



THE STAR

ASX Announcement

22 November 2022

THE STAR ENTERTAINMENT GROUP LIMITED

ACN 149 629 023

ANNUAL GENERAL MEETING

TUESDAY 22 NOVEMBER 2022

CHAIRMAN'S ADDRESS

Introduction

Ladies and gentlemen, welcome again to The Star Entertainment Group Limited's twelfth Annual General Meeting.

This is the first time in three years we have had the opportunity to host our shareholders in person, and the first time for me as your Chairman. In 2020 and 2021 we held virtual AGMs as part of prioritising the health and wellbeing of our people and our shareholders during the pandemic.

I'm delighted to see in the hybrid environment we have adopted this year, that a greater proportion of our shareholders have been able to join us here at The Star Gold Coast.

While those COVID impacts subsided in the latter stages of the financial year 2022, this was a challenging year and continues to be in the 2023 financial year.

I will call on our new CEO Robbie Cooke to take you through the business performance for the financial year and update on the exciting development projects which will underpin our future growth and provide the physical platforms from which we can deliver the most incredible hospitality and entertainment destinations for our Australian and international guests.

However, I believe it is important and appropriate to address up front some issues that have received significant attention and caused understandable concern for our shareholders, team members, other stakeholders and the broader community.

I will also summarise The Star's plans to address these issues.

These issues are important, and we want to take the time to take you through them. Together with Robbie Cooke's address, we aim to provide a summary of The Star's current position and our priorities.

We're Changing

The Bell Review in NSW and the Gotterson Review in Queensland led to findings that The Star was unsuitable to hold casino licences in Sydney, the Gold Coast and Brisbane, the cities in which we've been operating since this company – originally known as Echo – was spun out of Tabcorp in 2011.

I will go into more detail shortly about both of the reviews, their findings and the processes that have subsequently followed.

But I first want to extend again my unreserved apology to our more than 70,000 shareholders and the wonderfully committed and hard-working 8,000 team members who do their best every day to deliver world-class experiences to almost 20 million guests who come to our properties every year.

To you, and to them, we're sorry. We let you down. Our licence in New South Wales is currently suspended. We fully understand the seriousness of that situation.

The control of the Sydney casino now rests with a manager, Mr Nicholas Weeks, who was appointed by the New South Wales Independent Casino Commission.

The onus is now on us to remediate, and to show the regulator we can be suitable to again be afforded the privilege of holding a casino licence in New South Wales.

As I outlined on 15 September in a message to shareholders, team members and guests, it was clear from the Bell and Gotterson reports that we need to fundamentally transform our culture.

The Star needs to be more transparent. We need to have more robust governance, greater accountability, more open and honest dialogue with regulators.

We need to embrace criticism and act swiftly when issues arise.

At the heart of it all, we need to change. And we need to earn back your trust, and the trust and confidence of all our other stakeholders – regulators, governments, team members, guests, suppliers, contractors, and the broader community.

It is a long list and we have a long way to go.

We have acknowledged the gravity of the conduct raised by Mr Bell and Mr Gotterson. We have outlined how significant and urgent remedial steps have commenced, including an examination of the root causes of our shortcomings and failures so we can address them and prevent them happening again.

I also accept we will be judged by actions, not by words. So, the commitment we have made, and we reaffirm today is that we as a Board, together with the management team, will do everything in our power to make the necessary improvements, to earn your trust and restore The Star to suitability.

The journey has commenced and at its core is a remediation plan. It serves as the Company's integrated roadmap for improving our governance, culture and controls.

Given the extent and breadth of the issues raised, our remediation program is a multi-year plan. We have sought specialist external help, and bolstered our own capabilities, with more to come. That's what is required to fully address and embed the necessary changes across all aspects of our business.

We have taken actions previously, and more recently, that support the process, including:

- Permanently exiting junkets
- Closing international offices and international bank accounts
- Rebuilding our Board and senior leadership team
- Separating our Legal and Risk functions

- Increasing our Responsible Gambling and Financial Crime staff, and
- Enhancing our internal controls

The Reviews

Speaking specifically on the two reviews, the report undertaken by Mr Adam Bell SC for the NSW regulator, the Independent Liquor and Gaming Authority, was released publicly on 13 September 2022, 12 months after Mr Bell was appointed to conduct his review into the operations of The Star Sydney casino.

