



THE STAR

ASX Announcement

25 November 2025

THE STAR ENTERTAINMENT GROUP LIMITED
ACN 149 629 023

ANNUAL GENERAL MEETING
TUESDAY 25 NOVEMBER 2025

CHAIRMAN'S ADDRESS

Introduction

The past financial year has been a tumultuous period for The Star.

For most of the year, liquidity was a major challenge and the Board and management worked hard to implement a range of initiatives to strengthen the Group's financial position, culminating in the strategic investment of \$300 million by Bally's Corporation and Investment Holdings Pty Ltd. This transaction was approved by shareholders at the extraordinary general meeting held in June 2025.

I am pleased to confirm that the final conditions to completing that strategic investment have now been satisfied. Our regulators have approved Bally's and Investment Holdings converting their investments into shares and taking control of the Company. These approvals indicate our regulators have confidence in the new major shareholders and support the ability of The Star to regain suitability and financial viability.

The process for conversion of the Bally's and Investment Holdings investments into shares is now underway and is expected to be completed later this week. We have received a conversion notice from Bally's and expect to receive a conversion notice from Investment Holdings later today. Once the conversion is complete, Bally's will hold around 38% of the issued capital in The Star and be entitled to appoint two directors to the Board. Investment Holdings will hold around 23% of the issued capital in The Star. In aggregate, the new major shareholders will hold around 61% of the issued capital in your company.

I acknowledge the support you, our shareholders, have given us this year while the Board and management have worked to find a pathway for a more stable and successful future for the Star, and I thank you for your ongoing patience.

I would also like to acknowledge the continued efforts of our almost 9,000 team members who, through it all, have continued to welcome guests to each of our properties every day with professionalism, care and commitment.

We have entered into multiple transactions the last 12 months. These include:

- the strategic investment by Bally's Corporation and Investment Holdings,
- the disposal of our 50 percent interest in the Destination Brisbane Consortium,
- consolidation of the Gold Coast assets, and
- the sale of The Treasury Brisbane casino building and Sydney Event Centre.

These have together provided significant additional liquidity for the Group.

However, there still remains material uncertainty regarding the Group's ability to continue as a going concern with a number of critical milestones ahead. These include completing the DBC transaction, obtaining a

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judgement in the AUSTRAC proceeding, and the Group's ability to restore its casino licences.

Steve McCann will discuss these matters, together with The Star's operating performance during FY25, in more detail during his address.

My commitment during this period has been to ensure an orderly transition to the new major shareholders and strengthen the financial position of the Star. As set out in the Notice of Meeting, I intend to retire from the Board once the convertible notes issued to Bally's Corporation and Investment Holdings are converted into shares and relevant appointments are then made to the Board. This is expected to be completed later this week. Accordingly, my re-election today is only for a matter of days.

Today, I would like to reflect on the progress we have made on remediation and the enhanced governance approach at The Star.

Governance enhancements

We have made solid progress on our remediation activities during the year, which are key to a return to suitability for The Star and its successful turnaround.

A new governance framework has been implemented which allocates oversight and corporate governance responsibilities across the Group, with additional accountability and focus being taken by the Boards of the companies that operate our three casinos being The Star Sydney, The Star Gold Coast and The Star Brisbane.

The composition of these Property Boards has been refreshed so that the majority of The Star Sydney and The Star Gold Coast directors will be independent of The Star, once regulatory approvals for those individuals are received.

This year we have welcomed to the Board of The Star Sydney, Helen Galloway, Heather Scheibestock and Andrew Joliffe. We have also welcomed Bronwyn Morris, Jennifer Cronin and Curt Schatz to the Board of The Star Gold Coast.

These changes will enable more direct and close supervision of the Properties, and more specific focus by The Property Boards in overseeing compliance with individual casino license obligations.

Board Renewal

The program of orderly Board renewal also continues for The Star Entertainment Group Limited.

Bruce Mathieson Junior was appointed a non-executive director as a nominee of Investment Holdings on 10 October 2025 following receipt of regulatory and ministerial approvals. Bruce brings with him over 30 years' experience in the hotel, hospitality and gaming industries. Bruce is seeking election as a director at today's meeting and the directors support his election. Nominees from Bally's Corporation are also expected to join the Board in coming days.

