



THE STAR

ASX Announcement

30 April 2025

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 MARCH 2025

The Star Entertainment Group Limited (ASX: SGR) (**The Star, the Group or the Company**) today released its unaudited quarterly activities report for the third quarter ended 31 March 2025. This announcement should be read in conjunction with the Unaudited Appendix 4C – Quarterly Cash Flow Report also released to ASX today.

SUMMARY

- Q3 FY25 revenue of \$271 million (down 9% compared to Q2) and Q3 FY25 EBITDA loss of \$21 million (before significant items), compared to an EBITDA loss of \$8 million for Q2 FY25. EBITDA results throughout this Announcement are stated before significant items, which will be disclosed separately in Star's FY25 results announcement
- The results for the period reflect a seasonal softening in revenues, reduced levels of gaming visitation and the one-off impact of adverse weather events driving property closures in Queensland in March 2025
- Operating expenses down \$7 million (3%) on the prior quarter due to lower corporate costs and volume related reductions
- During the quarter, The Star made equity contributions to the Destination Brisbane Consortium Integrated Resort joint venture (**DBC**) of \$26 million
- On 7 March 2025, The Star announced an agreement to exit its equity interest in DBC and consolidate its position on the Gold Coast, including a transfer of interests of certain Brisbane and Gold Coast assets between the joint venture partners and The Star. Under this agreement, The Star is not required to make any further equity contributions to DBC beyond 31 March 2025. (See ASX announcement dated 7 March 2025 for full details)
- On 7 April 2025, The Star announced it has entered into a binding term sheet with Bally's Corporation (**Bally's**) for a strategic investment in the form of a multi-tranche convertible note and subordinated debt instrument for a principal value of \$300 million
- On 8 April 2025, The Star announced that its largest shareholder, Investment Holdings Pty Ltd (**Investment Holdings**) has entered into a binding commitment letter to subscribe for \$100 million of the Strategic Investment amount under substantially the same terms as the Bally's investment. As a result, the investment from Bally's will reduce to \$200 million. The initial Tranche 1 funding of \$100 million was received on 9 April 2025 from Bally's and Investment Holdings. The investment by Bally's and Investment Holdings is referred to as the Strategic Investment in this report
- On 8 April 2025, The Star completed the sale of the Sydney Event Centre and associated spaces for \$60 million. As part of the NICC's consent, sale proceeds of approximately \$58 million are being held in escrow and will be released following shareholder approval being obtained for the Strategic Investment into The Star by Bally's and Investment Holdings. Otherwise, these funds can be accessed subject to agreement with the NSW Independent Casino Commission (NICC)

- There remains material uncertainty regarding the Group's ability to continue as a going concern. Key initiatives in the near term which are critical to the Group's liquidity outlook include completing the Strategic Investment into The Star by Bally's and Investment Holdings, securing access to the release of the Sydney Event Centre sale proceeds and completing the transaction entered into with the joint venture partners to exit DBC. The Group's H1 FY25 financial statements released on 15 April 2025 disclose a full summary of the broader matters relevant to the Group's going concern status (see Note E), including the quantum and timing of any potential AUSTRAC penalty following the court hearing which is now scheduled to commence on 4 June 2025
- The Group had available cash at 31 March 2025 of \$44 million¹

FINANCIAL SUMMARY

Group²

	QUARTERLY FINANCIALS (A\$m)			CHANGE	
	Q3 FY25	Q2 FY25 (last quarter)	Q3 FY24 (pcp)	vs. Q2 FY25 (last quarter)	vs. Q3 FY24 (pcp)
Revenue	\$271	\$299	\$419	(9%)	(35%)
EBITDA	(\$21)	(\$8)	\$38	(171%)	(156%)

