

THE  STAR ENTERTAINMENT GROUP

THE STAR ENTERTAINMENT GROUP LIMITED

A.C.N 149 629 023

ASX Code: SGR

AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT AND FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2025

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THE STAR ENTERTAINMENT GROUP

FOR THE HALF YEAR ENDED 31 DECEMBER 2025

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DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2025

The Directors of The Star Entertainment Group Limited (the **Company**) submit their report for the consolidated entity comprising the Company and its controlled entities (collectively referred to as the **Group**) in respect of the half year ended 31 December 2025 (the **period**).

1. DIRECTORS

The names and titles of the Company's Directors in office during the half year ended 31 December 2025 and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Directors

Soohyung Kim ^a	Chairman, Non-Executive Director
Bruce Mathieson Jnr ^b	Group Chief Executive Officer and Managing Director
George Papanier ^c	Non-Executive Director

Former

Anne Ward ^d	Chairman and Non-Executive Director
Steve McCann ^e	Group Chief Executive Officer and Managing Director
Peter Hodgson ^f	Independent Non-Executive Director
Michael Issenberg ^g	Independent Non-Executive Director
Deborah Page AM ^h	Independent Non-Executive Director
Antonia Thornton ⁱ	Independent Non-Executive Director

Board Observer

Don Pasquariello ^j	Board Observer
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- a Appointed as Non-Executive Director on 28 November 2025. Appointed as Chairman on 16 December 2025. Nominee of Bally's Corporation.
- b Nominee of Investment Holdings Pty Ltd. Appointed as a Non-Executive Director on 10 October 2025. Appointed as Chairman on 28 November 2025, Executive Chairman on 16 December 2025 (following the resignation of Steve McCann on that day) and then stepped down as Executive Chairman on 16 December 2025 (following the appointment of Soohyung Kim as Chairman on that day). Appointed as Chief Executive Officer on 17 December 2025, subject to agreement of final documentation, with Mr Mathieson's appointment as Group Chief Executive Officer and Managing Director being confirmed on 29 December 2025 (subject to regulatory and ministerial approvals being received, which have been received).
- c Appointed as Non-Executive Director on 28 November 2025. Nominee of Bally's Corporation.
- d Ceased as Chairman and Independent Non-Executive Director on 28 November 2025.
- e Ceased as Group Chief Executive Officer and Managing Director on 16 December 2025.
- f Ceased as Independent Non-Executive Director on 16 December 2025.
- g Ceased as Independent Non-Executive Director on 25 November 2025.
- h Ceased as Independent Non-Executive Director on 28 November 2025.
- i Ceased as Independent Non-Executive Director on 16 December 2025.
- j On 11 November 2025, Don Pasquariello was appointed a Non-Executive Director of the Company, subject to all regulatory and ministerial approvals being obtained. As at the date of this document, those approvals have not yet been obtained. In the interim, Mr Pasquariello has been attending Board and Committee meetings as an observer.

2. PRINCIPAL ACTIVITY

The principal activities of the Group are the management of entertainment and leisure destinations with gaming, entertainment and hospitality services.

The Group operates The Star Sydney (**Sydney**) and The Star Gold Coast (**Gold Coast**). The Group also manages The Star Brisbane, through an agreement with Destination Brisbane Consortium Queens Wharf Integrated Resort joint venture (**DBC**) (of which the Group owns 50%), and the Gold Coast Convention and Exhibition Centre, on behalf of the Queensland Government. The Group owns Broadbeach Island on which The Star Gold Coast is located and invests in a number of strategic joint ventures.

In 2022, reviews were conducted into the operations of The Star Sydney by Mr Adam Bell SC (**Bell One**) and into the operations of The Star Gold Coast by the Hon. Robert Gotterson AO (**Gotterson**). In 2024, a second review was conducted into the operations of The Star Sydney by Mr Adam Bell SC (**Bell Two**). The following actions were taken by the respective regulators relating to the Group's casino licences since the Bell and Gotterson reviews.

Sydney

The Star Sydney's casino licence has been suspended since 21 October 2022. On this date, the New South Wales Independent Casino Commission (**NICC**) also appointed a Manager. During the period of its licence suspension, The Star Sydney remains open and operating, and net earnings continue to be paid to The Star Sydney after payment of the Manager's costs. On 24 September 2025, the NICC notified The Star Sydney that its casino licence will remain suspended and that the Manager's term has been extended until 31 March 2026, unless terminated earlier by the NICC.

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2025

Gold Coast and The Star Brisbane

The Star Gold Coast's casino licence has been suspended (with suspension deferred) since 9 December 2022. A Special Manager was appointed on the same date. On 25 September 2025, the Queensland government confirmed that it had deferred the suspension of The Star Gold Coast's casino licence and extended the Special Manager's appointment to 30 September 2026.

The Star Brisbane was issued an unconditional casino licence on 28 August 2024, subject to the appointment of an External Adviser and the adoption of The Star's Remediation Plan. On 25 September 2025, the External Adviser's appointment was extended to 30 September 2026.

3. FINANCIAL RESULTS AND REVIEW OF OPERATIONS

The Group's focus in the period was on Group business performance, liquidity and progressing its amended remediation plan. Details are outlined below:

- The Group continues to work with Chow Tai Fook Enterprises Limited and Far East Consortium International Limited (the **Joint Venture Partners** or **JVPs**) to exit its equity interest in Destination Brisbane Consortium Integrated Resort joint venture (**DBC**), dispose of its interest in the Festival Car park joint venture, dispose of the Treasury Hotel and Car Park and consolidate its Gold Coast position (**JVP Transaction**). The ASX announcement dated 12 August 2025 includes the terms of the JVP Transaction. Completion of the JVP Transaction remains subject to several condition precedents.
- The maturity date for DBC's debt facilities, for which the Group has a parent company guarantee (refer to note B3), has been extended to March 2026.
- The Group is pursuing a range of initiatives to improve performance and enhance the Group's liquidity position, including driving revenue growth through customer-focused enhancements and cost out initiatives, including the streamlining of the Corporate office.
- The Group continues to prioritise a return to suitability including delivering and embedding the key elements of the remediation plan. The reinstatement of the Group's casino licences is critical to improving performance, attracting and retaining the best people and ensuring ongoing access to capital.
- On 7 April 2025, the Group entered into a strategic investment in the form of a multi-tranche convertible note and subordinated unsecured debt instrument with an aggregate principal value of \$300 million (**Strategic Investment**) with Bally's Corporation (**Bally's**) and Investment Holdings Pty Ltd (**Investment Holdings**). On 9 October 2025, the Group received the final \$66.7 million tranche of the Bally's investment, completing the full receipt of the Strategic Investment. Following completion of the Strategic Investment, Bally's holds approximately 38% of the issued capital in the Group and Investment Holdings holds approximately 23% of the issued capital in the Group.
- On 30 September 2025, the Group prepaid \$61 million of the existing Senior Facility Agreement (**SFA**) debt facility utilising the full amount of the Disposal Proceeds Account (**DPA**) balance on that date. The DPA represented proceeds from the sale of the Treasury Brisbane Casino building during 1H FY25 plus capitalised interest. On 2 October 2025, the Group deposited \$30 million into the DPA account in accordance with agreed terms of the 30 September 2025 covenant waivers.

The Group's ability to successfully execute its ongoing capital management strategy in the timeframe required will be impacted by the quantum and timing of the AUSTRAC judgment which remains outstanding (refer Section 4).

FINANCIAL PERFORMANCE

LBITDA (before significant items) of \$7.6 million was down 71.2% on the prior comparative period (**pcp**).

Revenue (excluding contractual cost recovery) of \$584.9 million was down 10.0% on the pcp. Gaming revenue decreased 17.7%, primarily due to the closure of Treasury Brisbane Casino on 25 August 2024 in the pcp. Excluding the impact of the Treasury Brisbane Casino closure, gaming revenue was down 8.7%, driven by the continued challenging trading conditions, which in part reflect cost of living pressures as well as casino operating reforms and loss of market share. Non-gaming revenue was down 4.1%, primarily driven by the handover of the Sydney Event Centre to Foundation Theatres in September 2025. Other revenue of \$44.4 million includes the DBC operator fee revenue and was up 118.7%. The increase is primarily attributable to the increased DBC operator period, with only four months of operations in the prior period, and the change to a fixed fee of \$5 million per month.

Gaming taxes and levies of \$128.9 million were down 16.4% on the pcp, broadly in line with the decrease in gaming revenue. Operating costs of \$463.6 million were down 11.2% on the pcp, driven by a reduction in volume related expenses, closure of the Treasury Brisbane Casino and the annualised impact of the \$100 million cost out program completed in FY25. Significant expense items before tax of \$34.0 million relate to reorganisation and termination costs, debt refinancing costs, JVP Transaction costs and regulatory, fines, penalties, duty, consultant, legal and other costs.

Depreciation and amortisation expense (excluding significant items) of \$32.4 million was up 4.9% on the pcp, largely driven by recently capitalised software assets in conjunction with Safer Gambling and AML / CTF initiatives. Net funding costs (excluding significant items) of \$37.6 million were up 90.9%, reflecting higher average debt balances and interest rates on bank loans and interest on the convertible notes and subordinated debt from the Strategic Investment into the Group.

Net loss after tax was \$109.7 million, down from a loss of \$301.9 million in the pcp. Basic and Diluted Loss per Share were both 3.1 cents (Basic and Diluted Loss per Share of 10.5 cents in the pcp).