On 11 November 2025 we announced the appointment of Don Pasquariello to the Board. Don has over 40 years' experience in audit, assurance and professional services, including as senior Client Service Partner with Deloitte and KPMG. Don will attend Board meetings as an Observer, pending receipt of all regulatory and ministerial approvals, and will stand for election at the 2026 Annual General Meeting once these approvals are received.

Michael Issenberg, who has been a director of The Star since July 2022, retires at the end of today's meeting. On behalf of my fellow directors, we thank Michael for his dedication and hard work over what has been a very challenging few years for the Company.

And as I explained earlier, I intend to retire from the Board in coming days.

Suitability

In September this year, the term of the Manager for The Star Sydney was extended to 31 March 2026 and the term of the Special Manager appointed for The Star Gold Coast was extended to 30 September 2026. Our regulators noted that while The Star has made steady progress on its remediation plan there was still further work to be done before The Star can return to licence suitability.

The Board and executive team have continued to drive uplifts in integrity, accountability, compliance and risk management throughout The Star's operations.

The Company's focus on remediation, uplifting its culture and regaining suitability are critical ongoing priorities and will need to remain so in the near future.

I believe The Star is well placed to carry out this work.

Remuneration Report

At our last Annual General Meeting, we received a 'first strike' as 43% of votes were 'against' approving the remuneration report.

Based on proxy votes received to date, with 95% voting in favour of the Remuneration Report, it appears that the Remuneration Report will be approved by the requisite majority and the Conditional Spill Resolution will be unlikely to need to be put to the meeting. Given the polls will not close, and voting will not be finalised, until the end of the meeting, I will put item 5 to the meeting for an abundance of caution. If it is not required to be put to the meeting, we will disregard the votes cast on this resolution.

Closing Remarks

It has been a privilege to serve as Chairman of The Star Board, and I wish the Company well as it embarks on the next chapter.

Finally, I would like to thank all of my fellow Directors for their ongoing support, guidance and tireless commitment to The Star.

During the 2025 financial year, your Board navigated incredibly complex challenges and difficulties. During the past 12 months, your directors attended 91 Board meetings, which, as the Australian Shareholders Association noted in its recent report, is "around 10 times the number of meetings of a typical ASX listed company". I can assure you that your Board and the management team supporting it have worked extremely hard to save this Company.

The Star is now on the cusp of a new era, with new majority shareholders, bringing new energy and fresh ideas to accelerate the transformation of your Company. I wish them every success.

Thank you for attending our Annual General Meeting today.

I will now hand over to our Group CEO and Managing Director, Steve McCann, for his address.

GROUP CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR'S ADDRESS

Introduction

Thank you, Anne, and a warm welcome to our shareholders and other attendees.

As you know, the Company has continued to face significant challenges in the last year and has been in a precarious financial position. Despite these challenges our team has worked hard to stabilise the business, deliver on our remediation commitments and access additional liquidity for the Group.

Today I wanted to provide a recap on key developments that have occurred over the past 12 months, and an update on the progress we are making on the near-term focus areas we discussed at our FY25 results presentation on 29 August 2025.

Key developments over the past 12 months

In FY25, The Star's financial performance materially deteriorated, reflecting, among other things, the impact of regulatory reforms, enhanced customer due diligence processes, as well as mandatory carded play and cash limits at The Star Sydney, resulting in a significant loss of gaming market share. While gaming revenue has declined across our properties, non-gaming revenue has remained relatively stable, laying a foundation for the business to increase visitation and build back its revenue base.

During the year, we made positive progress on several matters and have taken steps to access additional liquidity and to address near-term uncertainties.

These matters include:

- Receipt of shareholder approval for a \$300 million strategic investment across 3 tranches from Bally's and Investment Holdings, all of which has now been received;
- An agreement with our joint venture partners to exit The Star's 50 percent interest in the Destination Brisbane Consortium (**DBC**) and consolidate our position on the Gold Coast, which resulted in The Star receiving \$45 million of upfront cash. Once the DBC aspect of the transaction is completed The Star will be released from its financial commitments with respect to DBC including the parent company guarantee provided by The Star for 50% of DBC's existing debt;
- Amendments to the Group's senior debt facility were agreed, including waivers from financial covenants through to and including 30 September 2025;
- Sale of non-core assets including the Treasury Casino Building for circa \$60 million and Sydney Event Centre for another circa \$60 million;
- Achievement of \$100 million of annualised corporate cost-out in FY25 compared to the annualised run rate in August 2024;
- A 24-month deferral on the reduction of daily cash limits at The Star Sydney, where the current \$5,000 limit had been due to reduce to \$1,000 in August 2025; and
- Completion of 403 out of 578 milestones of our remediation plan as at the end of the October 2025 reporting period, in line with target. Continued delivery of this plan is critical to the reinstatement of The Star's suitability to hold casino licences.