Property²

	QUARTERLY FINANCIALS (A\$m)			CHANGE	
	Q3 FY25	Q2 FY25 (last quarter)	Q3 FY24 (pcp)	vs. Q2 FY25 (last quarter)	vs. Q3 FY24 (pcp)
The Star Sydney					
Revenue	\$161	\$176	\$219	(8%)	(26%)
EBITDA	(\$9)	(\$4)	\$12	(127%)	(178%)
The Star Gold Coast					
Revenue	\$96	\$111	\$116	(13%)	(17%)
EBITDA	\$2	\$11	\$17	(85%)	(90%)
The Star Brisbane³					
Operator Fee Revenue	\$10	\$10	n/a	(4%)	n/a
EBITDA	(\$13)	(\$13)	n/a	1%	n/a
Treasury Brisbane³					
Revenue	\$4	\$2	\$83	74%	n/a
EBITDA	(\$1)	(\$2)	\$10	55%	n/a

¹ Comprising \$76 million of cash and cash equivalents less \$32 million of restricted cash (representing Cage Cash and current restricted deposits). At 31 March 2025, The Group had total cash and cash deposits of \$168 million, comprising \$76 million of cash and cash equivalents plus \$92 million of non-current restricted deposits. Restricted cash includes proceeds from the sale of the Treasury Brisbane Casino Building held in the Deposit Proceeds Account under the existing SFA agreement and cash backed Bank Guarantees. Cage Cash includes monies held physically on the gaming floor for the day-to-day operation of the casino gaming floor activities

² Revenue and expenses excludes contracted cost recovery associated with DBC (at cost, no margin) in relation to the supply of labour and other shared costs

³ The Treasury Brisbane Casino closed on 25 August 2024 with the staged opening of The Star Brisbane commencing on 29 August 2024

The Star Sydney

- Revenue declined by 8% compared to the previous quarter, reflecting a seasonal softening in revenue
- Since 19 October 2024 (being the date of implementation of mandatory carded play and cash limits across the broader casino), daily revenue has declined 17% to 31 March 2025, compared to the 4 weeks daily average prior to 19 August 2024 (first stage of reform implementation)

The Star Gold Coast

- Revenue declined by 13% compared to the previous quarter due to softer trading conditions and the closure of the property for 5 days due to Tropical Cyclone Alfred and the gradual return to a pre-closure run rate following re-opening
- Table Games revenue for the quarter was in line with Q2, whilst Gaming Machines and Hospitality declined against the prior quarter

The Star Brisbane

- The staged opening of The Star Brisbane continued throughout the quarter following its opening on 29 August 2024, with the Leisure Deck opening in Q3 FY25
- The financial results for The Star Brisbane are reported by DBC (Joint Venture 50% owned by The Star, subject to the 7 March 2025 Heads of Agreement between the Joint Venture partners). The Group is the operator of The Star Brisbane under an agreement with DBC and recognises the operator fee as revenue and allocated corporate costs to The Star Brisbane as the associated expense. Operator fee revenue for the quarter was \$10 million and the EBITDA loss inclusive of allocated corporate costs was \$13 million. Property earnings for The Star Brisbane are recognised as a share of profit/loss from investment in associates and is not included in The Star's EBITDA
- *Property performance:*
 - Revenue generated by the Managed Integrated Resort for Q3 was \$98 million
 - EBITDA loss of \$1 million for the Managed Integrated Resort. This excludes certain centralised corporate costs at the joint venture level, and reflects the impact of the property closure due to Tropical Cyclone Alfred

Treasury Brisbane

- Treasury Brisbane Casino closed on 25 August 2024
- Treasury Brisbane Casino's earnings have been replaced by The Star Brisbane operator fee in the Group's consolidated revenue and EBITDA
- Treasury Hotel and carpark continue to operate with a small revenue contribution

Operating Expenses⁴

	QUARTERLY FINANCIALS (A\$m)			CHANGE	
	Q3 FY25	Q2 FY25 (last quarter)	Q3 FY24 (pcp)	vs. Q2 FY25 (last quarter)	vs. Q3 FY24 (pcp)
Operating expenses	\$228	\$235	\$276	(3%)	(17%)

