

# **The Star Entertainment Group Limited**

## **Notice of General Meeting**

THE  STAR ENTERTAINMENT GROUP

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SYDNEY                      BRISBANE                      GOLD COAST

**THE STAR ENTERTAINMENT GROUP LIMITED | ABN 85 149 629 023**  
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POSTAL ADDRESS | PO BOX 13348, GEORGE STREET POST SHOP, BRISBANE, QLD 4003, AUSTRALIA

26 May 2025

Dear Shareholder

I am pleased to invite you to a general meeting of The Star Entertainment Group Limited (**The Star** or the **Company**), which will be held on Wednesday 25 June 2025 (the **Meeting** or **General Meeting**) at The Star Event Centre, The Star Sydney, 80 Pyrmont Street, Pyrmont NSW commencing at 10.00am (Sydney time). The Meeting will also be held online at <https://meetings.openbriefing.com/SGRGM2025>.

At the Meeting, Shareholders will be asked to consider for approval two non-inter-conditional resolutions relating to the Strategic Investments in The Star by each of Bally's Corporation (**Bally's**) and Investment Holdings Pty Ltd (ACN 006 336 303) as trustee for the BMG Discretionary Trust (**Investment Holdings**), being for an aggregate amount of \$300 million, expected to comprise \$200 million from Bally's and \$100 million from Investment Holdings (the **Strategic Investments Resolutions**).

## Background to the Strategic Investments

On 7 April 2025, The Star announced it had entered into a binding term sheet with Bally's (**Term Sheet**) 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, had entered into a binding commitment letter to subscribe for \$100 million of the aggregate amount of the Strategic Investment on substantially the same terms as the Bally's Strategic Investment (**Commitment Letter**). As a result, upon completion of the transaction as contemplated by the Investment Holdings Commitment Letter, the Strategic Investment from Bally's is expected to reduce to \$200 million.

The initial Tranche 1 funding of \$100 million was received by The Star on 9 April 2025 in proportion from each of Bally's and Investment Holdings.

As set out in more detail in the attached Explanatory Memorandum, Shareholders are being asked to provide approval so that The Star can proceed with the issue of the Tranche 2 Convertible Notes. If the Convertible Notes issued to each of Bally's and Investment Holdings are converted, then their respective Relevant Interests in The Star's shares will each exceed 20% (and when aggregated will exceed 50%). As a result, approvals of Shareholders are required under section 611, item 7 of the Corporations Act so that each of Bally's and Investment Holdings can acquire shares in The Star through conversion of the Convertible Notes.

## Rationale for the Strategic Investments

As Shareholders will be aware, The Star is confronting significant uncertainty as to its ability to continue as a going concern amid a challenging operating environment. The Star also faces a number of major claims, including civil proceedings launched by AUSTRAC, a class action, and a settled claim by the NSW Treasury for underpaid casino duty. While the amount of the claim by NSW Treasury is agreed, the amounts which The Star could become liable to pay in relation to the AUSTRAC and class action matters may be substantial.

To address these issues, the Directors and the management team of The Star have been exploring a range of options to improve the Company's financial position and liquidity. These measures include an agreement to exit the Destination Brisbane Consortium and consolidate the Group's Gold Coast position, the divestment of The Star Event Centre, the sale of non-core assets, steps to recover market share and rebuild revenue, and ongoing focus on identifying opportunities for cost savings.

As previously disclosed on ASX, The Star also engaged with a number of parties, including King Street Capital Management in relation to a bridge commitment, Oaktree Capital Management, L.P. and Salter Brothers Capital and The Star's existing lenders in connection with various refinancing proposals. None of these proposals could

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be implemented, primarily because relevant conditions precedent to drawdown, including regulatory approvals and lender consent, could not be satisfied.

