, management cannot predict whether future closures, in full or in part, will occur in our properties, and cannot reasonably estimate the impact to our future results of operations, cash flows, or financial condition.

Macau Gaming Concession

On June 23, 2022, Wynn Resorts (Macau) S.A. (“WRM”) and the Macau government entered into a concession extension agreement (the “Concession Extension Agreement”), pursuant to which the expiration date of WRM’s gaming concession was extended from June 26, 2022 to December 31, 2022. Under the Concession Extension Agreement, WRM paid the Macau government MOP47.0 million (approximately \$6.0 million) as a contract premium for the extension, and by no later than September 23, 2022 will provide a first demand bank guarantee of not less than MOP1,210.0 million (approximately \$150.0 million) in favor of the Macau government for securing the fulfillment of its labor liabilities upon the expiration of the Concession Extension Agreement.

In order to enable WRM to fulfill the relevant requirements to become eligible to obtain a concession extension, each of WRM and Palo Real Estate Company Limited (“Palo”) (the land concessionaires of Wynn Macau and Wynn Palace, respectively) entered into a letter of undertaking, pursuant to which each of WRM and Palo has undertaken, pursuant to Article 40 of the Macau gaming law and Clause 43 of the concession agreement, to revert to the Macau government relevant gaming equipment and gaming areas at Wynn Macau and Wynn Palace, without compensation and free of encumbrance upon the expiration of the concession agreement term, as amended by the Concession Extension Agreement.

Under the indentures governing our \$4.7 billion aggregate principal amount of WML Senior Notes and the facility agreement governing the WM Cayman II Revolver, upon the occurrence of any event after which we do not own or manage casino or gaming areas or operate casino games of fortune and chance in Macau in substantially the same manner and scope as of the issue date of the respective senior notes or the date of the facility agreement, for a period of 10 consecutive days or more in the case of the WML Senior Notes or a period of 30 consecutive days or more in the case of the WM Cayman II Revolver, and such event has a material adverse effect on the financial condition, business, properties or results of operations of WML and its subsidiaries, taken as a whole, holders of the WML Senior Notes can require us to repurchase all or any part of the WML Senior Notes at par, plus any accrued and unpaid interest (the “Special Put Option”), and any amounts owed under the WM Cayman II Revolver may become immediately due and payable (the “Property Mandatory Prepayment Event”).

In June 2022, the Macau government published the amendments to the Macau gaming law approved by the Macau Legislative Assembly. These amendments include, for example, the awarding of up to six gaming concessions with a term up to ten years with a maximum three-year extension possible, and an increase in the minimum capital requirement applicable to concession holders to MOP5.0 billion (approximately \$625.0 million), an increase in the percentage of the share capital of the concessionaire that must be held by the local managing director to 15% from 10% and a prohibition on revenue sharing arrangements between gaming promoters and concession holders. The Macau government also published the administrative regulations and related documents in relation to a public tender for the awarding of new gaming concessions in July 2022. Upon the publication and entry into force of the revised gaming law on June 23, 2022, we are monitoring developments with respect to the Macau government's public tender process, including the adoption of additional administrative regulations, instructions, dispatches, and further adaptations to the current legal and regulatory system, and at this time believe that our concession agreement will be further extended, renewed or replaced by a new gaming concession agreement beyond December 31, 2022. However, it is possible the Macau government could further change or interpret the associated gaming laws in a manner that could negatively impact the Company.

If we are unable to further extend or renew our concession agreement or obtain a new gaming concession agreement, an election by the WML Senior Notes holders to exercise the Special Put Option and the triggering of the Property Mandatory Prepayment Event would have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Key Operating Measures

Certain key operating measures specific to the gaming industry are included in our discussion of our operational performance for the periods for which the Condensed Consolidated Statements of Operations are presented. These key operating measures are presented as supplemental disclosures because management and/or certain investors use these measures to better understand period-over-period fluctuations in our casino and hotel operating revenues. These key operating measures are defined below:

- Table drop in mass market for our Macau Operations is the amount of cash that is deposited in a gaming table's drop box plus cash chips purchased at the casino cage.*
- Rolling chips are non-negotiable identifiable chips that are used to track turnover for purposes of calculating incentives within our Macau Operations' VIP program.*
- Turnover is the sum of all losing rolling chip wagers within our Macau Operations' VIP program.*
- Table games win is the amount of table drop or turnover that is retained and recorded as casino revenues. Table games win is before discounts, commissions and the allocation of casino revenues to rooms, food and beverage and other revenues for services provided to casino customers on a complimentary basis. Table games win does not include poker rake.*
- Slot machine win is the amount of handle (representing the total amount wagered) that is retained by us and is recorded as casino revenues. Slot machine win is after adjustment for*

progressive accruals and free play, but before discounts and the allocation of casino revenues to rooms, food and beverage and other revenues for services provided to casino customers on a complimentary basis.

- Average daily rate (“ADR”) is calculated by dividing total room revenues, including complimentary (less service charges, if any), by total rooms occupied.*
- Revenue per available room (“REVPAR”) is calculated by dividing total room revenues, including complimentary (less service charges, if any), by total rooms available.*
- Occupancy is calculated by dividing total occupied rooms, including complimentary rooms, by the total rooms available.*

Below is a discussion of the methodologies used to calculate win percentages at our resorts.

In our VIP operations in Macau, customers primarily purchase rolling chips from the casino cage and can only use them to make wagers. Winning wagers are paid in cash chips. The loss of the rolling chips in the VIP operations is recorded as turnover and provides a base for calculating VIP win percentage. It is customary in Macau to measure VIP play using this rolling chip method. We typically expect our win as a percentage of turnover from these operations to be within the range of 3.1% to 3.4%; however, reduced gaming volumes as a result of COVID-19 containment measures implemented in Macau may cause volatility in our Macau Operations’ VIP win percentages.

In our mass market operations in Macau, customers may purchase cash chips at either the gaming tables or at the casino cage. The measurements from our VIP and mass market operations are not comparable as the measurement method used in our mass market operations tracks the initial purchase of chips at the table and at the casino cage, while the measurement method from our VIP operations tracks the sum of all losing wagers. Accordingly, the base measurement from the VIP operations is much larger than the base measurement from the mass market operations. As a result, the expected win percentage with the same amount of gaming win is lower in the VIP operations when compared to the mass market operations.

Results of Operations

Summary of second quarter 2022 results

The decrease in operating revenues for the three months ended June 30, 2022 was primarily driven by decreases of \$211.7 million and \$125.4 million from Wynn Palace and Wynn Macau, respectively, resulting from a decrease in gaming volumes due to certain travel-related restrictions and conditions, including COVID-19 testing and other procedures related to the COVID-19 pandemic.

The decrease in Adjusted Property EBITDA for the three months ended June 30, 2022 was primarily driven by decreased gaming volumes at Wynn Palace and Wynn Macau, primarily due to certain travel-related restrictions and conditions, including COVID-19 testing and other procedures related to the COVID-19 pandemic, partially offset by increased operating revenues and operating expenses at our Las Vegas Operations and Encore Boston Harbor, respectively. Adjusted Property EBITDA decreased \$103.5 million and \$54.5 million at Wynn Palace and Wynn Macau, respectively, and increased \$93.5 million, \$16.8 million, and \$19.9 million at our Las Vegas Operations, Encore Boston Harbor, and Wynn Interactive, respectively.

Financial results for the three months ended June 30, 2022 compared to the three months ended June 30, 2021.

Operating revenues

The following table presents our operating revenues (dollars in thousands):

	Three Months Ended June 30,		Increase/ (Decrease)	Percent Change
	2022	2021		
Operating revenues				
<i>Macau Operations:</i>				
Wynn Palace	\$ 58,651	\$ 270,371	\$ (211,720)	(78.3)
Wynn Macau	58,583	184,028	(125,445)	(68.2)
Total Macau Operations	117,234	454,399	(337,165)	(74.2)

Casino revenues

Casino revenues decreased primarily due to decreased VIP turnover and table games win and mass market table drop and table games win at our Macau Operations, partially offset by increased table drop, table games win and slot machine win at our Las Vegas Operations and Encore Boston Harbor, respectively.