- Operating expenses of \$228 million were \$7m lower than the previous quarter, reflecting:
 - Lower corporate costs resulting from the cost out program
 - Volume related reductions
- The Star has achieved the previously announced \$100 million reduction in annualised cost savings⁵. The Star is working on embedding these cost savings and identifying further areas of potential incremental cost-out

⁴ Operating expenses excludes contracted cost recovery associated with DBC (at cost, no margin) in relation to the supply of labour and other shared costs

⁵ Based on annualised corporate cost run rate (excluding significant items) for the three months to 31 March 2025 compared to the annualised run rate at August 2024

LIQUIDITY UPDATE

- Available cash as at 31 March 2025 was \$44 million⁶ (\$78 million⁷ at 31 December 2024). Note the Cash and Cash Equivalents balance of \$76 million shown in the Appendix 4C includes \$32 million of restricted cash representing Cage Cash and current restricted deposits
- In September 2024, the Group refinanced its existing SFA debt facility of \$450 million, which was reduced to \$334 million. The Group also entered into a new debt facility of \$200 million of which the first Tranche of \$100 million was drawn on 9 December 2024. The conditions precedent required to access the second Tranche have not been met, and the Tranche is no longer available. Subsequent to 31 March 2025, the existing senior lenders have agreed to various waivers and consents in relation to the SFA. This included covenant waivers through to and including 30 June 2025. The Group has provided the existing senior lenders with security over The Star's Gold Coast assets
- In March 2025, the Group entered into a Binding Heads of Agreement (**HoA**) with its joint venture partners, being Chow Tai Fook Enterprises Limited and Far East Consortium International Limited to exit its investment in DBC and consolidate the Group's Gold Coast position. The transaction is subject to long-form documentation and satisfaction of various conditions precedent. Under the HoA the Group is not required to make any further equity contributions to DBC after 31 March 2025. In accordance with the HoA, The Star received \$45 million of cash in March 2025. This is shown in Section 2.5 of the Appendix 4C.
- On 7 April 2025, The Star announced it has entered into a binding term sheet with Bally's for a strategic investment in the form of a multi-tranche convertible note and subordinated debt instrument for a principal value of \$300 million. On 8 April 2025, The Star announced that its largest shareholder, Investment Holdings has entered into a binding commitment letter to subscribe for \$100 million of the Strategic Investment amount under substantially the same terms as the Bally's investment. As a result, the investment from Bally's will reduce to \$200 million. The initial Tranche 1 funding of \$100 million was received on 9 April 2025 from Bally's and Investment Holdings
- On 8 April 2025, The Star completed the sale of the Sydney Event Centre and associated spaces for \$60 million. As part of the NICC's consent, sale proceeds of approximately \$58 million are being held in escrow and will be released following shareholder approval being obtained for the strategic investment into The Star by Bally's and Investment Holdings. Otherwise, these funds can be accessed subject to agreement with the NICC

Other notable Appendix 4C items:

- The aggregated amount of payments to related parties and their associates from operating activities was \$4 million in the quarter. This is shown in Section 6.1 of the Appendix 4C. This includes payments to DGCC (\$3 million) and remuneration of Directors (including the Group CEO and Managing Director)
- The aggregated amount of payments to related parties and their associates from investing activities was \$29 million in the quarter. This is shown in Section 6.2 of the Appendix 4C. This related to equity contributions of \$26 million in DBC and \$3 million in loans associated with other joint venture investments of the Group
- Section 3.9 of the Appendix 4C shows a \$92 million cash movement for the year to date. This represents the proceeds from the sale in H1 FY25 of the Treasury Brisbane Casino Building which are being held in the Deposit Proceeds Account under the existing SFA agreement and the cash backing of Bank Guarantees
- Cash and cash equivalents at the beginning of the quarter has been adjusted for an amendment to the 31 December 2024 balance to exclude \$91 million of non-current restricted deposits. This is shown in Section 4.1 and also impacts Section 5.5. This aligns with the Group's H1 FY25 financial statements
- Section 1 of the Appendix 4C has been adjusted to align with the Group's H1 FY25 financial statements. This mainly relates to a gross up for the DBC contracted cost recovery, both revenue and expenditure. The adjustments have a nil impact to the net cash flows from operating activities