The Strategic Investments by each of Bally's and Investment Holdings provide cash funding and assist The Star to continue as a going concern and avoid other consequences, such as voluntary administration, which may not be in the best interests of The Star's Shareholders. Aside from providing The Star with cash funding to maintain solvency, there are also other reasons for Shareholders to approve the Strategic Investments Resolutions, including:

- There has been no alternative source of additional funding for a similar quantum available to The Star that has been capable of being implemented.
- The Subordinated Debt Instrument already provided to The Star as part of Tranche 1 would otherwise be required to be repaid which would represent an additional funding requirement.
- The \$58 million proceeds held in escrow following the divestment of The Star Event Centre sale will be released to The Star if Shareholder approval is obtained for the Strategic Investment from Bally's (see Resolution 1).
- The Star has the potential to benefit from the combined financial contribution, experience and expertise of each of Bally's and Investment Holdings.
- The Strategic Investments are compatible with the existing arrangements with the lenders under The Star's Senior Facility.
- There is an ability for interest payments on the Convertible Notes and Subordinated Debt Instrument to be capitalised which assists in preserving The Star's available cash.
- The Independent Expert has concluded that each of the Strategic Investments are reasonable having regard to the interests of the non-Associated Shareholders of The Star.

**For these reasons, the Directors of The Star unanimously recommend that Shareholders vote in favour of the Resolutions, in the absence of a Superior Proposal and in the absence of the Independent Expert changing its opinion.** Each Director intends to vote all the Shares they hold or control in The Star at the time of the vote in favour of the Resolutions, again, subject to the same qualifications.

If all of the Convertible Notes issued to Bally's and Investment Holdings are converted, and the Board of The Star is reconstituted to comprise a majority of Directors appointed by Bally's and Investment Holdings, then the Strategic Investments will constitute a 'trigger event' at the relevant time under the Employment Agreement of Mr Steve McCann, Managing Director and CEO of the Group. A 'trigger event' includes a 'change in control' in The Star and entitles Mr McCann to payment of any unpaid remuneration entitlement due during the first two years of employment, including any remaining fixed remuneration due for the period and any incentives or retention bonus amounts due during this term. In the case of Mr McCann, The Star Board considers that, despite the benefits he may receive if the Strategic Investments result in a 'trigger event' and the potential for any conflict of interest, his experience and his lead role in assessing the various proposals that have been put forward to The Star over the preceding nine months appropriately positions him to form a view on whether the Strategic Investments are in the best interests of all Shareholders and to provide a recommendation. The interests of Mr McCann, and the other directors of The Star, are set out in section 6.1 of the Explanatory Memorandum.

While the Directors unanimously recommend that Shareholders vote in favour of the Strategic Investments Resolutions, they also recognise that there are reasons why Shareholders may not wish to vote in favour. These reasons include:

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- Your percentage shareholding and Voting Power in The Star will be diluted as a significant number of new Shares may be issued to Bally's and Investment Holdings upon conversion of the Convertible Notes and you are not entitled to participate in the Strategic Investments.
- Notwithstanding Bally's and Investment Holdings may, in aggregate, acquire more than 50% of The Star's Shares on issue, and as a result there may be a change in the majority composition of the Board, no 'control premium' is being paid to non-Associated Shareholders.
- Bally's and Investment Holdings will likely have significant influence over The Star.
- You may not agree with the recommendation by the Directors and the opinion of the Independent Expert.

In addition to the reasons mentioned earlier for voting for or against the Strategic Investments Resolutions, there are several other important factors you should take into account when making your decision. Please refer to section 3 of the Explanatory Memorandum for a detailed discussion of these additional considerations.

## Independent Expert

The Star has appointed Grant Samuel as the Independent Expert to provide a report on whether the Strategic Investments, and the consequence of passing the Strategic Investments Resolutions, are fair and reasonable for Shareholders. In its report, the Independent Expert has concluded that *'there are compelling reasons for non associated shareholders of The Star to approve each of the [Strategic Investments]. They will clearly be better off if the [Strategic Investments] proceed than if they do not. Accordingly, each of the [Strategic Investments] are reasonable having regard to the interests of the non associated shareholders of The Star. [The Independent Expert] has concluded that the terms of each of the [Strategic Investments] are 'not fair' but the methodology required for this analysis under regulatory policy is, at best, theoretical and should not be the primary basis on which to judge the merits of the [Strategic Investments].'*

A complete copy of the Independent Expert Report is included in Annexure A to the Explanatory Memorandum. Shareholders should carefully review the Independent Expert Report in its entirety.