Mr Bell's report found The Star was and remains unsuitable to be concerned in or associated with the management and operation of a casino in NSW. As a result, the newly installed NSW Independent Casino Commission issued a notice to The Star providing 14 days to show cause why disciplinary action should not be taken.

The Star responded on 26 September.

On 17 October, the NICC announced with regards to matters identified in the Bell Report, that The Star had been issued with \$100 million fine and an indefinite suspension of its NSW casino licence effective 21 October. Timing for payment of the fine is to be determined by NICC.

In addition, NICC appointed Mr Weeks as manager of the Sydney casino under section 28 of the Casino Control Act for a period of 90 days, with that appointment subject to extension by regulation.

The Star Sydney casino remains open and operating, and net earnings continue to be paid to The Star after payment of the manager's costs and expenses.

However, in his role as manager, Mr Weeks has assumed responsibility and control for the business of the Sydney Casino and is considered the holder of the casino licence. We are working with Mr Weeks in an engaged, open and transparent manner. That includes complying with his directions and keeping him fully and proactively informed about all matters relevant to the management of the Sydney Casino.

I want to publicly acknowledge today not only the importance of Mr Weeks' role, but his willingness to work cooperatively with us as Manager of the Sydney Casino.

Let me now turn to Queensland.

The independent external review into the operations of The Star's casinos in Queensland was announced on 30 June 2022 under section 91 of the Casino Control Act in Queensland. Undertaken by eminent former judge, The Honourable Robert Gotterson AO, the review commenced in July.

Mr Gotterson reported to the Queensland Attorney-General, The Honourable Shannon Fentiman MP, on 30 September.

The Attorney-General responded to the report on 6 October. Having considered the findings from Mr Gotterson, and the findings in the Bell Review in NSW, the Minister formed the view that The Star was unsuitable to hold a casino licence in Queensland.

The Star entities involved as licensees or lessees of the Treasury Brisbane and The Star Gold Coast were issued with show cause notices on 3 November by OLGR and provided with 21 days to respond.

The notices set out the potential disciplinary actions which may be recommended to the Queensland Government, which range from taking no further disciplinary action to one or more of: a letter of

censure, written directions, a penalty of up to \$100 million, cancellation or suspension of the relevant casino licence or the appointment of a special manager.

Our response to these show cause notices will be submitted to OLGR within the coming days.

Remediation Steps

Having outlined the reviews, and the findings to date, I want to now focus on the specifics of remediation.

The remediation program is being developed and is led by one of our recent senior management appointments – our highly experienced Group Head of Transformation, Scott Wharton.

We announced Scott's appointment on 20 July 2022, pending all necessary regulatory approvals, which I'm delighted to say have now been received.

Scott joined us from the Commonwealth Bank where he was part of the Executive Leadership Team and had been responsible for leading key bank-wide transformation efforts. That included the design and implementation of CBA's response to APRA's 2018 Prudential Inquiry Report into governance, culture and accountability.

Clearly Scott has the credentials we need to drive our Remediation Program across the Group.

Scott hit the ground running, commencing the work required to develop a multi-year remediation plan. We anticipate finalising that remediation plan in the New Year after the completion of a comprehensive root cause analysis and, with respect to the Sydney Casino, at a time considered appropriate by the Manager of The Star Sydney.

Casino Control Act Changes (NSW and Qld)

In parallel to the reviews, the NSW and Queensland Governments also passed Bills in their respective Parliaments that enact reforms to casino legislation in each State.

The Casino Legislation Amendment Bill in NSW was passed on 11 August, making changes that would address all 19 recommendations of the Bergin Inquiry into the regulation of casinos in NSW, and certain additional measures.

The Queensland Government announced on 26 May it would introduce legislative reforms via the Casino Control and Other Legislation Amendment Bill 2022. The Bill was passed on 14 October and included a number of amendments to the Bill announced in May.

A second tranche of amendments to the Casino Control Amendment Act will be progressed next year by the Queensland Government.

Robbie will speak to these reforms, and the implications for our business, in his address shortly.

AUSTRAC & Class Actions

I also want to update you on the AUSTRAC enforcement investigation of The Star.

That investigation is ongoing. AUSTRAC has yet to advise on the appropriate regulatory response that might apply to The Star, including whether or not enforcement action will be taken. There is nothing more I can report to you on that issue at present.