⁶ Comprising \$76 million of cash and cash equivalents less \$32 million of restricted cash (representing Cage Cash and current restricted deposits). At 31 March 2025, The Group had total cash and cash deposits of \$168 million, comprising \$76 million of cash and cash equivalents plus \$92 million of non-current restricted deposits

⁷ Comprising \$138 million of cash and cash equivalents less \$60 million of restricted cash (representing Cage Cash and current restricted deposits). At 31 December 2024, The Group had total cash and cash deposits of \$229 million, comprising \$138 million of cash and cash equivalents plus \$91 million of non-current restricted deposits

OPERATIONAL UPDATE

Mandatory carded play & cash limits

- The Star Sydney
 - Mandatory carded play and \$5,000 cash limits were fully implemented across the entire gaming floor on 19 October 2024. Cash limits are due to reduce to \$1,000 by 19 August 2025
- The Star Gold Coast
 - Mandatory carded play and cash limits have been legislated but implementation remains subject to regulations by the Queensland Government, which have not been implemented to date

Casino Licence Updates

- The Star Sydney's licence remains suspended, with the term of the Manager's appointment extended to 30 September 2025
- The Star Gold Coast's licence has been suspended, with suspension deferred and the term of the Special Manager extended to 30 September 2025
- The Star Brisbane – on 28 August 2024, DBC was issued a casino licence for The Star Brisbane, which subsequently commenced operation on 29 August 2024 under the management of the Group through an agreement with DBC. On 28 August 2024, an External Adviser was appointed by the Minister to The Star Entertainment Brisbane Operations Pty Ltd (as casino operator for The Star Brisbane). The term of the External Adviser has been extended to 30 September 2025

Update on Key Initiatives

- The Star remains focused on implementing the Strategic Investment into The Star by Bally's and Investment Holdings. Long form documentation continues to be progressed. The Star continues to target a shareholder meeting for late June 2025
- The Star continues to progress the transaction to exit its equity interest in DBC and consolidate its position on the Gold Coast. Long form documentation continues to be progressed. The Star continues to target completion of the transaction by the end of June 2025 (subject to satisfaction of conditions precedent)

Authorised by:

The Board of Directors

For further information:

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

The Star Entertainment Group Limited

ABN

85 149 629 023

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	341,998	1,087,795
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(125,404)	(378,475)
(c) advertising and marketing	(10,027)	(34,049)
(d) leased assets	(1,865)	(8,173)
(e) staff costs	(198,007)	(626,304)
(f) administration and corporate costs	(51,247)	(137,799)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1,610	5,458
1.5 Interest and other costs of finance paid	(12,945)	(28,909)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(55,887)	(120,456)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(12,791)	(56,512)
	(d) investments	(25,950)	(153,700)
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	53	85,885
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(2,518)	4,175
2.4	Dividends received (see note 3)	-	540
2.5	Other (provide details if material)	45,000	37,514
2.6	Net cash from / (used in) investing activities	3,794	(82,098)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	100,000
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(9,220)	(29,434)
3.8	Dividends paid	-	-
3.9	Other – Non Current Restricted Cash	(1,300)	(92,000)
3.10	Net cash from / (used in) financing activities	(10,520)	(21,434)

Quarterly cash flow report for entities subject to Listing Rule 4.7B

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	138,202	299,577
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(55,887)	(120,456)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	3,794	(82,098)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(10,520)	(21,434)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	75,589	75,589

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	32,925	23,080
5.2	Call deposits	11,000	55,500
5.3	Bank overdrafts	-	-
5.4	Other – Cage Cash and Current Restricted Deposits	31,664	59,622
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	75,589	138,202