Despite the progress that has been made there still remains material uncertainty regarding the Group's ability to continue as a going concern. This was highlighted in the Company's FY25 Financial Statements and there are a number of interdependent events that are critical to the Group's ongoing liquidity and financial position.

The successful execution of our priorities requires continued support from a range of stakeholders including governments, regulators, lenders and investors.

FINANCIAL PERFORMANCE

I will touch now on financial performance and liquidity.

Let me start by clarifying that, given we have entered into the DBC transaction with our joint venture partners, the revenue we earn from operating The Star Brisbane reflects a fixed operator fee of \$5 million per month, irrespective of the revenue generated at The Star Brisbane. The cost to The Star of operating that property is currently a bit more than that, so there is currently a small negative earnings contribution from The Star Brisbane which we expect to be eliminated over time.

As a result, when I discuss revenue and EBITDA, I will be discussing The Star Sydney and The Star Gold Coast.

I can assure you though, that while we remain the Operator of The Star Brisbane, we remain committed to working with our team and our joint venture partners to continue to drive the performance and success of the property and to progress our remediation program in line with the rest of the Group.

As you know, there has been a substantial decline in revenue across the Group. Between FY23 and FY25, revenue has declined 30% at The Star Sydney and 19% at The Star Gold Coast.

We have also incurred significant costs in relation to our remediation program, which has contributed to a combined decline in EBITDA across The Star Sydney and Gold Coast of \$260 million over the FY23 to FY25 period.

Despite the significant challenges faced by the business, we are working on opportunities to improve revenue which, in conjunction with the recent cost-out initiatives and roll-off of remediation costs over the next 24 months, are expected to support earnings improvement over the medium term.

Our Q1 FY26 update highlighted an improvement in both revenue and earnings relative to the prior quarter. Revenue was \$284 million, up 5% compared to Q4 FY25 and Q1 FY26 EBITDA loss was \$13 million before significant items, up \$14 million compared to an EBITDA loss of \$27 million for Q4 FY25. Performance in Q1

FY26 suggests early signs of improvement at the Gold Coast, while Sydney performance has stabilised, albeit at depressed levels.

For The Star to deliver positive cashflow and return to profitability, we need to achieve a number of things, including:

- Embedding our revised customer review processes, our monitoring alerts and other AML initiatives, our safer gambling initiatives and our other processes to ensure we are market leaders in eliminating financial crime and improving the safety of the gambling environment across our properties;
- Improving our customer relationship management to ensure these processes do not deter from our business those customers who are within our risk appetite and who we want to enjoy their experience at The Star;
- Improving our product offering and marketing to attract back the legitimate market share that we have lost over recent years;
- Finalising and stabilising the various technology improvements which are necessary to enable us to drive efficient, effective and reliable outcomes.

We look forward to working with our major shareholders and joint venture partners to drive these outcomes and restore The Star as the entertainment destination of choice in our three locations.

LIQUIDITY

The focus on liquidity remains a key priority, including management of our existing debt facilities and continuing to review The Star's capital structure.

On 30 September 2025, The Star confirmed the Group's lenders agreed to provide covenant waivers for the September 2025 testing period.

Unless further waivers of financial covenants are agreed with The Star's lenders for and beyond 31 December 2025, the Group will need to execute a refinancing of the SFA within the available timeframes to avoid a default under the terms of its senior facilities. The Group is currently exploring various refinancing options including engaging with various third parties and the Group will provide further updates as appropriate. The expected conversion of both Bally's and Investment Holdings' subordinated debt positions into equity should materially assist this process.

One of the factors impacting access to and cost of debt is the anticipated AUSTRAC penalty. The penalty hearing for the AUSTRAC proceeding was heard in June 2025 and The Star has no update on the likely timing of obtaining an AUSTRAC judgement.