In relation to class actions, The Star disclosed to the market on 7 November that we had been served by Maurice Blackburn with a statement of claim for a securities class action in the Supreme Court of Victoria.

The claim is substantially similar to the securities class action filed by Slater & Gordon, announced on 30 March 2022. The Star intends to defend both class action proceedings.

Senior Executive Changes

Over the past eight months we have seen a significant overhaul of The Star's senior management, at both a Group and property level.

Previous CEO Matt Bekier resigned on 28 March 2022. Approximately 20 executives have left the business since that time.

While challenging, this turnover in senior leadership provides the opportunity for necessary cultural change and, where applicable, changes to the organisational structure.

This includes the separation of the Legal and Risk functions; the appointment of a CEO for The Star Sydney with a new-look leadership structure under his direction; and significant uplift in numbers for the risk, compliance, AML and Responsible Gambling teams – a necessity to ensure successful remediation.

I would like to detail some of the key senior executive appointments.

We announced the appointment of ROBBIE COOKE as our new Managing Director and CEO on 29 June 2022, and he commenced on 17 October 2022.

Robbie is a trusted, respected and highly experienced chief executive. He has been the CEO of ASX 200 listed companies and brings extensive commercial experience in operating large businesses, in the sectors in which we operate, and in driving transformation programs within highly regulated environments.

As CEO at the Australian bank and payment fintech, Tyro Payments, Robbie led the company through the post Financial Services Industry Royal Commission environment with a focus on risk culture, cultural alignment and employee engagement whilst driving strong transaction growth.

Prior to this, Robbie was CEO and Managing Director of Tatts Group from 2013 to 2018, where he led the business through a complex organisational renewal program and restructured the business through to the completion of the merger with Tabcorp.

Robbie has the requisite experience, knowledge and commitment to drive the cultural change we require to return us to suitability and then take this company into a new era.

SCOTT WHARTON was appointed Group Head of Transformation but also CEO of The Star Sydney, reporting to Robbie.

I discussed Scott's experience earlier in my address.

SCOTT SAUNDERS was announced as our incoming Chief Risk Officer on 24 August. Scott brings more than 30 years of risk and compliance experience to a role that has an important focus on anti-money laundering and other financial crime risks and controls.

Prior to joining The Star, Scott was General Manager, Financial Crime, and Chief Compliance Officer at Westpac for three years and before that worked at Macquarie Group where he was responsible for Enterprise and Financial Crime Compliance.

Scott will join us in the new year, subject to regulatory approvals.

BETTY IVANOFF was announced internally on 2 November as our new Chief Legal Officer.

Betty is an accomplished lawyer and executive with more than 20 years' experience in ASX listed companies and international organisations.

Her most recent role, as Group General Counsel with Crown Resorts, means Betty has first-hand experience with transformative initiatives and programs.

Before joining Crown Resorts, Betty was Group Director – Legal & Corporate Affairs for Coca-Cola Amatil Limited from 2016, leading the legal, governance and corporate affairs teams.

Betty will also commence her new role in 2023, pending regulatory approvals.

NAWAL SILFANI was appointed on 12 September as an additional Company Secretary, subject to all necessary regulatory approvals being obtained.

Nawal is an experienced lawyer and corporate governance specialist with qualifications in law, governance and risk.

She has held executive roles at private and listed companies in Australia during her 20-year career and has experience with transformation initiatives.

Board Renewal

I would now like to turn to the Board renewal program which has also been ongoing for several months.

On 1 April 2022, when The Star announced John O'Neill was assuming the role of Executive Chair following the resignation of Matt Bekier, the Board also announced the need for accelerated Board change and would embark on a program of renewal in a timely manner.

MICHAEL ISSENBERG was announced as a Non-Executive Director, subject to regulatory approvals, in February this year. Those approvals were forthcoming on 11 July.

Michael is an experienced executive and director with over 30 years' experience in the hotel industry. He is currently Chairman of Tourism Australia. I note that in the Notice of Meeting, Michael's academic qualifications are inaccurately referenced. He holds a Bachelor of Science in hotel administration from Cornell University in the USA. This is his sole tertiary qualification.

Michael is standing for election at the AGM and will introduce himself to you later in today's meeting.

ANNE WARD was announced as a Non-Executive Director in August, pending regulatory approvals, which were forthcoming last week.