The table below sets forth our casino revenues and associated key operating measures (dollars in thousands, except for win per unit per day):

	Three Months Ended June 30,		Increase/ (Decrease)	Percent Change
	2022	2021		
Macau Operations:				
<i>Wynn Palace:</i>				
Total casino revenues	\$ 27,194	\$ 212,067	\$ (184,873)	(87.2)
<i>VIP:</i>				
Average number of table games	46	94	(48)	(51.1)
VIP turnover	\$ 344,462	\$ 1,811,381	\$ (1,466,919)	(81.0)
VIP table games (loss) win	\$ (6,671)	\$ 71,570	\$ (78,241)	NM
VIP (loss) win as a % of turnover	(1.94)%	3.95%	(5.89)	
Table games (loss) win per unit per day	\$ (1,600)	\$ 8,346	\$ (9,946)	NM

**Three Months Ended
June 30,**

	2022	2021	Increase/ (Decrease)	Percent Change
<i>Mass market:</i>				
Average number of table games	231	228	3	1.3
Table drop	\$ 210,549	\$ 707,494	\$ (496,945)	(70.2)
Table games win	\$ 41,581	\$ 163,547	\$ (121,966)	(74.6)
Table games win %	19.7%	23.1%	(3.4)	
Table games win per unit per day	\$ 1,977	\$ 7,877	\$ (5,900)	(74.9)
Average number of slot machines	634	726	(92)	(12.7)
Slot machine handle	\$ 130,404	\$ 421,269	\$ (290,865)	(69.0)
Slot machine win	\$ 4,922	\$ 18,772	\$ (13,850)	(73.8)
Slot machine win per unit per day	\$ 85	\$ 284	\$ (199)	(70.1)
<i>Wynn Macau:</i>				
Total casino revenues	\$ 39,959	\$ 142,419	\$ (102,460)	(71.9)
<i>VIP:</i>				
Average number of table games	40	85	(45)	(52.9)
VIP turnover	\$ 301,645	\$ 1,489,912	\$ (1,188,267)	(79.8)
VIP table games win	\$ 14,446	\$ 39,388	\$ (24,942)	(63.3)
VIP win as a % of turnover	4.79%	2.64%	2.15	
Table games win per unit per day	\$ 4,006	\$ 5,111	\$ (1,105)	(21.6)
<i>Mass market:</i>				
Average number of table games	246	240	6	2.5
Table drop	\$ 216,154	\$ 670,400	\$ (454,246)	(67.8)
Table games win	\$ 30,582	\$ 128,921	\$ (98,339)	(76.3)
Table games win %	14.1%	19.2%	(5.1)	
Table games win per unit per day	\$ 1,365	\$ 5,903	\$ (4,538)	(76.9)
Average number of slot machines	665	607	58	9.6
Slot machine handle	\$ 199,312	\$ 300,523	\$ (101,211)	(33.7)
Slot machine win	\$ 6,329	\$ 9,223	\$ (2,894)	(31.4)
Slot machine win per unit per day	\$ 105	\$ 167	\$ (62)	(37.1)

NM — Not meaningful.

Non-casino revenues

The table below sets forth our room revenues and associated key operating measures:

	Three Months Ended		Increase/ (Decrease)	Percent Change
	June 30,			
	2022	2021		
Macau Operations:				
Wynn Palace:				
Total room revenues				
(dollars in thousands)	\$ 7,008	\$ 20,883	\$ (13,875)	(66.4)
Occupancy	28.5%	70.6%	(42.1)	
ADR	\$ 145	\$ 180	\$ (35)	(19.4)
REVPAR	\$ 41	\$ 127	\$ (86)	(67.7)
Wynn Macau:				
Total room revenues				
(dollars in thousands)	\$ 4,762	\$ 13,427	\$ (8,665)	(64.5)
Occupancy	31.3%	68.0%	(36.7)	
ADR	\$ 150	\$ 198	\$ (48)	(24.2)
REVPAR	\$ 47	\$ 135	\$ (88)	(65.2)