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DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2025

FINANCIAL POSITION AND LIQUIDITY

At 31 December 2025, the Group had net assets of \$576.8 million, up from \$446.8 million at 30 June 2025. The following transactions and events have had a material impact on the Group's financial position and liquidity during the period:

- Cash and restricted deposits of \$238.6 million (30 June 2025: \$363.8 million) comprises \$130.4 million (30 June 2025: \$234.3 million) of bank balances and short term deposits – unrestricted (**Available Cash**), \$40.6 million (30 June 2025: \$32.7 million) of cage cash, held physically on the gaming floor for the day to day operation of the casino gaming floor activities and \$67.6 million (30 June 2025: \$96.8 million) of cash in restricted accounts.
- On 30 September 2025, the Group amended its \$400 million Syndicated Facility Agreement (**SFA**), prepaying \$61.1 million and reducing the facility limit by a commensurate amount. The \$340.5 million bank loans balance has been disclosed as a current liability as covenant waivers were not obtained by 31 December 2025 and covenant tests performed at that date had not been met.
- On 9 October 2025, the Group received \$66.7 million from Bally's, being the final instalment of the \$300 million Strategic Investment into the Group.
- On 28 November 2025, Bally's and Investment Holdings executed their convertible notes, receiving 3,750,000,000 shares in settlement of the convertible notes and subordinated debt (excluding any capitalised payment-in-kind balances). On conversion of the notes into shares, \$222.1 million of convertible notes and subordinated debt was transferred to equity.
- DBC and DGCC, two of the Group's investments, executed extensions of their debt facilities to March 2026 and December 2026, respectively. Additional extensions may be sought where required.

Subsequent to year end:

- On 27 February 2026, the Group received a waiver of the 31 December 2025 covenant tests under the SFA. Under the terms of the waiver, the Group will need to deliver a refinancing commitment letter by 31 March 2026, and execute a refinancing of the SFA by 15 May 2026 to avoid a default under the terms of its SFA.
- On 26 February 2026, the Group executed a term sheet with WhiteHawk Capital Partners (**WhiteHawk**) for a proposed refinancing of the Group's debt (refer Section 7). The proposal provides for refinancing of the Group's existing debt and incremental liquidity.
- The Group is pursuing a range of initiatives to improve performance and enhance the Group's liquidity position. These include driving revenue growth through customer-focussed enhancements and cost out initiatives, including the streamlining of the corporate office. These initiatives have commenced in 2HFY26 and will continue into FY27.

OPERATING SEGMENT PERFORMANCE

The Group comprises the following four operating segments: Sydney; Gold Coast, Treasury Brisbane and The Star Brisbane.

Refer to note A1 for more details of the financial performance of the Company's operating segments. The activities and drivers of the results for these operations are discussed below.

Sydney

Revenue was \$323.8 million, down 10.6% on the pcp and LBITDA (excluding significant items) was \$17.9 million, down 27.2% on the pcp. Gaming revenue was down 10.6% on the pcp, reflecting the continued impact from implementation of uplifted controls, casino operating reforms (including mandatory carded play and restrictions on the use of cash), loss of market share and the macro economic environment.

Non-gaming revenue declined 8.8% on the pcp due to handover of the Sydney Event Centre to Foundation Theatres in September 2025. Excluding this, non-gaming revenue was flat, with an increase in hotel revenue, offset by declines in restaurants and bars. Gaming taxes and levies decreased 9.2%, broadly in line with the decrease in gaming revenue. Operating expenses declined 12.5% on the pcp driven by reduced activity across the property.

Gold Coast

Revenue was \$212.3 million, down 2.7% on the pcp and EBITDA (excluding significant items) was \$15.2 million, down 16.0% on the pcp. Gaming revenue was down 4.3%, driven by a sharp decline in private gaming rooms, while main gaming floor table games and slots were also down, impacted by compliance changes and exclusions. Non-gaming revenue was broadly in line with the pcp.

Gaming taxes and levies decreased 2.5%, broadly in line with the decrease in gaming revenue. Operating expenses declined 1.2% on the pcp driven by reduced activity across the property.

Treasury Brisbane

Revenue was \$8.6 million, down 84.3% on the pcp and LBITDA was \$0.3 million, down from break even in the pcp. Treasury Brisbane Casino closed on 25 August 2024, ahead of the opening of The Star Brisbane. Consequently, the current period operations only comprise activities within the Treasury Brisbane Hotel and Carpark. Excluding gaming revenue, non-gaming revenue was down 4.4%, driven by the closure of food and beverage outlets within the casino precinct.

DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2025

The Star Brisbane

Revenue, comprising operator fee revenue and contracted cost recoveries, was \$149.9 million, up 68.8% on the pcp and LBITDA (excluding significant items) was \$4.6 million, down 76.9% on the pcp. The Star Brisbane opened on 29 August 2024. Consequently, the pcp reflects approximately four months of operations compared with six months of operations in the current period. Operator fee revenue of \$40.2 million was up 179.2% on the pcp, driven by the incremental operating period and changes to the operator fee under the JVP Transaction. From 1 March 2025, under the JVP Transaction and in accordance with the long form documentation, operator fee revenue is charged at \$5 million per month, replacing the previous operator fee provided for under the DBC Casino Management Agreement. The Group recognised an additional \$18.7 million in the period, representing the incremental revenue from 1 March 2025 to 31 December 2025. Of this, \$10.2 million relates to a true-up of amounts not recognised in the prior period, in accordance with the revenue accounting standards. Contracted cost recoveries were \$109.7 million, up 47.4%, driven by the incremental operating period and increased service offerings across the property.

4. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS, REGULATORY MATTERS AND FUTURE DEVELOPMENTS

Other than those matters stated within this report, there were no significant changes in the state of affairs of the Group during the period. The section below discusses the impact of key transactions, events and other matters relevant to the reporting period, which are not discussed elsewhere:

Agreement to exit Destination Brisbane Consortium and consolidate the Group's Gold Coast position

On 12 August 2025, the Company announced to the ASX that it had entered into binding long form transaction documents with its joint venture partners, being Chow Tai Fook Enterprises Limited and Far East Consortium International Limited (the **Joint Venture Partners**) in respect of its stapled equity interest in Destination Brisbane Consortium Pty Ltd and the Destination Brisbane Consortium Integrated Resort Holding Trust (the **JVP Transaction**).

The JVP Transaction involves the Group disposing of its 50% equity interest in DBC, the Treasury Brisbane Hotel and Car Park and 50% interest in Charlotte Street Car Park, and acquiring the equity interests of the Joint Venture Partners in DGCC. The JVP Transaction will complete in two stages. The sunset date of 30 November 2025 for completion of the exit from DBC (**Stage 1**) has expired. As a consequence, the JVP Transaction could be terminated by the parties. The Group and the Joint Venture Partners are continuing to work towards completion of the conditions precedent, and it is management's understanding that all parties remain committed to its completion. The completion of a number of these conditions precedent is not within the Group's control. The completion of the remaining assets included in the JVP Transaction (including DGCC and The Treasury Hotel and Car Park in Brisbane) is subject to a separate set of conditions precedent (including completion of Stage 1). These conditions precedent are not expected to be satisfied in their entirety until 2HFY27.

SIGNIFICANT LEGAL MATTERS

AUSTRAC proceeding

On 30 November 2022, the Australian Transaction Reports and Analysis Centre (**AUSTRAC**), commenced civil penalty proceedings in the Federal Court of Australia against The Star Pty Limited and The Star Entertainment QLD Limited (collectively The Star Entities). AUSTRAC alleges that The Star Entities contravened the *Anti-Money Laundering and Counter Terrorism Financing (AML/CTF) Act 2006 (Cth)* by failing to conduct appropriate due diligence on customers who were higher risk and by failing to have an appropriate AML/CTF program.

The parties resolved all factual issues in dispute prior to the penalty hearing being heard in June 2025. AUSTRAC submitted that a fine of \$400 million would be appropriate while the Group submitted that a fine of greater than \$100 million, payable in the next 12 months, would be challenging based on available liquidity options, including accessing equity markets. The Group is awaiting the court's judgment.

The determination of the Federal Court's penalty (including where a penalty has been jointly proposed by AUSTRAC and the defendant to the Court) is specific to the facts of each case and arrived at after consideration of admissions made and evidence and submissions in relation to the appropriateness of the penalty.

AUSTRAC alleged that the number of contraventions committed by The Star Entities is innumerable. The Group has determined a provision on the Balance Sheet at 31 December 2025. This provision was, and is, recognised at a time where there remains significant uncertainty as to the quantum of the penalty. Any actual penalty paid by The Star Entities may differ materially to the provision recorded at 31 December 2025.

ASIC proceedings against former directors and officers of the Company

In December 2022, the Australian Securities and Investment Commission (ASIC) commenced civil penalty proceedings in the Federal Court of Australia against 11 former directors and officers of the Company alleging contraventions of the *Corporations Act 2001 (Cth)*. The proceeding was heard between February and May 2025. Judgment has not yet been determined.

As no entity of the Group is party to these proceedings, it is not possible to predict the timing and any financial impact of these claims on the Group, including in relation to the likely defence costs incurred by the Group on behalf of the defendants, or the extent to which those costs might be covered by the Group's insurance policies and indemnities in place for former officers and directors.

The Group has determined a provision on the Balance Sheet at 31 December 2025 relating to an estimate of legal costs.

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DIRECTORS' REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2025

Class Action

On 30 March 2022, a shareholder class action was commenced in the Supreme Court of Victoria, alleging the Company failed to comply with its continuous disclosure obligations and engaged in misleading or deceptive conduct in relation to the Company systems, controls, operations and regulatory risks.

The Company has filed its defence with no admissions of any contravention. The Company has filed an application for security of costs and orders for discovery have been made.

At 31 December 2025, the Company has assessed there is no present obligation in respect of this matter and it represents a contingent liability and accordingly, no provision has been recognised. The outcome of the Class Action and any potential financial impacts are unknown, including the extent to which any amounts may be covered by the Group's insurance policies.

GST amended assessments

On 5 December 2023, the Group commenced proceedings against the Australian Taxation Office (**ATO**) in relation to the GST treatment of rebates paid to junket operators for The Star Pty Limited between October 2013 and August 2017. The amount in dispute for this period is approximately \$157.9 million (primary tax of \$81.9 million and interest of \$76.0 million). The Group has paid \$61.5 million as a deposit to the ATO on a no-admissions basis. The deposit is recorded as a non-current asset.

The Group also has proceedings in relation to the interest assessment, the outcome of which is adjourned pending the primary tax case discussed above.

The parties have agreed to mediate by 30 April 2026. At 31 December 2025, the Company has assessed there is no present obligation in respect of this matter and it represents a contingent liability and accordingly, no provision has been recognised.