Anne is currently Chair of ASX-listed ecommerce group Redbubble Limited and communication software provider Symbio Holdings Limited.

She recently retired from the board of Crown Resorts Limited following completion of the takeover by Blackstone in June 2022.

Anne is also standing for election at the AGM and will introduce herself to you later in today's meeting.

We also announced in August that DAVID FOSTER would be joining the Board; and last week that DEBORAH PAGE and TONI THORNTON are joining the Board as Non-Executive Directors, subject to regulatory approvals.

David enjoyed a career of more than 25 years in the financial services sector, including over five years as CEO of Suncorp Bank.

He currently holds various ASX-listed company directorships, including Bendigo and Adelaide Bank Ltd, an ASX 100 financial services company, and as Chairman of G8 Education Ltd, the largest ASX-listed childcare and early education operator.

Deborah is currently Chairman of Pental Group Limited and a Non-Executive Director of Brickworks Limited, Growthpoint Properties Australia Limited and Service Stream Limited. She was previously Chairman of Investa Listed Funds Management Limited.

A Chartered Accountant with dual audit partner and CFO experience during her executive career, Deborah brings extensive Board and Audit Committee Chair experience.

Deborah will start with The Star in February 2023 and will be a Board observer until she receives all required regulatory approvals.

Toni is currently a Non-Executive Director of G8 Education Limited, CS Energy and significant private companies including Millovote Pty Ltd and Habitat Early Learning.

Prior to embarking on her Board career, Ms Thornton had an executive career, holding senior roles with JBWere, Goldman Sachs JBWere, and National Australia Bank.

With these appointments, I am pleased to advise that the Board has delivered on the commitment it made earlier this year to prioritise Board renewal.

We will return the Board to its full capacity – seven non-executive directors and our Managing Director and CEO. We will add one further non-executive director in 2023, replacing KATIE LAHEY who has indicated she will step down in advance of next year's AGM.

Finally, as your Chairman, I am committed to staying on to provide stability during a period of considerable leadership change and to ensure the company is firmly on the path back to suitability.

This level of Board change is significant and the Board remains cognisant of the need for stability through such a challenging period in our history.

I also want to acknowledge the Board members who have left us or are preparing to do so.

John O'Neill resigned as Executive Chairman and from the Board on 20 May after being part of the original Echo Entertainment Board in 2011 and serving as Chairman since July 2012.

Sally Pitkin resigned as a Non-Executive Director on 30 June.

Gerard Bradley resigned on 31 October.

Richard Sheppard is not seeking re-election, and so will retire from the Board at the conclusion of the AGM today; however, I am pleased to note Richard will continue as The Star's appointee on the Board of the DBC and DGCC joint ventures, as Chairman.

Each of their contributions to the company should not be under-estimated and I would like to offer my personal thanks to them.

Closing

In closing, I want to reiterate my comments at the outset.

We are sorry we let you down. We are working to come back stronger, more sustainable, and with our integrity and reputation restored. Our priority is to return to suitability in NSW and Queensland.

Our investments into Brisbane, the Gold Coast, and the potential for a new tower and theatres in Sydney, are what will set this company apart as an operator of diversified tourism assets – from world-class hotels to fine dining restaurants, affordable eateries, bars, cafes, theatres, event spaces and compelling resort facilities, as well as gaming offerings.

There is a lot to look forward to but there is also a lot to do. The Board and Management are aware of the task ahead and are committed to restoring your business.

I would now like to call on our Managing Director and CEO Robbie Cooke to address you.

MANAGING DIRECTOR AND CEO'S ADDRESS

Introduction

Thank you, Ben, and good morning.

I would like to acknowledge the traditional owners of the various lands on which we gather today and pay respects to their elders, past and present.

At the outset let me say how delighted I am to be attending my first Annual General Meeting as the Managing Director and CEO of The Star Entertainment Group.

Since starting on 17 October – some five weeks ago – I have been asked many times what appealed to me about this job, given the challenges the company was and is facing.

My answer has not changed.

This is an amazing business. We have three casino properties in arguably the best destinations in the country – Sydney, the Gold Coast and Brisbane.

The fundamentals are in place. Great assets, great locations, and a great hard-working team of 8,000 members across our destinations.

I also want to reiterate what Ben said earlier.

We will transform our culture, be more transparent, have more robust governance, greater accountability, be open and honest with our regulators and act swiftly when issues arise.