Operating expenses

Casino expenses decreased \$99.0 million and \$61.4 million at Wynn Palace and Wynn Macau, respectively. These decreases were primarily due to reductions in gaming tax expense driven by the declines in casino revenues at each of Wynn Palace and Wynn Macau, resulting from the effects of the COVID-19 pandemic, partially offset by increased casino expenses of \$10.7 million and \$12.2 million at our Las Vegas Operations and Encore Boston Harbor, respectively, primarily due to increased operating costs including gaming tax expense driven by the increase in casino revenues.

Provision for credit losses decreased \$3.7 million and \$3.0 million at our Las Vegas Operations and Wynn Macau, respectively and increased \$2.1 million at Wynn Palace. These changes were primarily due to the impact of historical collection patterns and expectations of current and future collection trends, as well as the specific review of customer accounts, on our estimated credit loss for the respective periods.

Depreciation and amortization decreased \$14.5 million at Wynn Palace, primarily due to certain furniture, fixture and equipment assets reaching the end of their useful lives in the first quarter of 2022.

Our property charges and other expenses for the quarter ended June 30, 2022 consisted primarily of impairment of goodwill and other finite-lived intangible assets of \$7.5 million and \$10.3 million, respectively, and \$7.6 million of other restructuring costs related to management's decision to cease the operations of BetBull, Limited ("BetBull"), a subsidiary of Wynn Interactive. Our property charges and other expenses for the quarter ended June 30, 2021 consisted primarily of asset disposals, abandonments and retirements of \$1.4 million, \$1.2 million, and \$1.0 million at our Las Vegas Operations, Wynn Macau, and Wynn Palace, respectively.

Other non-operating income and expenses

We incurred a foreign currency remeasurement loss of \$10.1 million and a gain of \$5.6 million for the three months ended June 30, 2022 and 2021, respectively. The impact of the exchange rate fluctuation of the MOP, in relation to the U.S. dollar, on the remeasurements of U.S. dollar denominated debt and other obligations from our Macau-related entities primarily drove the variability between periods.

Income taxes

We recorded an income tax expense of \$0.7 million in each of the three months ended June 30, 2022 and 2021. Income tax expense in both periods primarily related to the Macau dividend tax agreement that provides for an annual payment as complementary tax otherwise due by stockholders of WRM.

Net loss attributable to noncontrolling interests

Net loss attributable to noncontrolling interests was \$83.4 million and \$42.0 million for the three months ended June 30, 2022 and 2021, respectively. These amounts are primarily related to the noncontrolling interests' share of net loss attributable to WML.

Financial results for the six months ended June 30, 2022 compared to the six months ended June 30, 2021.

Operating revenues

The following table presents our operating revenues (dollars in thousands):

	<i>Six Months Ended June 30,</i>		<i>Increase/ (Decrease)</i>	<i>Percent Change</i>
	<i>2022</i>	<i>2021</i>		
<i>Operating revenues</i>				
<i>Macau Operations:</i>				
<i>Wynn Palace</i>	\$ 221,976	\$ 507,697	\$ (285,721)	(56.3)
<i>Wynn Macau</i>	193,683	363,679	(169,996)	(46.7)
<i>Total Macau Operations</i>	415,659	871,376	(455,717)	(52.3)

Casino revenues

Casino revenues decreased primarily due to decreased VIP turnover and table games win and mass market table drop and table games win at our Macau Operations, partially offset by increased table drop, table games win and slot machine win at our Las Vegas Operations and Encore Boston Harbor, respectively. The table below sets forth our casino revenues and associated key operating measures (dollars in thousands, except for win per unit per day):