Other Legal and regulatory challenges

There are outstanding legal proceedings between the Company and third parties as at 31 December 2025 as well as regulatory investigations by the Company's regulators. In relation to legal proceedings, the Group has notified its insurance carrier of all relevant matters and currently anticipates that any damages (other than exemplary damages) that may be awarded against the Company, in addition to its costs incurred in connection with the proceedings, may be covered by its insurance policies where such policies are in place. Provisions are made for obligations where the existence of a liability is probable and can be reasonably estimated. The outcomes of these other matters, including the outcome of certain regulatory investigations, remain uncertain, and thus contingent liabilities exist for possible amounts eventually payable.

REGULATORY MATTERS

NEW SOUTH WALES

Disciplinary action

The Star Sydney's casino licence has been suspended since 21 October 2022. On this date, the NICC also appointed a Manager. During the period of its licence suspension, The Star Sydney remains open and operating, and net earnings continue to be paid to The Star Sydney after payment of the Manager's costs. On 24 September 2025, the NICC notified The Star Sydney that its casino licence will remain suspended and that the Manager's term has been extended until 31 March 2026, unless terminated earlier by the NICC.

QUEENSLAND

Disciplinary action

The Gold Coast's casino licence has been suspended (with suspension deferred) since 9 December 2022. A Special Manager was appointed on the same date. On 25 September 2025, the Queensland government confirmed that it had deferred the suspension of The Star Gold Coast's casino licence and extended the Special Manager's appointment to 30 September 2026.

The Star Brisbane was issued an unconditional casino licence on 28 August 2024, subject to the appointment of an External Adviser and the adoption of the Group's Remediation Plan. The External Adviser's appointment has been extended to 30 September 2026.

Regulatory reforms

On 28 March 2024, the *Casino Control and Other Legislation Act 2024* was enacted to give effect to the balance of the recommendations of the Gotterson Report and certain other casino reforms. The proposed reforms include the introduction of mandatory carded play, restrictions on the use of cash, mandatory player pre-commitments including play and break limits, and a supervisory levy payable by casino licence holders. The supervisory levy payable by casino licence holders was introduced on 1 July 2024. The implementation of the remaining key measures noted above requires the introduction of regulations giving effect to those reforms. The timing of the remaining regulations remains uncertain.

FUTURE DEVELOPMENTS

Future developments in the Group's activities will be dependent on several factors outlined in this Directors' Report, notably successfully addressing the Group's trading and liquidity issues, the resolution of the AUSTRAC proceeding, and timely and effective execution of the extensive program of remediation activities necessary for a return to suitability in both NSW and Queensland. Refer to note E for more details on the factors and their impact on the Group's ability to remain a going concern.

5. LOSS PER SHARE (LPS)

Basic LPS for the period was a loss of (3.1) cents (31 December 2024: (10.5) cents) and Diluted LPS for the period was a loss of (3.1) cents (31 December 2024: (10.5) cents).

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DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

6. DIVIDENDS

No interim dividends were declared or paid (2024: nil).

7. SIGNIFICANT EVENTS AFTER THE END OF THE HALF YEAR

The following events occurred after balance sheet date:

- On 27 February 2026, the Group received a waiver of the 31 December 2025 covenant tests under the SFA. Under the terms of the waiver, the Group will need to deliver a refinancing commitment letter by 31 March 2026, and execute a refinancing of the SFA by 15 May 2026 to avoid a default under the terms of its SFA.
- On 26 February 2026, the Group executed a term sheet with WhiteHawk for a proposed refinancing of the Group's debt (**Refinancing Proposal**). The Refinancing Proposal provides for refinancing of the Group's existing debt and incremental liquidity to facilitate the turnaround plan being implemented by the Group's new management team. The Group cautions that the executed term sheet is non-binding and may not lead to a definitive credit agreement. The Group and WhiteHawk are working towards a binding commitment by the end of March 2026, and to consummate the Refinancing Proposal by mid-May.

The Group believes that it will be able to complete the Refinancing Proposal, including the execution of long form documentation, confirmatory due diligence and satisfaction of other customary conditions (noting that a determination of the AUSTRAC case is not a condition to completing the Refinancing Proposal).
- The Group is pursuing a range of initiatives to improve performance and enhance the Group's liquidity position. These include driving revenue growth through customer-focussed enhancements and cost out initiatives, including the streamlining of the corporate office. These initiatives have commenced in 2HFY26 and will continue into FY27.

Other than those events disclosed elsewhere in these financial statements, there have been no other significant events occurring after the balance sheet date and up to the date of this report, which may materially affect either the Group's operations or results of those operations or the Group's state of affairs.

8. ROUNDING OF AMOUNTS

The Star Entertainment Group Limited is a company of the kind specified in the Australian Securities and Investments Commission's ASIC Corporations (Rounding in Financial/Directors' Reports) *Instrument 2016/191*. In accordance with that Instrument, amounts in the Interim Financial Report and the Directors' Report have been rounded to the nearest hundred thousand dollars unless specifically stated to be otherwise.

9. AUDITOR'S INDEPENDENCE DECLARATION

Attached is a copy of the auditor's independence declaration provided under section 307C of the *Corporations Act 2001 (Cth)* in relation to the audit of the Financial Report for the half year ended 31 December 2025. The auditor's independence declaration forms part of this Directors' Report.

This report has been signed in accordance with a resolution of Directors.



Bruce Mathieson Jnr
Director
Sydney
27 February 2026

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with confidence**

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Auditor's independence declaration to the directors of The Star Entertainment Group Limited

As lead auditor for the review of the half-year financial report of The Star Entertainment Group Limited for the half-year ended 31 December 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of The Star Entertainment Group Limited and the entities it controlled during the financial period.

Ernst & Young

Scott Jarrett
Partner
27 February 2026

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THE  STAR ENTERTAINMENT GROUP
CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	Note	December 2025 \$m	December 2024 \$m
Revenue	A2	694.6	724.0
Other income	A3	0.3	3.9
Government taxes and levies		(128.9)	(154.1)
Employment costs	A3	(422.9)	(421.2)
Depreciation, amortisation and impairment	A4	(32.4)	(138.5)
Cost of sales		(32.6)	(37.0)
Property costs		(33.6)	(36.6)
Advertising and promotions		(19.7)	(24.1)
Regulatory and legal costs		(3.0)	(4.2)
Other expenses		(86.1)	(88.3)
Share of net loss of associate and joint venture entities accounted for using the equity method	D2	(0.2)	(21.0)
Loss before interest and income tax (LBIT)		(64.5)	(197.1)
Net finance costs		(47.3)	(67.1)
Loss before income tax (LBT)		(111.8)	(264.2)
Income tax benefit/(expense)	A6	2.1	(37.7)
Net loss after tax (NLAT)		(109.7)	(301.9)
Other comprehensive loss		-	-
Total comprehensive loss for the period		(109.7)	(301.9)
Loss per share:			
Basic loss per share		(3.1) cents	(10.5) cents
Diluted loss per share		(3.1) cents	(10.5) cents

The above income statement should be read in conjunction with accompanying notes.

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THE STAR ENTERTAINMENT GROUP
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2025

	Note	December 2025 \$m	June 2025 \$m
ASSETS			
Cash and cash equivalents	B1	171.0	267.0
Trade and other receivables		39.3	21.1
Inventories		11.4	10.7
Other assets		34.7	42.6
Total current assets		256.4	341.4
Restricted deposits	B1	67.6	96.8
Property, plant and equipment		993.0	1,007.5
Intangible assets		92.8	89.9
Investment in associates and joint venture entities	D2	154.6	153.9
Income tax receivable		41.2	41.2
Other assets		86.2	91.6
Total non current assets		1,435.4	1,480.9
TOTAL ASSETS		1,691.8	1,822.3
LIABILITIES			
Trade and other payables		143.7	170.8
Interest bearing liabilities	B4	351.0	7.8
Provisions	B3	453.4	463.2
Other liabilities		125.8	125.9
Total current liabilities		1,073.9	767.7
Interest bearing liabilities	B4	25.2	590.5
Provisions	B3	8.3	8.3
Other liabilities		7.6	9.0
Total non current liabilities		41.1	607.8
TOTAL LIABILITIES		1,115.0	1,375.5
NET ASSETS		576.8	446.8
EQUITY			
Share capital	B2	4,980.0	4,697.1
Accumulated losses		(4,409.6)	(4,299.9)
Reserves		6.4	49.6
TOTAL EQUITY		576.8	446.8

The above balance sheet should be read in conjunction with the accompanying notes.

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THE  STAR ENTERTAINMENT GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	December 2025	December 2024
Note	\$m	\$m
Cash flows from operating activities		
Net cash receipts from customers (inclusive of GST)	706.6	745.8
Payments to suppliers and employees (inclusive of GST)	(605.4)	(623.1)
Payment of government levies, gaming taxes and GST	(140.7)	(140.1)
Interest received	4.6	3.8
Regulatory fines, penalties, duty, consultant, legal and other costs	(17.6)	(28.6)
Net cash outflow from operating activities	(52.5)	(42.2)
Cash flows from investing activities		
Payments for property, plant, equipment and intangibles	(22.8)	(43.7)
Loans to joint venture entities	(11.4)	(2.7)
Loans from joint venture entities	7.5	9.4
Payments for investment in associate and joint venture entities	D2 -	(127.8)
Distributions received from joint venture entities	D2 -	0.5
Proceeds from sale of property, plant, equipment	0.4	78.3
Net cash outflow from investing activities	(26.3)	(86.0)
Cash flows from financing activities		
Proceeds from interest bearing liabilities	-	100.0
Repayment of interest bearing liabilities	(61.1)	-
Payment of restricted deposits	B1 (31.4)	(90.7)
Drawdown of restricted deposits	B1 61.1	-
Transaction costs related to issues of equity securities or convertible debt securities	(3.0)	-
Finance costs	(45.6)	(36.2)
Proceeds from issue of convertible debt securities	66.7	-
Interest payment on lease liabilities	(0.8)	(1.0)
Principal payment of lease liabilities	(3.1)	(5.3)
Net cash outflow from financing activities	(17.2)	(33.2)
Net decrease in cash and cash equivalents	(96.0)	(161.4)
Cash and cash equivalents at beginning of the year	267.0	299.6
Cash and cash equivalents at end of the period	171.0	138.2

The above statement of cashflows should be read in conjunction with the accompanying notes.