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(3,768)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(29,148)

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	400,000	400,000
7.2	Credit standby arrangements	-	-
7.3	Other - Bank Guarantees	34,461	29,640
7.4	Total financing facilities	434,461	429,640
7.5	Unused financing facilities available at quarter end		4,821
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>In September 2024, the Group refinanced its existing debt facility of \$450 million, which was reduced to \$334 million. The Group also entered into a new debt facility of \$200 million of which the first Tranche of \$100 million was drawn on 9 December 2024. The conditions precedent required to access the second Tranche were not met, and the Tranche is no longer available.</p> <p>\$400 million of the loan facility is priced at 13.50% (all-in), while \$34 million of the bank guarantee facility is priced at 9.15%.</p> <ul style="list-style-type: none"> • the TSEG Group has the flexibility to capitalise a component of the interest at its election; and • there is a reduction in the coupon subject to the TSEG Group's Adjusted Net Leverage Ratio falling below 4.0x. <p>The facility maturity date is December 2027. At 31 March 2025, the facility was unsecured aside from a first charge over certain assets.</p> <p>Subsequent to 31 March 2025, the Group provided the existing senior lenders with security over the Group's Gold Coast assets (see Note B5 of the Group's 31 December 2024 Financial Report).</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(55,887)
8.2	Cash and cash equivalents at quarter end (item 4.6)	75,589
8.3	Unused finance facilities available at quarter end (item 7.5)	4,821
8.4	Total available funding (item 8.2 + item 8.3)	80,410
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.4

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes

During the quarter, the Group has continued to explore a range of options to raise further cash to fund its operations. This included exploring non-core asset disposals, alternate financing initiatives, and other strategic initiatives. A summary of key initiatives that have been completed or continue to be progressed are summarised below.

- in March 2025, the Group entered into a Binding Heads of Agreement (**HoA**) with its joint venture partners, being Chow Tai Fook Enterprises Limited and Far East Consortium International Limited to exit its investment in DBC and consolidate the Group's Gold Coast position. The transaction is subject to completion of long-form documentation and satisfaction of various conditions precedent. Under the HoA the Group is not required to make any further equity contributions to DBC after 31 March 2025.
- in April 2025, the Group announced a binding term sheet with Bally's Corporation and a binding commitment letter with Investment Holdings Pty Ltd with respect to a multi-tranche convertible note and subordinated unsecured debt instrument with an aggregate principal value of \$300 million.
The first tranche of \$100 million was received on 9 April 2025 and is available for use by the Group.
The second tranche of \$200 million is payable to the Group following shareholder approval, with a meeting currently targeted for late June 2025. If at that time regulatory approval has not been received, \$100 million is payable following shareholder approval, with the remaining \$100 million payable on the earlier of regulatory approval or 7 October 2025.
- in April 2025, the Group completed the sale of the Sydney Event Centre and associated spaces for \$60 million. As part of the NICC's consent, sale proceeds of approximately \$58 million are being held in escrow and will be released following shareholder approval being obtained for the investment by Bally's Corporation and Investment Holdings Pty Ltd. Otherwise, these funds can be accessed subject to agreement with the NICC.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes

The Group's H1 FY25 financial statements released on 15 April 2025 were prepared on a going concern basis. However, there remains material uncertainty regarding the Group's ability to continue as a going concern. Key initiatives in the near term which are critical to the Group's liquidity outlook include completing the Bally's Corporation and Investment Holdings Pty Ltd \$300 million investment, securing access to the release of the Sydney Event Centre sale proceeds and completing the transaction entered into with the joint venture partners to exit DBC. The Group's H1 FY25 financial statements disclose a full summary of the broader matters relevant to the Group's going concern status (see Note E), including the quantum and timing of any potential AUSTRAC penalty following the court hearing which is now scheduled to commence on 4 June 2025

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2025

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.