	Six Months Ended June 30,		Increase/ (Decrease)	Percent Change
	2022	2021		
Macau Operations:				
<i>Wynn Palace:</i>				
Total casino revenues	\$ 141,607	\$ 397,976	\$ (256,369)	(64.4)
<i>VIP:</i>				
Average number of table games	56	99	(43)	(43.4)
VIP turnover	\$ 1,310,017	\$ 4,011,563	\$ (2,701,546)	(67.3)
VIP table games win	\$ 13,082	\$ 168,026	\$ (154,944)	(92.2)
VIP win as a % of turnover	1.00%	4.19%	(3.19)	
Table games win per unit per day	\$ 1,284	\$ 9,402	\$ (8,118)	(86.3)
<i>Mass market:</i>				
Average number of table games	232	225	7	3.1
Table drop	\$ 742,408	\$ 1,315,012	\$ (572,604)	(43.5)
Table games win	\$ 152,755	\$ 295,196	\$ (142,441)	(48.3)
Table games win %	20.6%	22.4%	(1.8)	
Table games win per unit per day	\$ 3,630	\$ 7,249	\$ (3,619)	(49.9)
Average number of slot machines	652	707	(55)	(7.8)
Slot machine handle	\$ 381,333	\$ 780,041	\$ (398,708)	(51.1)
Slot machine win	\$ 17,571	\$ 33,015	\$ (15,444)	(46.8)
Slot machine win per unit per day	\$ 149	\$ 258	\$ (109)	(42.2)

	<i>Six Months Ended</i>		<i>Increase/ (Decrease)</i>	<i>Percent Change</i>
	<i>June 30,</i>			
	<i>2022</i>	<i>2021</i>		
<i>Wynn Macau:</i>				
<i>Total casino revenues</i>	\$ 142,389	\$ 281,346	\$ (138,957)	(49.4)
<i>VIP:</i>				
<i>Average number of table games</i>	37	87	(50)	(57.5)
<i>VIP turnover</i>	\$ 1,188,695	\$ 3,294,294	\$ (2,105,599)	(63.9)
<i>VIP table games win</i>	\$ 48,475	\$ 98,022	\$ (49,547)	(50.5)
<i>VIP win as a % of turnover</i>	4.08%	2.98%	1.10	
<i>Table games win per unit per day</i>	\$ 7,181	\$ 6,201	\$ 980	15.8
<i>Mass market:</i>				
<i>Average number of table games</i>	247	240	7	2.9
<i>Table drop</i>	\$ 685,292	\$ 1,261,290	\$ (575,998)	(45.7)
<i>Table games win</i>	\$ 112,842	\$ 234,104	\$ (121,262)	(51.8)
<i>Table games win %</i>	16.5%	18.6%	(2.1)	
<i>Table games win per unit per day</i>	\$ 2,521	\$ 5,390	\$ (2,869)	(53.2)
<i>Average number of slot machines</i>	625	588	37	6.3
<i>Slot machine handle</i>	\$ 482,851	\$ 601,794	\$ (118,943)	(19.8)
<i>Slot machine win</i>	\$ 16,941	\$ 19,431	\$ (2,490)	(12.8)
<i>Slot machine win per unit per day</i>	\$ 150	\$ 183	\$ (33)	(18.0)

Non-casino revenues

The table below sets forth our room revenues and associated key operating measures:

	Six Months Ended		Increase/ (Decrease)	Percent Change
	June 30,			
	2022	2021		
Macau Operations:				
Wynn Palace:				
Total room revenues				
(dollars in thousands)	\$ 20,839	\$ 37,895	\$ (17,056)	(45.0)
Occupancy	37.7%	65.6%	(27.9)	
ADR	\$ 166	\$ 179	\$ (13)	(7.3)
REVPAR	\$ 63	\$ 118	\$ (55)	(46.6)
Wynn Macau:				
Total room revenues				
(dollars in thousands)	\$ 14,152	\$ 28,129	\$ (13,977)	(49.7)
Occupancy	40.5%	64.4%	(23.9)	
ADR	\$ 174	\$ 219	\$ (45)	(20.5)
REVPAR	\$ 70	\$ 141	\$ (71)	(50.4)

Operating expenses

Casino expenses decreased \$141.3 million and \$84.3 million at Wynn Palace and Wynn Macau, respectively. These decreases were primarily due to reductions in gaming tax expense driven by the declines in casino revenues at each of Wynn Palace and Wynn Macau, resulting from the effects of the COVID-19 pandemic, partially offset by increased casino expenses of \$30.5 million and \$29.7 million at our Las Vegas Operations and Encore Boston Harbor, respectively primarily due to increased operating costs including gaming tax expense driven by the increase in casino revenues.