THE STAR ENTERTAINMENT GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	Note	Ordinary shares \$m	Treasury shares \$m	Accumulated losses \$m	Convertible notes reserve \$m	Shared based payment reserve \$m	Total \$m
2026							
Balance at 1 July 2025		4,702.1	(5.0)	(4,299.9)	39.8	9.8	446.8
Loss for the half year		-	-	(109.7)	-	-	(109.7)
Other comprehensive loss		-	-	-	-	-	-
Total comprehensive income		-	-	(109.7)	-	-	(109.7)
Convertible notes (net of tax)		-	-	-	11.1	-	11.1
Issue of share capital (net of tax) - 26 November 2025	B2	276.2	-	-	(50.9)	-	225.3
Shares purchased for future employee share programs	B2	-	(1.7)	-	-	-	(1.7)
Shares issued to settle employee share programs	B2	-	6.7	-	-	-	6.7
Employee share based payments		1.7	-	-	-	(3.4)	(1.7)
Balance at 31 December 2025		4,980.0	-	(4,409.6)	-	6.4	576.8
2025							
Balance at 1 July 2024		4,702.1	(6.4)	(3,872.0)	-	9.6	833.3
Loss for the half year		-	-	(301.9)	-	-	(301.9)
Other comprehensive loss		-	-	-	-	-	-
Total comprehensive income		-	-	(301.9)	-	-	(301.9)
Shares issued to settle employee share programs	B2	-	1.1	-	-	-	1.1
Employee share based payments		-	-	-	-	(1.0)	(1.0)
Balance at 31 December 2024		4,702.1	(5.3)	(4,173.9)	-	8.6	531.5

The above statement of changes in equity should be read in conjunction with the accompanying notes.

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THE STAR ENTERTAINMENT GROUP

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2025

A KEY INCOME STATEMENT DISCLOSURES

A1 SEGMENT INFORMATION

The Group's operating segments have been determined based on the internal management reporting structure and the nature of products and services provided by the Group. They reflect the business level at which financial information is provided to those in the roles of executive decision makers, being the Group Chief Executive Officer and Managing Director, for decision making regarding resource allocation and performance assessment.

The Group has four reportable segments:

Sydney	Comprises The Star Sydney's casino operations, including hotels, restaurants, bars and other entertainment facilities.
Gold Coast	Comprises The Star Gold Coast's casino operations, including hotels, restaurants, bars and other entertainment facilities.
Treasury Brisbane	Comprises Treasury Brisbane's operations, including hotel, restaurants and bars. The Treasury Brisbane Casino was closed on 25 August 2024, its results are included in the comparatives.
The Star Brisbane	Comprises management of The Star Brisbane, including casino operations, hotel, restaurants, bars and other entertainment facilities, in exchange for an operator fee. The segment also comprises a 50% share of profits/losses from Destination Brisbane Consortium Queens Wharf Integrated Resort joint venture (DBC), reflecting the Group's 50% interest in DBC. The Star Brisbane opened on 29 August 2024.

	Sydney	Gold Coast	Treasury Brisbane	The Star Brisbane	Un-allocated	Total
For the half year ended 31 December 2025	\$m	\$m	\$m	\$m	\$m	\$m
Segment revenue ^a	323.8	212.3	8.6	149.9	-	694.6
Segment (loss)/earnings before interest, tax, depreciation, amortisation and significant items ((LBITDA)/EBITDA) ^b	(17.9)	15.2	(0.3)	(4.6)	-	(7.6)
Share of associate/joint venture results (refer to note D2) ^b	-	-	-	-	(0.2)	(0.2)
Depreciation and amortisation (refer to note A4) ^b	(18.2)	(10.2)	(1.8)	(2.2)	-	(32.4)
Significant items (refer to note A7)	-	-	-	-	(34.0)	(34.0)
Net finance costs ^b	-	-	-	-	(37.6)	(37.6)
Loss before income tax	-	-	-	-	-	(111.8)
Capital expenditure	8.8	7.4	-	3.2	-	19.4

^a The Star Brisbane segment revenue includes \$40.2 million in operator fees and \$109.7 million in contracted revenue (see Note A2).

^b These items are before significant items (see Note A7).

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THE STAR ENTERTAINMENT GROUP

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	Sydney	Gold Coast	Treasury Brisbane	The Star Brisbane	Un-allocated	Total
For the half year ended 31 December 2024	\$m	\$m	\$m	\$m	\$m	\$m
Segment revenue ^a	362.2	218.2	54.8	88.8	-	724.0
Segment (loss)/earnings before interest, tax, depreciation, amortisation and significant items ((LBITDA)/EBITDA) ^b	(24.6)	18.1	-	(19.9)	-	(26.4)
Share of associate/joint venture results ^b	-	-	-	(20.2)	(0.8)	(21.0)
Depreciation and amortisation (refer to note A4) ^b	(18.1)	(9.3)	(3.5)	-	-	(30.9)
Significant items (refer to note A7)					(166.2)	(166.2)
Net finance costs ^b					(19.7)	(19.7)
Loss before income tax					-	(264.2)
Capital expenditure	19.3	9.0	7.4	4.7	-	40.4

^a The Star Brisbane segment revenue includes \$14.4 million in operator fees and \$74.4 million in contracted revenue (see Note A2).

^b These items are before significant items (see Note A7).

A2 REVENUE

	December 2025	December 2024
	\$m	\$m
Gaming	353.6	386.2
Non-gaming	186.9	243.1
Operator fee ^a	40.2	14.4
Other	4.2	5.9
	584.9	649.6
Contracted ^b	109.7	74.4
Total Revenue	694.6	724.0

^a Operator Fee revenue is charged at a fixed \$5.0 million per month fee, in accordance with the JVP Transaction (31 December 2024: the Operator fee was calculated as a percentage of The Star Brisbane revenue and EBITDA). Of the \$40.2 million, \$10.2 million relates to a true-up of amounts not recognised in the prior period and \$8.5 million relates to the incremental revenue for the period. Receipt of the \$18.7 million (which is currently held in escrow) is dependent on successful completion of the JVP Transaction (refer to note C1), which has been assessed as highly probable.

^b The Group has a contracted cost recovery agreement with the DBC Integrated Resort joint venture (refer to note E). Contracted costs include \$102.7 million (31 December 2024: \$70.1 million) of employment and \$7.0 million (31 December 2024: \$4.3 million) of other shared costs.

A3 OTHER INCOME AND EXPENSES

Loss before income tax is stated after accounting for the following expenses and significant items:

	December 2025	December 2024
	\$m	\$m
OTHER INCOME		
Net foreign exchange gain	-	0.3
Gain on disposal of assets	0.3	2.4
Other	-	1.2
Total other income	0.3	3.9

THE STAR ENTERTAINMENT GROUP

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	December 2025	December 2024
	\$m	\$m
EMPLOYMENT COSTS		
Salaries, wages, bonuses, redundancies and other benefits	386.9	386.3
Defined contribution plan expense (superannuation guarantee charges)	36.0	34.9
Total employment costs	422.9	421.2

Employment costs includes \$4.5 million of reorganisation costs and \$8.1 million of executive termination costs (31 December 2024: \$7.0 million of reorganisation costs) (refer to note A7).

Total employment costs for the period includes \$102.7 million (31 December 2024: \$70.1 million) of labour contracted for The Star Brisbane, recovered through the contracted cost recovery (refer to note A2).

A4 DEPRECIATION, AMORTISATION AND IMPAIRMENT

	December 2025	December 2024
	\$m	\$m
Property, plant and equipment	25.7	26.3
Intangible assets	6.7	4.6
Impairment - investment in DBC joint venture	-	107.6
	32.4	138.5

A5 DIVIDENDS

No interim dividends were declared or paid (2024: nil).

A6 INCOME TAX

The Group recognised \$2.1 million of current tax benefit in equity, in relation to the costs associated with the issue of convertible notes. \$2.1 million of deferred tax assets, previously brought to account, were derecognised against deferred tax expense as a consequence of a reduction in deferred tax liabilities for the period. In the comparative period, income tax expense of \$37.7 million relates to the derecognition of income tax receivables which no longer meet the recognition criteria. Further, income tax benefits in relation to the FY24 and 1H FY25 tax losses have not been recognised as they do not meet the recognition criteria.

A7 SIGNIFICANT ITEMS

Loss before income tax (LBT) is stated after accounting for the following significant items:

	December 2025	December 2024
	\$m	\$m
Redundancy and employment costs ^a	12.6	7.0
Debt refinancing costs ^b	9.7	47.4
JVP Transaction costs ^c	8.7	-
Regulatory, fines, penalties, duty, consultant, legal and other costs ^d	3.0	4.2
Impairment ^e	-	107.6
Net significant items	34.0	166.2
Tax on significant items	-	-
Significant items net of tax	34.0	166.2

^a Redundancy costs associated with the Group's reorganisation and executive termination payments and accruals. In the prior comparative period (pcp), redundancy costs associated with the Group's reorganisation.

^b Group funding costs include: covenant waiver fees, extension fees and consultant fees. In the pcp, previously unamortised borrowing costs associated with the Syndicated Facility Agreement (SFA), released on amendment in November 2024 of \$26.9 million; costs incurred for the amendment of the SFA in November 2024 of \$20.5 million.

^c Costs associated with the agreement to exit DBC and consolidate the Group's Gold Coast position.

^d Regulatory, fines, penalties, underpaid casino duty, consultant, legal, Manager, Special Manager and other costs, including movements in regulatory and legal provisions.

^e Impairment of investment in DBC joint venture.

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THE STAR ENTERTAINMENT GROUP

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2025

B KEY BALANCE SHEET DISCLOSURES

B1 CASH AND CASH EQUIVALENTS

	December 2025	June 2025
	\$m	\$m
CURRENT		
Cage cash	40.6	32.7
Bank balances	19.4	23.3
Short term deposits - unrestricted	111.0	211.0
Cash and cash equivalent	171.0	267.0
NON CURRENT		
Long term deposits - restricted	67.6	96.8
	238.6	363.8

At 31 December 2025, available cash was \$130.4 million (2025: \$234.3 million), comprising bank balances and short term deposits – unrestricted (**Available Cash**). The Group has \$40.6 million (2025: \$32.7 million) of cage cash, held physically on the gaming floor for the day to day operation of the casino gaming floor activities.