## Placement Capacity Refresh Resolutions

The Star also seeks that, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the prior allotment and issue of 278,517,860 Tranche 1A Convertible Notes and 139,258,930 Tranche 1B Convertible Notes issued on 11 April 2025 and otherwise on the terms and conditions as outlined in the Explanatory Memorandum (the **Placement Capacity Refresh Resolutions**). The Directors of The Star unanimously recommend that Shareholders vote in favour of the Placement Capacity Refresh Resolutions.

## Voting and participation in the General Meeting

Shareholders have the opportunity to attend and participate at the Meeting in person or virtually.

Shareholders who have elected to receive shareholder notices electronically will receive an email that contains instructions about how to view or download a copy of the Explanatory Memorandum, and to lodge their proxy online. The Explanatory Memorandum will also be available for viewing and downloading on The Star's Website.

Shareholders are encouraged to lodge their votes and submit any written questions ahead of the Meeting. If you are unable to attend the Meeting in-person or virtually, you may vote online ahead of the Meeting or appoint a proxy to attend and vote on your behalf at the Meeting. You can do this by:

- using the website of The Star Entertainment Group's Share Registry, <https://au.investorcentre.mpms.mufig.com/>; or

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- completing the Voting Form in accordance with the instructions on the form.

Voting Forms (including Voting Forms lodged online) must be received by 10:00am (Sydney time) on 23 June 2025 to be valid for the Meeting.

If you plan to attend the Meeting in person, please bring your holding statement or any other documents that set out your registration details as that will make registration easier when you arrive.

## Participation via the online meeting platform

Shareholders, proxy holders and corporate representatives may participate at the Meeting online by entering the following URL into their browser: <https://meetings.openbriefing.com/SGRGM2025>. Please refer to the Online Meeting Guide for supported browsers.

Detailed instructions on how to log in to, participate, vote and ask questions (in writing or orally) at the Meeting are set out in the Online Meeting Guide which is available on the Company's website at <https://www.starentertainmentgroup.com.au/general-meeting>, under the Investors tab.

To register to vote or ask a question via the online meeting platform, shareholders will need their Shareholder Reference Number (**SRN**) or Holder Identification Number (**HIN**), and postcode or country code. Your postcode is the postcode registered on your holding if you are an Australian shareholder. For international shareholders, click on the 'Choose Country (if outside Australia)' link and select the applicable country from the drop-down list.

Proxy holders will be sent their proxy number approximately 24 hours before the Meeting.

We recommend logging in to the online meeting platform for the Meeting at least 15 minutes prior to the scheduled start time for the Meeting. Online registration for the Meeting will open 30 minutes before the start of the Meeting.

## Further information

The Explanatory Memorandum sets out important information regarding the Strategic Investments, including the reasons for the Directors' recommendation and the Independent Expert Report. Please read this document carefully and in its entirety as it will assist you in making an informed decision on how to vote. I would also encourage you to seek independent financial, legal and taxation advice before making any investment decision in relation to your shares.

If you require any further information, please call the Shareholder Information Line on 1300 255 218 (within Australia) or +61 2 9066 4084 (outside Australia), Monday to Friday (excluding public holidays) between 9.00am and 5.00pm (Sydney time). The line will be available until two Business Days after the Meeting.

On behalf of the Board, I would like to take this opportunity to thank you for your ongoing support.

I look forward to your participation in the General Meeting and encourage you to vote in favour of the Resolutions, which the Directors believe are in the best interests of Shareholders.

Yours sincerely



**Anne Ward**  
**Chairman**  
**The Star Entertainment Group Limited**

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NOTICE OF GENERAL MEETING

The Star Entertainment Group Limited gives notice that a general meeting of members will be held at The Star Event Centre, The Star Sydney, 80 Pyrmont Street, Pyrmont NSW on Wednesday, 25 June 2025 at 10.00am (Sydney time). The Meeting will also be held online at <https://meetings.openbriefing.com/SGRGM2025>.