We need to earn back the trust and confidence of all our stakeholders.

From an operational perspective, let me assure you that the whole team, understands and acknowledges the need for change.

Cultural change is part of that.

So too is the focus on having all areas of our business operating with the highest levels of integrity. As CEO, I want our regulators and the governments we work with to see us as an operator of the highest repute.

At the same time, we should never lose sight of the blue skies on our horizon. The investment of around \$6 billion we and our partners have made - and are planning to make – across South-East Queensland will deliver real benefits to The Star and the State.

We will create thousands of jobs, drive increased tourism, deliver significant community benefits, and play our part in making our cities better places in which to live, work and play.

Ben provided you with an update on the two reviews and our steps to remediate The Star. Let me first outline the main reforms to the casino legislation in NSW and Queensland. These changes require change to our operations, which we have commenced. We will work openly and transparently with our regulators to implement these new frameworks.

I will then summarise our FY22 results, before providing an update on our investments, sustainability, community, and diversity programs.

Casino Control Act changes

So turning to the Casino legislative reforms in each State.

These changes to the regulatory framework have required change, and will require further change, to our operations.

In NSW, amendments to the Casino Control Act included:

- compulsory carded play;
- a \$1,000 daily limit for guests on cash transactions;
- appointment of a compliance auditor;
- more onerous liabilities for directors and executives;
- the override of contractual compensation rights in the event of material regulatory changes;
- maximum fines increased from \$1 million to \$100 million;
- AML suspicious matter reports to be provided to the NSW Independent Casino Commission, and;
- banning junkets.

The carded play and daily cash limits changes have a two-year transition period.

The Queensland Government announced on 26 May it would introduce legislative reforms.

The Queensland reforms passed on 14 October and included:

- a maximum pecuniary penalty of \$100 million;
- allowing for the appointment of a special manager as part of disciplinary action;
- allowing the Minister to require a remediation plan from a casino entity;
- and the override of contractual compensation rights in the event of material regulatory changes.

Further amendments to the Queensland Act are expected next year to implement various Gotterson recommendations including:

- mandatory carded play;
- cash and time play limits;
- mandatory pre-commitment;
- a binding safe gambling code of conduct;
- a casino operator supervisory levy;
- giving effect in Queensland to interstate police exclusions; and
- the introduction of periodic suitability reviews for casino licensees.

FY22 Financial Results

Turning to the financial results for FY22, which, as we all know, were impacted by COVID-19 headwinds.

COVID-related property closures and operating restrictions impacted earnings in the first half of the FY22 and continued into the second half. Once these restrictions lifted domestic revenue recovered, reflecting the underlying strength of our business.

Normalised Group Revenue was \$1.53 billion, down 2% on the prior corresponding period - a pleasing aspect of this result was the 11% lift in Gold Coast revenue to \$424 million.

Normalised EBITDA was \$235 million and our normalised net loss was \$33 million.

If I can focus on the fourth quarter of FY22 when we returned to more normal operating conditions - we produced an underlying EBITDA of \$119 million.

Domestic revenue was above pre-COVID levels, up 11% on the fourth quarter of FY19.

Slots revenue was up 28%, non-gaming revenue was up 26%, and table games were down 4%.

All our properties were at or above pre-COVID levels and, again, the Gold Coast was the standout – up 48% on the fourth quarter of FY19.

Brisbane was also up – 13% – while Sydney was in line with the same period.

FY22 capex was \$141 million, well below D&A of \$208 million.

Key Growth Projects

Despite COVID-19 impacts, we continued to progress our development pipeline and pursue other potential growth opportunities in FY22.

Gold Coast

On the Gold Coast we continued to execute our masterplan. We opened the Dorsett Hotel and Residences, the first of up to five mixed use towers on the Coast, featuring 313 hotel rooms and 422 apartments.

The hotel is performing above forecast levels with higher-than-expected occupancy.

And 99 percent of the apartments have been settled.

The construction of Tower 2 – a \$400 million, 63-storey project that will house a five-star hotel and apartments – is well underway.

We are currently at level 10 and progressing on track for a 2024 opening.

The tower will include approximately 200 hotel rooms and 450 apartments. All apartments have been pre-sold.

When Tower 2 is completed, The Star Gold Coast will have more than 2,000 hotel rooms and apartments on the island.