The Group holds \$67.6 million of cash in restricted term deposit accounts (2025: \$96.8 million). The deposits include \$30.2 million held in the Disposal Proceeds Account under the existing SFA agreement, \$10.8 million of cash secured against worker's compensation obligations and \$26.6 million of cash backed bank guarantees and security. The bank guarantees and security relate to workers compensation cover, property leases and transactional banking facilities.

B2 SHARE CAPITAL

There is only one class of shares (ordinary shares) on issue. These ordinary shares entitle the holder to participate in dividends and proceeds on winding up of the Company, in proportion to the number and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. The Company does not have authorised capital nor par value in respect of its issued shares.

	Share capital		Treasury shares		Net outstanding	
	Shares	\$m	Shares	\$m	Shares	\$m
Opening balance 1 July 2025	2,868,680,877	4,702.1	(956,914)	(5.0)	2,867,723,963	4,697.1
Issue of share capital (net of tax) - 26 November 2025*	3,750,000,000	276.2	-	-	3,750,000,000	276.2
Shares purchased for future employee share programs	-	-	(17,664,875)	(1.7)	(17,664,875)	(1.7)
Shares issued to settle employee share programs	17,664,875	1.7	18,621,789	6.7	36,286,664	8.4
Closing balance 31 December 2025	6,636,345,752	4,980.0	-	-	6,636,345,752	4,980.0
Opening balance 1 July 2024	2,868,680,877	4,702.1	(2,144,899)	(6.4)	2,866,535,978	4,695.7
Shares issued to settle employee share programs	-	-	450,955	1.1	450,955	1.1
Closing balance 31 December 2024	2,868,680,877	4,702.1	(1,693,944)	(5.3)	2,866,986,933	4,696.8

* On 26 November 2025, the Group issued 3,750,000,000 shares for the conversion of convertible notes issued under the Strategic Investment into the Group.

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THE STAR ENTERTAINMENT GROUP

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2025

B3 PROVISIONS, CONTINGENT LIABILITIES AND REGULATORY MATTERS

	December 2025	June 2025
	\$m	\$m
CURRENT		
Regulatory and legal provisions ^a	358.1	364.0
Employee benefits	81.4	82.8
Worker's compensation	9.6	9.6
Other	4.3	6.8
	453.4	463.2
NON CURRENT		
Employee benefits	6.8	6.8
Other	1.5	1.5
	8.3	8.3

^a The Group recognised provisions relating to various regulatory and legal matters including fines issued by the New South Wales Independent Casino Commission (NICC), AUSTRAC proceeding, underpaid casino duty in NSW, consultants, Manager, Special Manager, External Adviser, legal and other costs. Disclosing individual amounts would seriously prejudice these matters considering the present status and range of potential outcomes.

PROVISIONS AND CONTINGENT LIABILITIES

AUSTRAC proceeding

On 30 November 2022, the Australian Transaction Reports and Analysis Centre (**AUSTRAC**), commenced civil penalty proceedings in the Federal Court of Australia against The Star Pty Limited and The Star Entertainment QLD Limited (collectively **The Star Entities**). AUSTRAC alleges that The Star Entities contravened the *Anti-Money Laundering and Counter Terrorism Financing (AML/CTF) Act 2006 (Cth)* by failing to conduct appropriate due diligence on customers who were higher risk and by failing to have an appropriate AML/CTF program.

The parties resolved all factual issues in dispute prior to the penalty hearing being heard in June 2025. AUSTRAC submitted that a fine of \$400 million would be appropriate while the Group submitted that a fine of greater than \$100 million, payable in the next 12 months, would be challenging based on available liquidity options, including accessing equity markets. The Group is awaiting the court's judgment.

The determination of the Federal Court's penalty (including where a penalty has been jointly proposed by AUSTRAC and the defendant to the Court) is specific to the facts of each case and arrived at after consideration of admissions made and evidence and submissions in relation to the appropriateness of the penalty.

AUSTRAC alleged that the number of contraventions committed by The Star Entities is innumerable. The Group has determined a provision on the Balance Sheet at 31 December 2025. This provision was, and is, recognised at a time where there remains significant uncertainty as to the quantum of the penalty. Any actual penalty paid by The Star Entities may differ materially to the provision recorded at 31 December 2025.

Underpaid casino duty

The Bell Inquiry of The Star Pty Ltd conducted in 2022 (**Bell One Review**) identified potential issues with the way in which the Group calculated rebate duty payable to the NSW Government.

In April 2025, NSW Treasury agreed the amount and advised that the Group's obligation to pay the underpaid Casino Duty will be deferred until 30 June 2026. The Group has recognised a provision on the Balance Sheet for this amount as at 31 December 2025.

ASIC proceedings against former directors and officers of the Company

In December 2022, the Australian Securities and Investment Commission (ASIC) commenced civil penalty proceedings in the Federal Court of Australia against 11 former directors and officers of the Company alleging contraventions of the *Corporations Act 2001 (Cth)*. The proceeding was heard between February and May 2025. Judgment has not yet been determined.

As no entity of the Group is party to these proceedings, it is not possible to predict the timing and any financial impact of these claims on the Group, including in relation to the likely defence costs incurred by the Group on behalf of the defendants, or the extent to which those costs might be covered by the Group's insurance policies and indemnities in place for former officers and directors.

The Group has determined a provision on the Balance Sheet at 31 December 2025 relating to an estimate of legal costs.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025**

Class Action

On 30 March 2022, a shareholder class action was commenced in the Supreme Court of Victoria, alleging the Company failed to comply with its continuous disclosure obligations and engaged in misleading or deceptive conduct in relation to the Company systems, controls, operations and regulatory risks.

The Company has filed its defence with no admissions of any contravention. The Company has filed an application for security for costs and orders for discovery have been made.

At 31 December 2025, the Company has assessed there is no present obligation in respect of this matter and it represents a contingent liability and accordingly, no provision has been recognised. The outcome of the Class Action and any potential financial impacts are unknown, including the extent to which any amounts may be covered by the Group's insurance policies.

DBC Financing Arrangements

The Company and its Joint Venture Partners entered into debt facility agreements in 2020 in relation to DBC's \$1.6 billion project-level debt funding. The aggregate amount outstanding is \$1.341.8 million at 31 December 2025 (**DBC Funding**). The DBC Funding comprises two equal facilities, drawn approximately equally, separately provided under a Gaming and Entertainment syndicated facility agreement (**SFA G&E**) and a Tourism and Leisure syndicated facility agreement (**SFA T&L**). Amounts outstanding under the SFA G&E are guaranteed by the Company and amounts outstanding under the SFA T&L are guaranteed by the Joint Venture Partners. The two facilities are cross-collateralised against the property leases.

The DBC Funding is scheduled to mature in March 2026, following an extension to the original maturity of December 2025, and it is anticipated that refinancing by that time will require additional capital contributions from either the then owners of DBC or the holders of the SFA G&E parent company guarantee (**PCG**). The Group has entered into long-form documentation to exit its 50% share of the DBC joint venture investment, including releasing the Company from its SFA G&E PCG in relation to its share of drawn DBC debt of ~\$0.7 billion (refer to note C1). This exit agreement is dependent on the satisfaction of various conditions precedent, a number of which are outside the control of the Group. Consequently, while the Group expects to be released from the PCG, it has been classified as a contingent liability.

Should the exit agreement be terminated, or the exit agreement is otherwise unable to be completed, the obligations of the SFA G&E PCG on refinancing the DBC Funding will remain with the Group.

GST amended assessments

On 5 December 2023, the Group commenced proceedings against the Australian Taxation Office (**ATO**) in relation to the GST treatment of rebates paid to junket operators for The Star Pty Limited between October 2013 and August 2017. The amount in dispute for this period is approximately \$157.9 million (primary tax of \$81.9 million and interest of \$76.0 million). The Group has paid \$61.5 million as a deposit to the ATO on a no-admissions basis. The deposit is recorded as a non-current asset.

The Group also has proceedings in relation to the interest assessment, the outcome of which is adjourned pending the primary tax case discussed above.

The parties have agreed to mediate by 30 April 2026. At 31 December 2025, the Company has assessed there is no present obligation in respect of this matter and it represents a contingent liability and accordingly, no provision has been recognised.

Withholding tax penalty

The Group also filed proceedings against the ATO on 5 December 2023 in relation to the appropriate method for calculating withholding tax on rebates paid to junket operators for the 2015 to 2020 income tax years. The amount in dispute for the period is \$8.4 million (primary penalty of \$6.4 million and interest of \$2.0 million). The Group has paid \$3.2 million as a deposit to the ATO on a no-admissions basis. The deposit is recorded as a non-current asset.

This matter is timetabled to run alongside the GST amended assessments matter outlined above.

At 31 December 2025, the Company has assessed there is no present obligation in respect of this matter and it represents a contingent liability and accordingly, no provision has been recognised.

Financial guarantees

The Group had the following guarantees at 31 December 2025:

- Destination Brisbane Consortium: the guarantee covers 50% of the syndicated facility agreement (see DBC Financing Arrangements above).
- Destination Gold Coast Consortium: the Tower 2 guarantee covers up to 46.9% of the \$335.8 million in facilities. At 31 December 2025, \$198.2 million of the facility is drawn and \$40.0 million has been utilised for bank guarantees. Under the exit agreement (refer to note C1), the residential sale proceeds will be used to repay the construction facility and cash back the drawn bank guarantees. Consequently, the Group expects, in time, to be solely responsible for the Andaz Hotel operating loan (the draw down of which remains subject to a number of conditions). The facility matures in December 2026.
- Syndicated facility: is secured against The Star Gold Coast's assets, a first charge over the assets of certain entities within the Group and \$30.2 million held in the Disposal Proceed Account (refer to note B4).
- Bank guarantees and other security: \$40.2 million of bank guarantees in relation to workers compensation cover, property leases and construction works, and transactional banking security. A portion of these bank guarantees are cash backed and the transactional banking security is fully cash backed (refer to note B1).