General and administrative expenses increased primarily due to increases of \$24.8 million and \$8.8 million at our Las Vegas Operations and Encore Boston Harbor, respectively. These increases were primarily attributable to increased payroll, operating costs, and general and administrative expenses required to support higher business volumes, partially offset by decreased general and administrative expenses of \$8.4 million and \$6.9 million, at Wynn Palace and Wynn Macau, respectively, primarily due to decreased payroll and operating costs attributable to lower business volumes.

The provision for credit losses decreased \$6.2 million and \$4.5 million at our Las Vegas Operations and Wynn Macau, respectively. The decreases were primarily due to the impact of historical collection patterns and expectations of current and future collection trends, as well as the specific review of customer accounts, on our estimated credit loss for the respective periods.

Depreciation and amortization decreased \$31.0 million at Wynn Palace primarily due to certain furniture, fixture and equipment assets reaching the end of their useful lives in the first quarter of 2022.

Our property charges and other expenses for the six months ended June 30, 2022 consisted primarily of impairment of goodwill and other finite-lived intangible assets of \$37.8 million and \$10.3 million, respectively, and \$7.6 million of restructuring costs related to Wynn Interactive's BetBull operations, as well as other contract termination expenses of \$10.6 million and asset abandonments of \$2.1 million related to Wynn Interactive. Our property charges and other expenses for the six months ended June 30, 2021 consisted primarily of asset abandonments of \$3.5 million and \$3.2 million at our Las Vegas Operations and Wynn Palace, respectively.

Other non-operating income and expenses

We incurred a foreign currency remeasurement loss of \$25.2 million and \$5.5 million for the six months ended June 30, 2022 and 2021, respectively. The impact of the exchange rate fluctuation of the Macau pataca, in relation to the U.S. dollar, on the remeasurements of U.S. dollar denominated debt and other obligations from our Macau-related entities drove the variability between periods.

We recorded a \$1.3 million loss on extinguishment of debt for the six months ended June 30, 2021 related to the partial prepayment of the Wynn Macau Term Loan.

Income taxes

We recorded an income tax expense of \$1.9 million and \$1.2 million for the six months ended June 30, 2022 and 2021, respectively. The income tax expense in both periods primarily related to the Macau dividend tax agreement that provides for an annual payment as complementary tax otherwise due by stockholders of WRM.

Net loss attributable to noncontrolling interests

Net loss attributable to noncontrolling interests was \$154.7 million and \$97.2 million for the six months ended June 30, 2022 and 2021, respectively. These amounts are primarily related to the noncontrolling interests' share of net loss from WML.

Adjusted Property EBITDA

We use Adjusted Property EBITDA to manage the operating results of our segments.

The following table summarizes Adjusted Property EBITDA (dollars in thousands) for Wynn Palace, Wynn Macau, Las Vegas Operations, Encore Boston Harbor, and Wynn Interactive as reviewed by management and summarized in Item 1 — “Notes to Condensed Consolidated Financial Statements,” Note 18, “Segment Information.”

	<i>Three Months Ended</i>				<i>Six Months Ended</i>			
	<i>June 30,</i>		<i>Increase/ (Decrease)</i>	<i>Percent Change</i>	<i>June 30,</i>		<i>Increase/ (Decrease)</i>	<i>Percent Change</i>
<i>2022</i>	<i>2021</i>	<i>2022</i>			<i>2021</i>			
<i>Wynn Palace</i>	<i>\$ (49,950)</i>	<i>\$ 53,555</i>	<i>\$ (103,505)</i>	<i>NM</i>	<i>\$ (50,814)</i>	<i>\$ 80,924</i>	<i>\$ (131,738)</i>	<i>NM</i>
<i>Wynn Macau</i>	<i>(40,390)</i>	<i>14,086</i>	<i>(54,476)</i>	<i>NM</i>	<i>(45,072)</i>	<i>30,642</i>	<i>(75,714)</i>	<i>NM</i>

NM — Not meaningful.