**Resolution 1 – Approval of acquisition of Relevant Interests in The Star's Shares by Bally's**

Shareholders are asked to consider and, if thought fit, pass the following resolution as an ordinary resolution:

*That, for the purpose of section 611, item 7 of the Corporations Act, and for all other purposes, approval is given for the acquisition by Bally's (or its wholly owned nominee) of a Relevant Interest of up to 53.75% of the Shares in The Star as a result of the issue of fully paid ordinary shares upon the conversion of Convertible Notes issued, or to be issued, to Bally's (or its wholly owned nominee), and for the purpose of Exception 8 of ASX Listing Rule 7.2, approval is given for the issuance of the Convertible Notes to Bally's (or its wholly owned nominee), as outlined in the Explanatory Memorandum which forms part of this Notice of Meeting.*

**Resolution 2 – Approval of acquisition of Relevant Interests in The Star's Shares by Investment Holdings**

Shareholders are asked to consider and, if thought fit, pass the following resolution as an ordinary resolution:

*That, for the purpose of section 611, item 7 of the Corporations Act, and for all other purposes, approval is given for the acquisition by Investment Holdings of a Relevant Interest of up to 37.33% of the Shares in The Star as a result of the issue of fully paid ordinary shares upon the conversion of Convertible Notes issued, or to be issued, to Investment Holdings, and for the purpose of Exception 8 of ASX Listing Rule 7.2 and Exception 6 of ASX Listing Rule 10.12, approval is given for the issuance of the Convertible Notes to Investment Holdings, as outlined in the Explanatory Memorandum which forms part of this Notice of Meeting.*

(Resolution 1 and Resolution 2, are the **Strategic Investments Resolutions**).

**Resolution 3(a) – Approval and ratification of prior allotment and issue of Tranche 1A Convertible Notes**

Shareholders are asked to consider and, if thought fit, pass the following resolution as an ordinary resolution:

*That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the prior allotment and issue of 278,517,860 Tranche 1A Convertible Notes issued on 11 April 2025 and otherwise on the terms and conditions as outlined in the Explanatory Memorandum which forms part of this Notice of Meeting.*

## **Resolution 3(b) – Approval and ratification of prior allotment and issue of Tranche 1B Convertible Notes**

Shareholders are asked to consider and, if thought fit, pass the following resolution as an ordinary resolution:

*That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the prior allotment and issue of 139,258,930 Tranche 1B Convertible Notes issued on 11 April 2025 and otherwise on the terms and conditions as outlined in the Explanatory Memorandum which forms part of this Notice of Meeting.*

(Resolution 3(a) and Resolution 3(b) are the **Placement Capacity Refresh Resolutions**, and together with the **Strategic Investments Resolutions**, the **Resolutions**).

### **VOTING EXCLUSION STATEMENTS**

In relation to Resolution 1 and Resolution 2, section 611, item 7 of the Corporations Act restricts any votes being cast on a resolution by the person proposing to make the acquisition and their Associates. In Relation to the Placement Capacity Refresh Resolutions, the ASX Listing Rules restricts votes being cast on a resolution by person who participated in the issue or is a counterparty to the agreement being approved and their Associates.

#### **Voting Exclusion Statement for Resolution 1**

In accordance with section 611, item 7 of the Corporations Act, The Star will disregard any votes cast on Resolution 1:

- by Bally's, or its wholly owned nominee; and
- by or on behalf of an Associate of any of them.

However, The Star need not disregard a vote if it is cast on Resolution 1 by:

- a person as proxy for a Shareholder entitled to vote on Resolution 1, in accordance with a direction given to the proxy or attorney to vote on Resolution 1 in that way; or
- the Chairman of the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **Voting Exclusion Statement for Resolution 2**

In accordance with section 611, item 7 of the Corporations Act, The Star will disregard any votes cast on Resolution 2:

- by Investment Holdings; and
- by or on behalf of an Associate of Investment Holdings.