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THE STAR ENTERTAINMENT GROUP

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2025

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- Certain controlled entities of the Group have entered into a guarantee and indemnity agreement in favour of the Independent Liquor and Gaming Authority (*ILGA*), whereby all parties to the agreement are jointly and severally liable for the performance of the obligations and liabilities of each company participating in the agreement with respect to agreements entered into and guarantees given.

The expected loss of each of the financial guarantees above has been assessed as nil (2025: nil) and are disclosed as contingent liabilities as a result of the above risks.

Legal and regulatory challenges

There are outstanding legal proceedings between the Company and its controlled entities and third parties as at 31 December 2025 as well as regulatory investigations by the Group's regulators. In relation to legal proceedings, the Group has notified its insurance carrier of all relevant matters and currently anticipates that any damages (other than exemplary damages) that may be awarded against the Group, in addition to its costs incurred in connection with the proceedings, may be covered by its insurance policies where such policies are in place. Provisions are made for obligations where the existence of a liability is probable and can be reasonably estimated. The outcomes of these other matters, including the outcome of certain regulatory investigations, remain uncertain, and thus contingent liabilities exist for possible amounts eventually payable.

REGULATORY MATTERS NEW SOUTH WALES

Disciplinary action

The Star Sydney's casino licence has been suspended since 21 October 2022. On this date, the NICC also appointed a Manager. During the period of its licence suspension, The Star Sydney remains open and operating, and net earnings continue to be paid to The Star Sydney after payment of the Manager's costs. On 24 September 2025, the NICC notified The Star Sydney that its casino licence will remain suspended and that the Manager's term has been extended until 31 March 2026, unless terminated earlier by the NICC.

QUEENSLAND

Disciplinary action

The Star Gold Coast's casino licence has been suspended (with suspension deferred) since 9 December 2022. A Special Manager was appointed on the same date. On 25 September 2025, the Queensland government confirmed that it had deferred the suspension of The Star Gold Coast's casino licence and extended the Special Manager's appointment to 30 September 2026 (previously extended to 30 September 2025 as notified on 27 March 2025).

The Star Brisbane was issued an unconditional casino licence on 28 August 2024, subject to the appointment of an External Adviser and the adoption of the Group's Remediation Plan. The External Adviser's appointment has been extended to 30 September 2026 (previously 30 September 2025).

Regulatory reforms

On 28 March 2024, the *Casino Control and Other Legislation Act 2024* was enacted to give effect to the balance of the recommendations of the Gotterson Report and certain other casino reforms. The proposed reforms include the introduction of mandatory carded play, restrictions on the use of cash, mandatory player pre-commitments including play and break limits, and a supervisory levy payable by casino licence holders. The supervisory levy payable by casino licence holders was introduced on 1 July 2024. The implementation of the remaining key measures noted above requires the introduction of regulations giving effect to those reforms. The timing of the remaining regulations remains uncertain.

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THE STAR ENTERTAINMENT GROUP

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2025

B4 INTEREST BEARING LIABILITIES

CURRENT	December 2025 \$m	June 2024 \$m
Bank loans (net of unamortised borrowing costs)	340.5	-
Lease liabilities	6.5	7.0
Other loans	4.0	0.8
	351.0	7.8
NON CURRENT		
Bank loans (net of unamortised borrowing costs)	-	403.5
Convertible notes and subordinated debt - unsecured (net of unamortised borrowing costs)	8.2	167.4
Lease liabilities	17.0	19.6
	25.2	590.5

Bank loans

On 30 September 2025, the Group and its lenders executed a deed to amend the \$400 million syndicated facility agreement (SFA). The key amendments include:

- Interest on the \$400 million term facility to be fixed at 15.0%, payable monthly in arrears;
- Removal of the option to partially capitalise interest;
- Waiver of 30 September 2025 covenant tests, conditions included payment of \$30 million into the Disposal Proceeds Account; and
- Repayment and reduction of the facility by \$61.1 million, utilising funds held in the Disposal Proceeds Account.

Interest on the bank guarantee facility was maintained at 9.15%.

The amendment was treated as a non-substantial modification, resulting in a \$0.3 million increase to the carrying value of debt. In addition, \$10.6 million of borrowing costs were capitalised (1H FY25: nil), of which \$4.8 million has been amortised to the income statement (1H FY25: \$47.4 million was taken to finance costs associated with the modification of the SFA in the prior period). At 31 December 2025, \$5.8 million of unamortised borrowing costs are capitalised (1H FY25: nil).

The SFA matures in December 2027 and is subject to covenants and undertakings typical of this type of facility, including interest cover ratio, leverage ratio and a liquidity ratio. Interest on the term facilities is fixed at 15.0% payable in cash, one month in arrears (1H FY25: 13.5% payable in cash, three months in arrears, or 14.25% payment-in-kind and cash), while interest on the bank guarantees facility remains fixed at 9.15%. The facility is secured against The Star Gold Coast's assets, a first charge over the assets of certain entities within the Group and \$30.2 million held in the Disposal Proceed Account.

On 30 September 2025, the Group prepaid \$61.1 million of bank loans using funds held in the Disposal Proceeds Account. The SFA was reduced by the same amount. On 2 October 2025, \$30.0 million was deposited into the Disposal Proceeds Account as a condition of the SFA amendment.

At 31 December 2025, \$18.9 million (1H FY25: \$30.8 million) of bank guarantees are issued under the bank guarantee facility. A portion of these bank guarantees are cash backed (refer to note B1).

During the period, the Group obtained a waiver for covenant testing in respect of the SFA debt facility for 30 September 2025. This waiver was received prior to the date on which the covenants were due to be tested.

The Group also obtained a waiver for covenant testing in respect of 31 December 2025 under the SFA on 27 February 2026 (subsequent to balance date) (refer to note C2).

Australian accounting standards require the debt to be classified as a current liability as at 31 December 2025 for financial reporting purposes. This is because the waiver was not in place at balance date, and covenant tests in respect of that date had not been met. This disclosure classification applies even though the Group had a contractual ability under the SFA debt facility to cure financial covenant breaches after period end.

Within the next twelve months, covenants would be tested at 31 March 2026, 30 June 2026, 30 September 2026 and 31 December 2026. If these covenants were to be assessed based on the Group's circumstances at 31 December 2025, they would not pass, which could result in the debt becoming due and payable.

The Group continues to progress towards a refinancing of the SFA, with a term sheet entered into with WhiteHawk Capital Partners (**WhiteHawk**) for a new facility as announced on 26 February 2026. Under the waiver agreement with the SFA lenders a refinancing commitment letter is required by 31 March 2026 and execute a refinancing of the SFA by 15 May 2026, to avoid a default under the terms of its SFA. The Group expects to execute the WhiteHawk facility, permitting the SFA to be repaid and terminated, by 15 May 2026 which would mean no further covenant tests will be submitted under the existing SFA (refer to note C2).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025**

Convertible Notes and Subordinated Debt

On 9 October 2025, the Group received \$66.7 million from Bally's Corporation (*Bally's*), being the final instalment of the \$300 million Strategic Investment into the Group. The \$66.7 million convertible notes and subordinated debt was treated as a compound financial instrument on initial recognition. The liability component was \$50.8 million.

On 21 November 2025, the NICC and OLGR provided the relevant necessary regulatory approvals to permit the Strategic Investment to be implemented, enabling conversion of the convertible notes into share capital. On 28 November 2025, Bally's and Investment Holdings Pty Ltd (*Investment Holdings*) executed their convertible notes, receiving 3,750,000,000 shares in settlement of the convertible notes and subordinated debt (excluding any capitalised payment-in-kind balances). On conversion of the notes into shares, \$222.1 million of convertible notes and subordinated debt was transferred to equity.

At 31 December 2025, the balance of \$8.2 million relates to capitalised payment-in-kind interest. This continues to accrue interest at 9.0% per annum, payable quarterly in arrears, and has a maturity of 2 July 2029. The payment-in-kind liability can, at the election of the Group, be settled in shares of the Company, using a 15 day volume weighted average price.

During the period, \$0.7 million of borrowing costs were expensed (1H FY25: nil).

C COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS

C1 COMMITMENTS

	December 2025	June 2025
	\$m	\$m
CAPITAL COMMITMENTS		
Not later than one year	2.8	4.6
Later than one year but not later than five years	0.7	-
Later than five years	-	-
	3.5	4.6

DGCC

On 28 March 2025 a water leak event occurred in Tower 2 on the Gold Coast property impacting both the residential apartments and the hotel that were under construction. The Tower 2 development is being undertaken by the DGCC joint venture (of which the Group currently owns 33%). Damage assessment in relation to the event is continuing. DGCC has insurance in place which is currently responding, and is anticipated to continue to respond to the required rectification works based on current estimates. The event has delayed completion of the construction of the apartments and hotel to FY27. An extension of the Tower 2 construction loan was secured, with the extended maturity date December 2026.

At 31 December 2025, the Group estimated approximately \$43.6 million in contributions will be payable in 2HFY26 and FY27 combined. DGCC executed a \$309.5 million facility in April 2024, revised to \$335.8 million in July 2025, which is expected to fund the remaining construction costs (construction loan component represents \$227.6 million).

On 12 August 2025, the Group entered into long form documentation to acquire the Joint Venture Partners share of DGCC. Under the long form documentation, the Group will assume responsibility for certain remaining Tower 2 hotel development costs that are specifically excluded from the construction loan in addition to certain net unfunded claims, damages and variations from the Tower 2 principal contractor.

DBC

On 12 August 2025, the Group entered into long form documentation to exit its 50% share of the DBC joint venture investment. The exit agreement will become effective upon satisfaction of various conditions precedent (refer below). Under the long form documentation, the Group has no further requirements to contribute equity to the DBC joint venture after 31 March 2025. The Group estimates approximately \$230.0 million of further equity contributions would have been required from 1 April 2025.