These two towers follow major reinvestment at The Star Gold Coast, which was completed shortly before the COVID related shutdowns.

We have refurbished the original hotel, The Star Grand, built the luxury all-suite The Darling hotel ahead of the Gold Coast 2018 Commonwealth Games, and added an array of new and award-winning restaurants and bars.

Our guests have appreciated The Star's new tourism and entertainment offerings, as evidenced by the strength of the Gold Coast business during FY22, and it reinforces the decisions taken to make those investments.

It is also encouraging that the current performance of The Star Gold Coast has been driven primarily by local customers, domestic tourism and conventions.

When international tourism finally returns at scale, demand for the Gold Coast will be even more significant.

Brisbane

Turning to Brisbane, we reported on 29 July that due to higher-than-average rainfall in FY22, and the impact of COVID-19, that Queen's Wharf Brisbane was expected to open from the second half of calendar year 2023. That expectation currently remains in place.

As previously reported, total project costs are also expected to be up around 10% on prior guidance of \$2.6 billion.

The majority of the increased project costs will be funded via additional equity contributions in accordance with the existing joint venture interests – The Star at 50%, with Chow Tai Fook at 25% and Far East Consortium at 25%.

The Destination Brisbane Consortium is also in ongoing discussions with the builder regarding purported claims for additional costs, extensions of time and damages, with which DBC disagrees. The contract provides for liquidated damages.

At the same time, I want to acknowledge the efforts of thousands of construction workers and many of our suppliers who have worked incredibly hard and at times around the clock through periods of COVID-19 and challenging weather.

Milestones reached at Queen's Wharf during the financial year included:

- completion of the podium structure;
- three towers moving beyond level 30;
- commencement of the restoration and repurposing of the heritage buildings; and
- the Neville Bonner Bridge being more than 60% complete.

As we have emphasised previously, Queen's Wharf is a transformational project. It will change the face of Brisbane. The list of offerings is stunning:

- four hotels with approximately 1,000 hotel rooms;
- more than 50 restaurants, bars and cafes;
- luxury retail;
- a Fifteen-hundred-person ballroom;
- a Sky Deck more than 100 metres above William Street;

- up to two thousand residential apartments;
- a pedestrian only bridge connecting Queen's Wharf with South Bank;
- nine repurposed and refurbished heritage buildings, all open to the public; and
- seven-and-a-half hectares of public space which will showcase a multi-million-dollar program of art installations across the precinct.

We continue to value the support that we have received from our partners on these projects, Far East Consortium and Chow Tai Fook.

Sydney

In Sydney, a number of development opportunities are available now that the new planning controls exist under the Pyrmont Peninsula Place Strategy.

We have a pathway to a Development Application process to build:

- a 105-metre, six-star hotel;
- additional theatres to complement the Sydney Lyric theatre; and
- a new rooftop dining and event space.

The New South Wales Government has also confirmed a station at Pyrmont as part of the new underground railway system that will connect Greater Parramatta and the Sydney CBD.

Sydney Metro West is a 24-kilometre metro line with nine stations confirmed.

The Pyrmont station will be in Union Street adjacent to The Star Sydney and on a site being compulsorily acquired from The Star.

Sydney Metro and The Star are in a process to set The Star's compensation for that site.

Sustainability

On the sustainability front, we made significant strides in FY22 towards our key environmental targets as set in 2017 – including a 26% reduction of our carbon emissions and a 27% reduction in our water consumption from 2013 levels.

We achieved our target to ensure over 90% of our property portfolio is certified by third party green ratings – that target was first set in 2019.

We released our third Climate Report detailing our management of financial, transitional and physical climate risk and we are looking at ways to measure key elements of our Scope 3 emissions.

We continue to address our Modern Slavery risks and have enhanced our ESG disclosures by releasing a detailed disclosures metrics summary.

I am also delighted that in FY22 we progressed our first carbon offsetting project, the Corymbia Farm and Sanctuary in Gympie, Queensland.

The Star will use this 174-hectare parcel of land to help manage future carbon emissions reduction, and to support biodiversity and native forest regeneration.

We will also create a nature-based farm partnering with local farmers, and through widescale tree planting support endangered species including koalas.

The project will directly bolster our target of net-zero carbon emissions for wholly owned and operated properties by 2030.