However, The Star need not disregard a vote if it is cast on Resolution 2 by:

- a person as proxy for a Shareholder entitled to vote on Resolution 2, in accordance with a direction given to the proxy or attorney to vote on Resolution 2 in that way; or
- the Chairman of the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Star has also made inquiries of each of Bally's and Investment Holdings to determine whether they are Associates of each other. Each of those parties has represented and warranted to The Star that they are not Associates of each other in relation to The Star.

### **Voting Exclusion Statement for Resolution 3(a)**

In accordance with the ASX Listing Rules, The Star will disregard any votes cast on Resolution 3(a):

- by Bally's, or its wholly owned nominee; and
- by or on behalf of an Associate of any of Bally's, or its wholly owned nominee;

However, The Star need not disregard a vote if it is cast on Resolution 3(a) by:

- a person as proxy for a Shareholder entitled to vote on Resolution 3(a), in accordance with a direction given to the proxy or attorney to vote on Resolution 3(a) in that way;
- the Chairman of the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 3(a); and
  - the holder votes on Resolution 3(a) in accordance with the directions given by the beneficiary to the holder to vote that way.

### **Voting Exclusion Statement for Resolution 3(b)**

In accordance with the ASX Listing Rules, The Star will disregard any votes cast on Resolution 3(b):

- by Investment Holdings; and
- by or on behalf of an Associate of Investment Holdings.

However, The Star need not disregard a vote if it is cast on Resolution 3(b) by:

- a person as proxy for a Shareholder entitled to vote on Resolution 3(b), in accordance with a direction given to the proxy or attorney to vote on Resolution 3(b) in that way;
- the Chairman of the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides;
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 3(b); and
  - the holder votes on Resolution 3(b) in accordance with the directions given by the beneficiary to the holder to vote that way.

By order of the Board.

Jennie Yuen  
Company Secretary  
26 May 2025



## Explanation of Strategic Investments Resolutions

The Strategic Investments Resolutions in this Notice of Meeting should be read together with this section and the Explanatory Memorandum which forms part of this Notice of Meeting, and which sets out a detailed explanation of the background and reasons for the business of the Meeting.

The Star Directors recommend that Shareholders read the Notice of Meeting and Explanatory Memorandum in full before making any decision in relation to the Strategic Investments Resolutions set out below.

### Overview

There are two Strategic Investments Resolutions to be considered at the General Meeting in relation to the Strategic Investments by Bally's and Investment Holdings:

- **Resolution 1** – Approval of the acquisition of Relevant Interests in The Star's Shares by Bally's (or its wholly owned nominee); and
- **Resolution 2** – Approval of the acquisition of Relevant Interests in The Star's Shares by Investment Holdings.

The Strategic Investments Resolutions relate to the Strategic Investments negotiated with each of Bally's and Investment Holdings which was first announced by The Star on the ASX on 7 April 2025 in respect of Bally's, and 8 April 2025 in respect of Investment Holdings. Details of the Strategic Investments are set out in more detail in sections 1 and 6.3 of the Explanatory Memorandum.

In summary, following execution of the Term Sheet and Commitment Letter with Bally's and Investment Holdings respectively, The Star received an initial amount of \$100 million, comprised of:

- subscription proceeds from Bally's of \$22.3 million for Tranche 1A Convertible Notes, being Convertible Notes convertible into 9.71% of The Star's existing Share capital;
- subscription proceeds from Investment Holdings for \$11.1 million for Tranche 1B Convertible Notes, being Convertible Notes convertible into 4.85% of The Star's existing Share capital;
- Subordinated Debt in the amount of \$44.4 million lent by Bally's; and
- Subordinated Debt in the amount of \$22.2 million lent by Investment Holdings.

The initial issue of the Tranche 1A Convertible Notes and Tranche 1B Convertible Notes was within The Star's existing 15% placement capacity under ASX Listing Rule 7.1. Accordingly, Shareholder approval was not required at that time.