AGREEMENT TO EXIT DESTINATION BRISBANE CONSORTIUM AND CONSOLIDATED THE GROUP'S GOLD COAST POSITION

On 12 August 2025, the Company announced to the ASX that it had entered into binding long form transaction documents with its joint venture partners, being Chow Tai Fook Enterprises Limited and Far East Consortium International Limited (the *Joint Venture Partners*) in respect of its stapled equity interest in Destination Brisbane Consortium Pty Ltd and the Destination Brisbane Consortium Integrated Resort Holding Trust (the *JVP Transaction*).

The JVP Transaction involves the Group disposing of its 50% equity interest in DBC, the Treasury Brisbane Hotel and Car Park and 50% interest in Charlotte Street Car Park, and acquiring the equity interests of the Joint Venture Partners in DGCC. The JVP Transaction will complete in two stages. The sunset date of 30 November 2025 for completion of the exit from DBC (*Stage 1*) has expired. Consequently, the JVP Transaction could be terminated by either party. The Group and the Joint Venture Partners are continuing to work towards completion of the conditions precedent, and it is management's understanding that all parties remain committed to its completion. While completion of a number of these conditions precedent is not within the Group's control, the JVP Transaction is considered highly probable. The completion of the remaining assets included in the JVP Transaction (including DGCC and The Treasury Hotel and Car Park in Brisbane) is subject to a separate set of conditions precedent (including completion of Stage 1). These conditions precedent are not expected to be satisfied in their entirety until 2HFY27.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2025

C2 SUBSEQUENT EVENTS

The following events occurred after balance date:

- On 27 February 2026, the Group received a waiver of the 31 December 2025 covenant tests under the SFA. Under the terms of the waiver, the Group will need to deliver a refinancing commitment letter by 31 March 2026, and execute a refinancing of the SFA by 15 May 2026 to avoid a default under the terms of its SFA.
- On 26 February 2026, the Group executed a term sheet with WhiteHawk for a proposed refinancing of the Group's debt (**Refinancing Proposal**). The Refinancing Proposal provides for refinancing of the Group's existing debt and incremental liquidity to facilitate the turnaround plan being implemented by the Group's new management team.
The Group cautions that the executed term sheet is non-binding and may not lead to a definitive credit agreement. The Group and WhiteHawk are working towards a binding commitment by the end of March 2026, and to consummate the Refinancing Proposal by mid-May.
The Group believes that it will be able to complete the Refinancing Proposal, including the execution of long form documentation, confirmatory due diligence and satisfaction of other customary conditions (noting that a determination of the AUSTRAC case is not a condition to completing the Refinancing Proposal).
- The Group is pursuing a range of initiatives to improve performance and enhance the Group's liquidity position. These include driving revenue growth through customer-focussed enhancements and cost out initiatives, including the streamlining of the corporate office. These initiatives have commenced in 2HFY26 and will continue into FY27.

Other than those events disclosed elsewhere in these financial statements, there have been no other significant events occurring after the balance sheet date and up to the date of this report, which may materially affect either the Group's operations or results of those operations of the Group's state of affairs.

C3 GUARANTEES

The Group had the following guarantees and securities at 31 December 2025:

- Destination Brisbane Consortium: the guarantee covers 50% of the syndicated facility agreement (refer to note B3 DBC Financing Arrangements).
- Destination Gold Coast Consortium: the Tower 2 guarantee covers up to 46.9% of the \$335.8 million in facilities. At 31 December 2025, \$198.2 million of the facility is drawn and \$40.0 million has been utilised for bank guarantees. Under the JVP Transaction (refer to note C1), the residential sale proceeds will be used to repay the construction facility and cash back the drawn bank guarantees. Consequently, the Group expects, in time, to be solely responsible for the Andaz Hotel operating loan (the draw down of which remains subject to a number of conditions). The facility matures in December 2026.
- Syndicated facility: is secured against The Star Gold Coast's assets, a first charge over the assets of certain entities within the Group and \$30.2 million held in the Disposal Proceed Account (refer to note B4).
- Bank guarantees and other security: \$40.2 million of bank guarantees in relation to workers compensation cover, property leases and construction works, and transactional banking security. A portion of these bank guarantees are cash backed and the transactional banking security is fully cash backed (refer to note B1).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025**

D OTHER DISCLOSURES

D1 RELATED PARTY DISCLOSURE

Investments in controlled entities

The interim financial statements incorporate the assets, liabilities and results of the Company's controlled entities in accordance with the accounting policy described in the Financial Report for the year ended 30 June 2025.

Other transactions

During the period, in addition to equity contributions (refer to note D2), the Group entered into the following transactions with related parties:

DBC Operator Fee

The Group manages The Star Brisbane on behalf of the DBC Integrated Resort joint venture, in exchange for an operator fee. For the half year, the operator fee was \$40.2 million (1H FY25: \$14.4 million). At 31 December 2025, \$22.9 million was receivable (30 June 2025: \$6.1 million).

DBC Contracted Revenue

The Group has a contracted cost recovery agreement with the DBC Integrated Resort joint venture (at cost, with no margin) in relation to the supply of labour and other shared costs in respect of the portion of the DBC Integrated Resort operated by the Group. For the half year, the contracted revenue was \$109.7 million (1H FY25: \$74.4 million). At 31 December 2025, there was no outstanding amount (30 June 2025: nil).

DBC sale of assets and liabilities

In the prior comparable period (*pcp*), the Group sold assets, including electronic gaming machines, and certain working capital liabilities to DBC. At 31 December 2025, \$4.0 million is receivable (30 June 2025: \$2.5 million).

DGCC labour supply and building management services

The amount recharged to DGCC was \$5.2 million (1H FY25: \$5.0 million) in relation to labour supply and building management services provided to the Dorsett Hotel. At 31 December 2025, \$0.4 million was receivable (30 June 2025: \$0.2 million).

DGCC amounts loaned

The Group loaned \$7.2 million (1H FY25: nil) to DGCC in relation to the delivery of Tower 2 on the Gold Coast. DGCC repaid \$7.5 million (1H FY25: nil) of the loan during the period. At 31 December 2025, \$4.5 million was receivable (30 June 2025: \$4.9 million).

DGCC loaned Tower 2 residential proceeds

At 31 December 2025, the Group has an other payable of \$35.0 million (30 June 2025: \$35.0 million) in relation to amounts loaned from the Joint Venture Partners for the upcoming residential apartment sales, as agreed under the long form documentation.

DGCC Tower 2 development

The Group paid \$1.8 million (1H FY25: \$0.6 million) associated with the development of Tower 2. At 31 December 2025, nil (30 June 2025: \$1.1 million) was payable.

DGCI loaned sale proceeds

At 31 December 2025, the Group has a payable to DGCI of \$65.3 million (30 June 2025: \$65.3 million) in relation to a loan of sale proceeds from the sale of the Sheraton Grand Mirage.

Security over Group CEO and MD remuneration

In November 2025, the Group paid the Group CEO and MD \$6.5 million due to the 'change in control trigger event' that occurred in relation to the Strategic Investment into the Group by Bally's and Investment Holdings. This represented the balance held in the escrow account at that time, and covered the Group CEO & MD's FY26 salary, FY26 short term incentive and FY26 Retention bonus. At 31 December 2025, there was no security held over the Group CEO and MD's remuneration (30 June 2025: \$5.2 million held in current other assets and \$5.0 million held in non current other assets).

D2 INVESTMENT IN ASSOCIATE AND JOINT VENTURE ENTITIES

Set out below are the investments of the Group as at 31 December 2025. The entities listed below have share capital consisting solely of ordinary shares, which are held by the Group. The country of incorporation is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. All investments listed below are measured using the equity accounting method.

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THE STAR ENTERTAINMENT GROUP

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2025

For the half year ended 31 December 2025 Name of entity	Country of incorporation	% of ownership	Nature of ownership	Carrying amount \$m
MATERIAL				
Destination Brisbane Consortium Integrated Resort Holdings Pty Ltd	Australia	50	Associate	-
Destination Gold Coast Consortium Pty Ltd	Australia	33.3	Joint venture	72.7
NON MATERIAL				
Destination Gold Coast Investments Pty Ltd	Australia	50	Joint venture	65.7
Festival Car Park Pty Ltd	Australia	50	Joint venture	14.1
Destination Sydney Consortium Investments Pty Ltd	Australia	50	Joint venture	1.2
Hua Restaurant QWB Pty Ltd	Australia	50	Joint venture	0.9
Total equity accounted investments				154.6

The carrying amount of the equity-accounted investments has changed in the six months to 31 December 2025, as follows:

Name of entity	1 July 2025 \$m	Loss for the period \$m	Other \$m	31 December 2025 \$m
Destination Brisbane Consortium Integrated Resort Holdings Pty Ltd	-	-	-	-
Destination Gold Coast Consortium Pty Ltd	73.0	(0.3)	-	72.7
Destination Gold Coast Investments Pty Ltd	65.7	-	-	65.7
Hua Restaurant QWB Pty Ltd	-	-	0.9	0.9
Festival Car Park Pty Ltd	14.1	-	-	14.1
Destination Sydney Consortium Investments Pty Ltd	1.1	0.1	-	1.2
	153.9	(0.2)	0.9	154.6

On 12 August 2025, the Company announced to the ASX that it had entered into the JVP Transaction (refer to note C1). The Group will dispose of its investments in DBC (Stage 1) and Festival Car Park (Stage 2) on successful completion of the JVP Transaction.

Commitments and contingent liabilities

DBC has current capital commitments of approximately \$496.3 million (31 December 2024: \$272.5 million) to fund the construction of the entertainment and leisure destination.

On 20 August 2024, DBC Integrated Resort joint venture entered a \$30.0 million performance bank guarantee facility, with Australia and New Zealand Banking Group Limited as Lender. At 31 December 2025, the facility is \$31.3 million.

DGCC has capital commitments at 31 December 2025 of \$37.2 million in relation to Tower 2 (31 December 2024: \$54.9 million).

On 28 March 2025 a water leak event occurred in Tower 2 on the Gold Coast property impacting both the residential apartments and the hotel that were under construction. The Tower 2 development is being undertaken by the DGCC joint venture (of which the Group currently owns 33%). Damage assessment in relation to the event is continuing. DGCC has insurance in place which is currently responding, and is anticipated to continue to respond to the required rectification works based on current estimates. The event has delayed completion of the construction of the apartments and hotel to FY27. An extension of the Tower 2 construction loan was secured, moving the maturity date to December 2026.