STRATEGIC INVESTMENT

As announced to the ASX in April 2025, The Star entered into a strategic investment for a principal value of \$300 million with Bally's Corporation and Investment Holdings. Following the receipt of shareholder approval in June 2025, The Star received a total of \$233 million before 30 June 2025 with the final instalment of \$67 million received from Bally's in October 2025. Relevant regulatory approvals from both the New South Wales Independent Casino Commission and the Office of Liquor and Gaming Regulation Queensland have now been received in respect of the transaction and the parties are able to convert their notes into Star shares at any time. The process for conversion of the Bally's and Investment Holdings' investments into shares is expected to occur in the near term. As previously outlined to shareholders, once the conversions occur, there will be changes to The Star Board to reflect the major ownership positions of Bally's and Investment Holdings.

As the Chairman noted, I am also pleased that Bruce Mathieson Jnr has joined the Board as a Non-Executive Director and nominee of Investment Holdings and I note that he stands for election today. Bruce's deep understanding of the entertainment industry and particularly the pubs and clubs sector is an asset to the Company and I look forward to working with him and the Bally's team in further advancing the turnaround of The Star.

Don Pasquariello has also joined the Board, subject to regulatory approvals, and brings extensive experience in audit, assurance and professional services. He will stand for election at the 2026 Annual General Meeting once those approvals are obtained.

DBC JOINT VENTURE PARTNERS

Another key priority for The Star is completing the transaction with our joint venture partners, including the exit from DBC, release of the parent company guarantee and consolidation of our Gold Coast asset ownership.

In August 2025, we executed binding long-form documentation with our joint venture partners to exit DBC and consolidate the Gold Coast assets.

Completion of the transaction is subject to the satisfaction of various conditions precedent. There are two separate completion events for the transaction, one for the DBC component and one for the DGCC, Treasury Assets and Festival car park components. The DBC component of the transaction, being the disposal of The Star's 50% interest in DBC (including its exposure to the parent company guarantee in relation to the DBC debt), is the first stage of the transaction.

While we have made positive progress on satisfying the conditions precedent to the DBC component of the transaction, as at today's date, the conditions precedent to the transaction are unlikely to be met by the original sunset date of 30 November 2025. In light of this, our joint venture partners have requested an extension of the refinancing date for the DBC debt facility from late December 2025 to 31 March 2026. Based on lender approval being confirmed, this would mean The Star's parent company guarantee remains on foot for this additional period pending a release on achieving completion of the DBC transaction.

If an extension to the DBC transaction sunset date is agreed by all parties, we will continue to work with our joint venture partners to satisfy the outstanding conditions, noting that if we do not meet the sunset date, in the absence of an agreed extension to the 30 November date, either party has a right to terminate the transaction for convenience.

We believe that both The Star and our joint venture partners remain committed to completing the transaction in a timely manner.

REMEDIATION PROGRAM

Delivering on the remainder of The Star's remediation program in support of the Group's casino licences being restored, also remains a key priority for The Star.

In September this year, The Star was advised that the suspension of its licence for The Star Sydney casino will remain in effect and that the Manager's appointment for The Star Sydney casino had been extended to 31 March 2026.

The Star was also advised that the Queensland Government had deferred the suspension of The Star Gold Coast casino licence until 30 September 2026 and extended the Special Manager's appointment to 30 September 2026.

We continue to prioritise a return to suitability including by delivering on, and embedding the key elements, of the remediation plan. The reinstatement of our casino licences is critical to improving our performance, attracting and retaining the best people and ensuring ongoing access to capital. We will work closely with our regulators to continue to rebuild trust and to seek to establish a clear pathway towards restoration of our licences.

CONCLUSION

Our team has made sound progress over the past 12 months. The road ahead remains very challenging with many critical milestones yet to be achieved but we have a plan, the execution of which requires continued discipline and focus.

I'd like to thank the Board, our Executive Leadership Team, and our almost 9,000 team members at The Star for their continued dedication and hard work as we continue to work towards creating a sustainable business. And finally, a special thanks to Anne Ward and Michael Issenberg, as well as our other Board members for their outstanding contribution and resilience during a very challenging period for The Star.

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