Adjusted Property EBITDA at Wynn Palace and Wynn Macau decreased \$103.5 million and \$54.5 million for the three months ended June 30, 2022 and \$131.7 million and \$75.7 million for the six months ended June 30, 2022, respectively, primarily due to a decrease in operating revenues, partially offset by a decrease in operating expenses. Our Macau Operations for the three and six months ended June 30, 2022 continued to be negatively impacted by certain travel-related restrictions and conditions, including COVID-19 testing and other procedures related to the COVID-19 pandemic.

Liquidity and Capital Resources

Operating Activities

During the six months ended June 30, 2022, the decrease in net cash used in operating activities was primarily due to increased revenues from our Las Vegas Operations and Encore Boston Harbor, which was partially offset by decreases in revenues from Wynn Palace and Wynn Macau. During the six months ended June 30, 2021, the decrease in net cash used in operating activities was primarily due to increased operating revenues, partially offset by an increase in operating expenses and changes in working capital accounts.

Investing Activities

During the six months ended June 30, 2022, we incurred capital expenditures of \$140.8 million at our Las Vegas Operations primarily related to the Wynn Las Vegas room remodel and the reconfiguration of the former Le Reve theater space, and \$10.6 million at Encore Boston Harbor, \$22.3 million at Wynn Palace, and \$7.7 million at Wynn Macau primarily related to maintenance capital expenditures.

During the six months ended June 30, 2021, we incurred capital expenditures of \$54.6 million at our Las Vegas Operations primarily related to the Wynn Las Vegas room remodel, and \$17.9 million at Encore Boston Harbor, \$13.6 million at Wynn Palace, and \$9.8 million at Wynn Macau primarily related to maintenance capital expenditures.

Financing Activities

During the six months ended June 30, 2021, we received proceeds of \$841.9 million from our February 2021 equity offering and used \$716.0 million of the proceeds from the equity offering to repay the outstanding borrowings under the WRF Revolver. In addition, we borrowed \$50.1 million under the Wynn Macau Revolver, paid \$464.7 million of outstanding principal owed under the Wynn Macau Term Loan, and made quarterly amortization payments under the WRF Term Loan totaling \$25.0 million.

Capital Resources

The COVID-19 pandemic has materially impacted and is likely to continue to materially impact, our business, financial condition and results of operations. While we believe our unrestricted cash, cash flows from operations and revolver borrowing capacity will enable us to fund our current obligations for the foreseeable future, COVID-19 has resulted in significant disruptions to our operations and to the U.S. and other global economies, which has had and will likely continue to have a negative impact on our operating income and could have a negative impact on our ability to access capital in the future.

The following table summarizes our unrestricted cash and cash equivalents and available revolver borrowing capacity, excluding capacity under intercompany loan agreements, as of June 30, 2022 (in thousands):

	Total Cash and Cash Equivalents	Revolver Borrowing Capacity
Wynn Macau, Limited and subsidiaries	\$ 1,107,061	\$ 211,466

Wynn Macau, Limited and subsidiaries. WML generates cash from our Macau Operations and may utilize proceeds from the WM Cayman II Revolver and its intercompany revolving loan facility with Wynn Resorts, Limited to fund working capital requirements as needed. In July 2022, we drew \$211.5 million on the WM Cayman II Revolver for general corporate purposes. We expect to use this cash to fund working capital and capital expenditure requirements at WML and our Macau Operations, and to service our WML Senior Notes and WM Cayman II Revolver. WML paid no dividends during 2021 or the first half of 2022.