Community Partnerships

The Star partners with a number of community organisations, charities and not-for-profits in Sydney, Brisbane and the Gold Coast to make a positive impact in our communities.

In FY22 we partnered with GIVIT – and pledged \$2 million worth of items including new mattresses, designer sofas, dining tables, chairs and crockery. We also contributed to the Queensland Premier’s flood appeal.

Other partnerships during FY22 included:

- the National Indigenous Culinary Institute;
- the Brisbane Portrait Prize;
- the Royal National Agricultural and Industrial Association of Queensland;
- Surf Lifesaving Queensland;
- The National Trust Queensland;
- Currumbin Wildlife Hospital; and
- Christmas in Pymont.

I would also like to acknowledge some of our commercial partnerships including:

- Magic Millions;
- Sydney FC;
- New South Wales Rugby League;
- The Australian Turf Club;
- Racing NSW.

Diversity

I’m also delighted about the recognition The Star received for Diversity and Inclusion in FY22.

The Star was one of 12 new companies acknowledged as an Employer of Choice by the Workplace Gender Equality Agency and the only hospitality organisation to receive gold employer status on the Australian Workplace Equality Index.

In FY22 we also revised our gender equality strategy with a focus on five key areas being:

- leadership accountability;
- gender pay equity;
- building capability of talent pipeline;
- cultural change and communication; and
- flexible work and support for carers.

FY23 Priorities

Turning now to our priorities for the year ahead.

- **First**, progress on the road back to suitability to hold casino licenses in NSW and Queensland. We will seek to do that through:
 - working with the manager appointed by the NSW Independent Casino Commission to ensure his priorities for the Sydney Casino are advanced - noting the suspension of our NSW Casino licence;
 - developing and progressing a remediation plan to be approved by the Manager of Star Sydney and the Commission;
 - addressing the recommendations of the Bell and Gotterson reports and the amendments to the Casino Control Acts in NSW and Queensland; and
 - completing new senior executive and Board appointments.
- **Secondly**, we will seek to optimise our operations through:
 - driving revenue growth as part of a post COVID-19 earnings recovery;
 - maintaining cost control; and
 - managing the competitive impact of Crown Sydney.
- **Thirdly**, we will progress our major projects:
 - at Queen's Wharf Brisbane, continue to progress construction, manage costs, and prepare for the opening in the second half of calendar year 2023;
 - at the Gold Coast, continue to progress construction of Tower 2; and
 - in Sydney, progress those development opportunities I outlined earlier.
- **Finally**, we aim to complete previously announced asset sales, namely:
 - the first tranche of the Treasury Brisbane assets and the Sydney Metro site in Union Street, Pyrmont;
 - we are exploring ownership opportunities for the Sheraton Grand Mirage Gold Coast; and
 - the opportunity remains to unlock the underlying value of the Group's property assets.

With respect to the Sydney Casino - the priorities I have just described will need to be advanced with the approval of the Sydney Casino's Manager.

Trading Update

Let me turn to our trading update.

- Our Queensland Casinos are performing strongly while Sydney has been impacted by compliance changes post the Bell Review along with some competition impacts;

- In the period from 1 July 2022 to 15 November 2022:
 - Gold Coast domestic revenue was up 32% on pre-COVID levels;
 - Brisbane was up 9%; and
 - Sydney was down 11%.
- At a Group level domestic revenue from 1 July 2022 to 15 November 2022 was up 1% on pre-COVID levels;
- Our current expectation is that remediation costs in FY23 will be in the range of \$35 million to \$45 million - of which approximately 50% are expected to be recurring costs beyond FY24.

At 31 October, the Group had \$547 million of liquidity in undrawn facilities and cash.

Gearing was 2.7 times.

No covenant relief is required for FY23 testing dates based on current trends.

Closing

Finally, while only 5 weeks in the chair, I have had the opportunity to engage and speak directly with many of our team members during town hall meetings in Sydney, Brisbane and the Gold Coast.

Our team members are the heartbeat of this business and deserve our utmost thanks for the ongoing commitment they have shown through what can only be described as challenging times.

8,000 strong, they will help us write the next chapter of The Star's story.

While we still have some significant hurdles to clear, I believe The Star has an exciting future. Great assets in great locations, and significant investments that will drive us and the States of NSW and Queensland forward.

Thank you, and I will now pass back to Ben.

Authorised by:

The Board of Directors

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