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E ACCOUNTING POLICIES AND CORPORATE INFORMATION

CORPORATE INFORMATION

The Star Entertainment Group Limited (the **Company**) is a company incorporated and domiciled in Australia. The Financial Report of the Company for the half year ended 31 December 2025 comprises the Company and its controlled entities (collectively referred to as the **Group**). The Company's registered office is Level 3, 159 William Street, Brisbane QLD 4000.

The Company is of the kind specified in Australian Securities and Investments Commission (ASIC) Instrument 2016/191. In accordance with that Instrument, amounts in the Interim Financial Report and the Directors' Report have been rounded to the nearest hundred thousand dollars, unless specifically stated to be otherwise. All amounts are in Australian dollars (\$). The Company is a for profit organisation.

The Interim Financial Report was authorised for issue by the Directors on 27 February 2026.

BASIS OF PREPARATION

The principal accounting policies adopted in the preparation of this interim Financial Report are consistent with those applied in the annual Financial Report for the year ended 30 June 2025.

The interim financial statements for the six months ended 31 December 2025 have been prepared in accordance with the Australian Accounting Standards Board (AASB) 134 Interim Financial Reporting.

The Interim Financial Report does not include all the notes of the type normally included in an annual Financial Report. Accordingly, this report is to be read in conjunction with the audited Financial Report for the year ended 30 June 2025, and any public announcements made by the Company during the interim reporting period in accordance with its continuous disclosure obligations under ASX listing rules.

GOING CONCERN

At 31 December 2025, the Group had a net current liability position of \$817.5 million and further contingent liabilities relating to guarantees, legal and regulatory matters (refer to note B3 for details). The current liabilities include a provision for the Directors' estimate of the outcome of AUSTRAC proceeding where the Group is awaiting the court's judgment and the outcome is highly uncertain. AUSTRAC submitted to the Court that a fine of \$400 million would be appropriate while the Group submitted that a fine of greater than \$100 million, payable in the next 12 months, would be challenging based on available liquidity options, including accessing capital markets.

The Group had Available Cash of \$128.1 million at 31 January 2026, which is insufficient to meet the net current liabilities and accordingly, the Group will be required to source and access additional capital and successfully execute on planned initiatives to remain a going concern.

Accordingly, there continues to be numerous material uncertainties in existence that cast significant doubt as to the Group's ability to remain a going concern.

Currently, in the Directors' opinion, while there remains material uncertainty regarding the Group's ability to continue as a going concern, there are reasonable grounds to believe the Group will be able to meet its liabilities as and when they fall due over the next twelve months and to continue to remain a going concern, provided that:

- in relation to the following key interdependent matters and initiatives, which are critical to the Group's liquidity and financial outlook in the near term:
 - **AUSTRAC fine and other provisions and contingencies:** the payments of any monies ultimately required to settle the provisions and contingent liabilities outlined in note B3 are not of such a magnitude, nor of such timing, that would render the Group unable to pay its debts as and when they fall due. The Group currently has insufficient funding to meet all existing provisions and potential contingent liabilities and in respect of the AUSTRAC Proceeding is reliant on the judgment of the Court as to quantum and timing being within the Group's capacity to pay, given its existing liquidity and ability to access any additional funding required. Were this not to be possible, an unfavourable Court judgment may result in the Group not being able to continue as a going concern. Further, the Group's ability to successfully execute its ongoing capital management strategy in the timeframe required will be impacted by the timing of the AUSTRAC judgment;
 - **SFA:** the Group needs to continue to have the support of its existing lenders in respect of its obligations under the SFA. The Group's existing lenders have agreed to provide a covenant waiver for 31 December 2025 (refer to note C2).
 - **Refinance of SFA:** the Group is able to successfully execute on its refinance plan with respect to the SFA to refinance the debt under the SFA within the required timeframe. On 26 February 2026, the Group executed a term sheet with WhiteHawk for a proposed refinancing of the Group's existing debt. The term sheet is non-binding and may not lead to a definitive credit agreement. The Group and WhiteHawk are working towards a binding commitment by the end of March 2026, and to implement the refinancing proposal by mid-May 2026.
 - **Timely exit from the DBC stage of the JVP Transaction:** completing the DBC exit stage of the JVP Transaction entered into with the Joint Venture Partners (as described at note C1), including no material dispute between the Group and the Joint Venture Partners in relation to transition arrangements to a new DBC operator which could delay or prevent the release of any operator fees paid into escrow. The sunset date of 30 November 2025 for completion of the exit from the investment in DBC has expired. As a consequence, while the parties continue to work toward completion of Stage 1 by March 2026, the JVP Transaction could be terminated by the JVPs (or the Group) prior to completion occurring.

THE STAR ENTERTAINMENT GROUP

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2025

The DBC exit is the first stage of the transaction (Stage 1) and is dependent on the satisfaction of various conditions precedent, a number of which are outside the control of the Group, including releasing the Company from its SFA G&E PCG (~\$0.7 billion the Group's share of drawn DBC debt). Timely receipt of regulatory approvals underpin the timely exit from the DBC (Stage 1). This is necessary to enable the Company to avoid further equity contributions to DBC (refer to note B3 and C1);

- **Remediation progress:** the Group continues to meet the milestones as set out in the Remediation Plan, which is a critical factor in returning the Group to suitability and to restore The Star Sydney's casino licence, and enable the withdrawal of the suspension of The Star Gold Coast's casino licence;
- **Delivery of DGCC Tower 2:** no material cost overruns or exposures above current budgeted amounts for the completion of the delivery of DGCC Tower 2 which the Group would be responsible for under the terms of the JVP Transaction;
- **Maintenance of transactional banking services:** Transactional banking facilities continue to be extended with the current provider on a short term basis as discussions with this bank and alternate providers continue. Facilities are currently available until the end of March 2026;
- **Performance improvement and cost out:** the business successfully executes initiatives in 2HFY26 relating to the generation of revenue and further reductions in cost (refer to note C2 and Section 3 of the Directors Report);
- **Revenue stabilisation after regulatory changes:** the reduction of earnings due to the possible future implementation of cashless and introduction of mandatory carded play at the Gold Coast casino, and the ongoing impact at the Sydney casino from the existing implementation, is not materially worse than currently expected and there are no further regulatory changes that materially reduce earnings (refer to note B3); and
- **Stakeholder support:** the Group continues to have the support of its regulators, Governments, lenders, shareholders and other key stakeholders, all of whom are important stakeholders and whose support will assist the Company in successfully addressing many of the matters referred to above. Meeting the requirements of these stakeholders will be key to maintaining their support.

At the date of this report, there is no certainty that each of the matters noted above can be satisfactorily resolved and in a sufficiently timely manner. In addition, there are compounding risks of successfully resolving all of these matters concurrently.

If the Group is unable to successfully address or resolve any one or more of the matters outlined above, there is significant doubt as to the Group's ability to remain a going concern and in its ability to pay its debts as and when they fall due in the next 12 months. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classifications of liabilities that might be necessary should the entity not continue as a going concern.

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Preparation of the interim financial statements, in conformity with Australian Accounting Standards and International Financial Reporting Standards (*IFRS*) requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the interim financial statements and the reported amounts of revenues and expenses during the reporting period.

The fair value of the Group's financial assets and financial liabilities approximates their carrying value as at the balance sheet date.

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the interim financial statements:

- Going concern (refer note above);
- Asset useful lives and residual values;
- Impairment of assets;
- DBC operator fee revenue (refer to note A2);
- Assets held for sale (refer to note C1);
- Significant items (refer to note A7); and
- Provisions and contingent liabilities (refer to note B3).

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in future periods.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2025**

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new accounting standards, which became applicable from 1 July 2025:

Reference	Title
AASB 2023-5	Amendments to AASB 121 – Lack of Exchangeability

Amendments to AASB 121: Lack of Exchangeability

The amendments to AASB 121 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the interim consolidated financial statements of the Group.

STANDARDS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

The Group has not applied Australian Accounting Standards and IFRS that were issued or amended but not yet effective. The standards are:

Reference	Title	Application date
AASB 2024-4	Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments	1 January 2026
AASB 18	Presentation and Disclosure in Financial Statements	1 January 2027
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2028

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DIRECTORS' DECLARATION

In the opinion of the Directors of The Star Entertainment Group Limited (the **Company**):

- (a) the interim financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's consolidated financial position as at 31 December 2025 and of its performance for the half year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors.



Bruce Mathieson Jnr
Director
Sydney

27 February 2026

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with confidence**

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Independent auditor's review report to the members of The Star Entertainment Group Limited

Conclusion

We have reviewed the accompanying half-year financial report of The Star Entertainment Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 31 December 2025, the consolidated income statement, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to reviews of the half-year financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note E of the financial report which outlines the Directors' assessment of the ability of the Group to continue as a going concern. There are numerous interdependent matters set out in Note E that indicate the existence of material uncertainties that cast significant doubt on the Group's ability to continue as a going concern, including in respect of the AUSTRAC proceeding, where the Group is reliant on the judgement of the Court as to quantum and timing being within the Groups' capacity to pay, given its existing liquidity and ability to access any additional funding required. If the Group is unable to successfully address or resolve any one or more of the matters outlined in Note E, there is significant doubt as to the Group's ability to continue as a going concern. Note E describes the basis for the Directors' assessment that the Group has the ability to continue as a going concern and the actions they are going to take to respond to these uncertainties. Our conclusion is not modified in respect of this matter.

Emphasis of Matter - Regulatory and Legal Provisions and Contingent Liabilities

We draw attention to the regulatory and legal provisions and contingent liabilities disclosed in Note B3 of the financial report. Our conclusion is not modified in respect of this matter.



**Shape the future
with confidence**

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink that reads 'Ernst + Young'.

Ernst & Young

A handwritten signature in black ink, appearing to be 'Scott Jarrett'.

Scott Jarrett
Partner
Sydney
27 February 2026

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