The borrowings under the WM Cayman II Revolver bear interest at LIBOR or HIBOR plus a margin of 2.625% per annum until June 30, 2022, the date from which the margin will be 1.875% to 2.875% per annum based on WM Cayman II's leverage ratio on a consolidated basis, subject to a floor on the interest rate margin of 2.625% per annum through June 30, 2023. The final maturity of all outstanding loans under the Revolving Facility is September 16, 2025.

On May 5, 2022, WM Cayman II and its lenders agreed to waive certain financial covenants in the facility agreement under the WM Cayman II Revolver in respect of the relevant periods ending on the following applicable test dates: (a) June 30, 2022; (b) September 30, 2022; (c) December 31, 2022; and (d) March 31, 2023; and to provide for a floor on the interest rate margin of 2.625% per annum through June 30, 2023. WML, as guarantor, may be subject to certain restrictions on payments of dividends or distributions to its shareholders, unless certain financial criteria have been satisfied through the facility agreement.

If our portion of our cash and cash equivalents were repatriated to the U.S. on June 30, 2022, it would be subject to minimal U.S. taxes in the year of repatriation.

Other Factors Affecting Liquidity

We may refinance all or a portion of our indebtedness on or before maturity. We cannot assure you that we will be able to refinance any of the indebtedness on acceptable terms or at all.

Legal proceedings in which we are involved also may impact our liquidity. No assurance can be provided as to the outcome of such proceedings.

New business developments or other unforeseen events, including related to COVID-19, may occur, resulting in the need to raise additional funds. We continue to explore opportunities to develop additional gaming or related businesses in domestic and international markets. There can be no assurances regarding the business prospects with respect to any other opportunity. Any new development may require us to obtain additional financing. We may decide to conduct any such development through Wynn Resorts, Limited or through subsidiaries separate from the Las Vegas, Boston or Macau-related entities.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency Risks

We expect most of the revenues and expenses for any casino that we operate in Macau will be denominated in Hong Kong dollars or Macau patacas; however, a significant portion of the debt issued by WML is denominated in U.S. dollars. Fluctuations in the exchange rates resulting in weakening of the Macau pataca or the Hong Kong dollar in relation to the U.S. dollar could have materially adverse effects on our results, financial condition and ability to service debt. Based on our balances as of June 30, 2022, an assumed 1% change in the U.S. dollar/Hong Kong dollar exchange rate would cause a foreign currency transaction gain/loss of \$40.5 million.”

This announcement contains forward-looking statements. Such forward-looking statements are subject to important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ from those expressed in any forward-looking statements made by us. The risks and uncertainties include, but are not limited to, the COVID-19 pandemic, and the continued impact of its consequences, extensive regulation of our business, pending or future legal proceedings, ability to maintain gaming licenses and concessions (including with respect to our ability to extend or renew our gaming concession in Macau, which expires on 31 December 2022, and the amendments to the Macau gaming law), dependence on key employees, general global political and economic conditions, adverse tourism trends, dependence on a limited number of resorts, competition in the casino/hotel and resort industries, uncertainties over the development and success of new gaming and resort properties, construction risks, cybersecurity risk and our leverage and debt service. Additional information concerning potential factors that could affect our Company’s financial results are included in our published interim and annual reports. We are under no obligation to (and expressly disclaim any such obligation to) update the forward-looking statements as a result of new information, future events or otherwise, except as required by law.

Our shareholders and potential investors are advised not to place undue reliance on the WRL Quarterly Report and to exercise caution in dealing in securities in our Company.

By order of the Board
Wynn Macau, Limited
Dr. Allan Zeman
Chairman

Hong Kong, 10 August 2022

As at the date of this announcement, the Board of Directors of the Company comprises Craig S. Billings and Ian Michael Coughlan (as Executive Directors); Linda Chen (as Executive Director and Vice Chairman); Matthew O. Maddox (as Non-Executive Director); Allan Zeman (as Independent Non-Executive Director and Chairman); and Lam Kin Fung Jeffrey, Bruce Rockowitz, Nicholas Sallnow-Smith and Leah Dawn Xiaowei Ye (as Independent Non-Executive Directors).