In addition to the initial amount of \$100 million that has already been received by The Star, the agreements reached with each of Bally's and Investment Holdings contemplate a further \$200 million of liquidity being advanced to The Star, including by way of the issue of Tranche 2 Convertible Notes to each of those parties.

If the additional Tranche 2 Convertible Notes are issued to Bally's and Investment Holdings, then in combination with the Tranche 1 Convertible Notes already on issue, the Relevant Interests in Shares that would be acquired by each of Bally's and Investment Holdings in each case would exceed 20%, and when aggregated would exceed 50%, upon the conversion of those Convertible Notes and issue of Shares in The Star. The Corporations Act permits a person to acquire a Relevant Interest in voting Shares of a company above 20% where Shareholders have approved that acquisition, subject to certain restrictions on voting and disclosure. Resolution 1 and Resolution 2 seek the relevant approval from Shareholders (noting that the issue of the Tranche 2 Convertible Notes is also subject to the applicable Regulatory Approvals being obtained).

A shareholder approval under section 611, item 7 of the Corporations Act is an exception to certain restrictions on equity security issuances under the ASX Listing Rules. Shareholder approval is required under ASX Listing Rule 7.1 for an issue of equity securities in excess of a listed company's 15% placement capacity. Each of the Strategic Investments Resolutions are also being approved for the purposes of Exception 8 of ASX Listing Rule 7.2, so that the issuance of the Convertible Notes does not count towards The Star's existing placement capacity under ASX Listing Rule 7.1. Shareholder approval is also required under ASX Listing Rule 10.11 for an issue of equity securities to a Shareholder with a shareholding of 10% or greater or that has nominated a director to the board, or pursuant to a relevant agreement which gives the right or expectation to do so. Resolution 2 is an exception under ASX Listing Rule 10.12 (Exception 6) in respect of Investment Holdings.

## Impact of the Strategic Investments Resolutions

The approvals sought from Shareholders under Resolution 1 and Resolution 2 have been put forward based on the maximum Relevant Interest that Bally's and Investment Holdings in each case could acquire in Shares of The Star.

Where both Strategic Investments Resolutions are passed and the Tranche 2 Notes are issued to each party in accordance with their respective proportions, then:

- the maximum number of Shares in which Bally's would have a Relevant Interest if it converted all of its Convertible Notes in circumstances where Investment Holdings converted all of its Convertible Notes, would reduce to 37.8%; and
- the maximum number of Shares in which Investment Holdings would have a Relevant Interest if it converted all of its Convertible Notes in circumstances where Bally's converted all of its Convertible Notes, would reduce to 23.2%. In the case of Investment Holdings, this takes into account its existing shareholding of 10.01% in The Star.

Resolution 1 and Resolution 2 are not inter-conditional.

If Resolution 1 is passed at the General Meeting and Resolution 2 is not passed, then The Star would proceed to issue Bally's with all of the Tranche 2 Convertible Notes (assuming the applicable Regulatory Approvals have been obtained). When the Tranche 1A Convertible Notes issued to Bally's on 9 April 2025 are aggregated with the Tranche 2 Convertible Notes (assuming Shareholder approval is obtained), then Bally's could acquire a Relevant Interest in up to 53.7% of Shares in The Star, if it elected to convert all of its Convertible Notes. This scenario would still represent total aggregate funding of \$300 million to The Star.

If Resolution 1 is not passed at the General Meeting and Resolution 2 is passed, then The Star would proceed to issue Investment Holdings with \$88.9 million of Convertible Notes (assuming the applicable Regulatory Approvals have been obtained) which may, when aggregated with the Tranche 1B Convertible Notes issued to Investment Holdings and Investment Holdings' current 10% shareholding, result in Investment Holdings acquiring a Relevant Interest in up to 37.3% of the Shares in The Star, if it elected to convert all of its Convertible Notes.

