



THE STAR

ASX Announcement

10 March 2025

UNSOLICITED NON-BINDING FUNDING PROPOSAL FROM BALLY'S

The Star Entertainment Group Limited (ASX: SGR) (**The Star, the Group or the Company**) confirms that, this morning, it received from Bally's Corporation an unsolicited, non-binding proposal for additional funding (**Bally's Proposal**).

Bally's Proposal outlines a possible transaction which states, among other things, that Bally's Corporation would provide *"a capital raise of at least A\$250 million, pursuant to which The Star would issue convertible notes subordinated to The Star's existing senior lenders. The convertible notes would be convertible into at least 50.1% of The Star's fully diluted ordinary shares. Bally's would underwrite the entire amount of the capital raise, but would be supportive of providing The Star's existing shareholders the right to participate in a significant portion of the offering on a pro rata basis."* The letter does not include any details of other proposed terms and conditions.

A copy of Bally's letter is attached.

The Board of The Star will review Bally's Proposal. However, there is no certainty that it will be progressed.

Authorised by:

Anne Ward
Chairman

For further information:

Financial analysts and shareholders	Matthew Gregorowski Sodali & Co.	Tel: +61 422 534 755
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BALLY'S CORPORATION
100 Westminster Street
Providence, Rhode Island 02903

9 March 2025

Anne Ward, Chair of Board of Directors
The Star Entertainment Group Limited
Level 3, 159 William Street
Brisbane QLD 4000

Cc: Steve McCann, CEO

Dear Anne,

We have noted Star's recent announcements and are writing today to propose an alternative path that we believe will benefit all of Star's key stakeholders, including your regulators, creditors, shareholders and employees. In short, we firmly believe that our approach—as outlined in this letter—of new long-term capital plus operational track record will unlock the best alternative for Star and its shareholders.

Bally's Corporation (NYSE: BALY) is a global casino-entertainment company with a growing omni-channel presence. Bally's owns and operates 19 casinos across 11 U.S. states, along with a golf course in New York and a horse racetrack in Colorado, and holds OSB licenses in 13 jurisdictions across North America. We recently expanded our international reach through our acquisition of Aspers Casino in Newcastle, UK. Bally's Interactive International division (formerly Gamesys Group/LSE:GYS) is a leading global interactive gaming operator with strong market shares in the United Kingdom and Spain, operating such brands as Virgin Games and Monopoly Casino and Bally Bet, a first-in-class sports betting platform. We also hold a significant economic stake in Intralot S.A. (ATSE: INLOT), a global lottery management and services business. With 11,500 employees, our casino operations include approximately 17,700 slot machines, 630 table games, and 3,950 hotel rooms. We also hold rights to developable land in Las Vegas at the site of the former Tropicana Las Vegas and are in the process of developing Bally's Chicago, which will operate exclusively in the third largest city in the United States.

We are prepared to move quickly and enter into a binding agreement with Star to implement an capital injection, as described below, by 28 March 2025, with completion following promptly following regulatory and Star shareholder approvals.

The key terms of our proposal are as follows:

- A capital raise of at least A\$250m, pursuant to which Star would issue convertible notes subordinated to Star's existing senior lenders. The convertible notes would be convertible into at least 50.1% of Star's fully diluted ordinary shares.

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- Bally's would underwrite the entire amount of the capital raise, but would be supportive of providing Star's existing shareholders the right to participate in a significant portion of the offering on a pro rata basis.
 - To be clear, we remain very open to discussing a larger transaction depending on our discussions with respect to Star's liquidity and capital needs.

We would also be happy to explore alternative structures that would similarly preserve value for all key constituents, including regulators, creditors, equity holders and employees.

Our proposal is fully funded and not subject to any financing contingencies. As of 31 December 2024, Bally's had US\$171 million of cash on hand and no amounts drawn, other than letters of credit, on a US\$620 million revolving credit facility. In short, we have ample unrestricted liquidity to complete this transaction expeditiously.

Importantly, our proposal delivers more than capital: Bally's would partner with Star in deploying our significant operating experience in turning around casino assets and growing highly successful casino businesses globally. Our team has successfully improved more than 20 individual property acquisitions over 15 years in a variety of challenging circumstances, across the entire spectrum of gaming regulatory environments and market conditions. We are prepared to invest significant time and resources to work with the Company to return Star to profitability and sustainability. We have retained experienced financial and legal advisors and are prepared to engage immediately.

We are also confident in our ability to expeditiously complete probity review in light of our long history with regulated operations, including in Nevada and New Jersey, as well as with the UK Gaming Commission. We would also expect to work closely with Star's current Special Master throughout the process.

Our strategy for Star is built on the simple premise that keeping in place Star's current businesses, assets and platforms will provide a stronger and more successful business over time. While we understand the rationale for Star's recently announced transactions, we believe that our proposal offers Star and its stakeholders far greater value and operational flexibility, as well as the upside from retaining Star's current projects and other assets.

We have already completed substantial due diligence based on publicly available information and leveraging our understanding of the Australian gaming market and extensive experience in the international gaming sector. As a result, we are well positioned to work with Star in a focused manner to deliver a binding proposal within a short period of time.

We welcome the opportunity to engage in meaningful dialogue with your key stakeholders to ensure that they understand our approach, and to invite them to participate in the proposed transaction.

We look forward to hearing back from you promptly. I am available to discuss at your convenience.

Kind Regards,

Soo Kim
Chairman
Bally's Corporation