## Directors' Recommendation

**The Board of The Star recommends that Shareholders of The Star vote in favour of Strategic Investments Resolutions**, in the absence of a Superior Proposal and in the absence of the Independent Expert changing its opinion. The reasons for the Directors' recommendation are set out in section 2.1 of the Explanatory Memorandum.

**Directors of The Star intend to vote any Shares they hold or control at the time of the vote in favour of both Strategic Investments Resolutions**, again, subject to the same qualifications.

If the Convertible Notes issued to Bally's and Investment Holdings are converted, and the Board of The Star is reconstituted to comprise a majority of Directors appointed by Bally's and Investment Holdings, then the Strategic Investments will constitute a 'trigger event' at the relevant time under the Employment Agreement of Mr Steve McCann, Managing Director and CEO. A 'trigger event' includes a 'change in control' in The Star and entitles Mr McCann to payment of any unpaid remuneration entitlement due during the first two years of employment, including any remaining fixed remuneration due for the period and any incentives or retention bonus amounts due during this term. In the case of Mr McCann, the Board considers that, despite the benefits he may receive if the Strategic Investments result in a 'trigger event', and the potential for any conflict of interest, his experience and his lead role in assessing the various proposals that have been put forward to The Star over the preceding nine months appropriately positions him to form a view on whether the Strategic Investments are in the best interests of all Shareholders and to provide a recommendation.

Please refer to section 6.1 for further information on the interests of Mr McCann and the other Directors, noting that Shareholders may wish to have regard to these disclosures when considering his recommendation.

## Independent Expert Report

Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approvals required under section 611, item 7 of the Corporations Act. The Independent Expert Report comments on the advantages and disadvantages of the Strategic Investments, which is the subject of the Strategic Investments Resolutions, to the non-Shareholders in the Company not Associated with either Bally's or Investment Holdings.

The opinion of the Independent Expert is that *'there are compelling reasons for non associated shareholders of The Star to approve each of the [Strategic Investments]. They will clearly be better off if the [Strategic Investments] proceed than if they do not. Accordingly, each of the [Strategic Investments] are reasonable having regard to the interests of the non associated shareholders of The Star. [The Independent Expert] has concluded that the terms of each of the [Strategic Investments] are 'not fair' but the methodology required for this analysis under regulatory policy is, at best, theoretical and should not be the primary basis on which to judge the merits of the [Strategic Investments].'*

## Notes on Meeting Attendance and Voting

### 1 Entitlement to Attend the Meeting and Vote

Pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) and ASX Settlement Operating Rule 5.6.1, for the purpose of the General Meeting, voting Shareholders will be taken to be those persons recorded in the Company's Register of Shareholders as holding shares at **7:00pm (Sydney time) on Monday, 23 June 2025**.

### 2 All resolutions to be determined by poll

- (a) Voting on each of the Resolutions at the General Meeting will be conducted by poll. On a poll, Shareholders have one vote for every fully paid ordinary share held (subject to the restrictions on voting referred to below).
- (b) The results of the voting on Resolutions will be announced to the ASX after the General Meeting.

### 3 Conduct of the General Meeting

- (a) The Star is committed to ensuring that its Shareholder meetings are conducted in a manner which provides those Shareholders (or their proxy holders or representatives) who are present at the General Meeting (including in person or online, as applicable) with the opportunity to participate in the business of the Meeting and to ask questions about matters relevant to the business of the Meeting.
- (b) The Chairman of the General Meeting will exercise her or his powers as the Chairman to ensure that the General Meeting is conducted in an orderly and timely fashion, in the interests of all attending shareholders.
- (c) As this General Meeting will also be held online, technical issues may arise. In that event, The Star will have regard to the impact of any technical issue on the ability of Shareholders as a whole to participate and the Chairman of the General Meeting may, in exercising her or his powers as the Chairman, issue any instructions for resolving the issue and may continue the General Meeting if it is appropriate to do so.

### 4 Participation at the Meeting

- (a) The Meeting will be held on Wednesday, 25 June 2025 in The Star Event Centre, The Star Sydney, 80 Pyrmont Street, Pyrmont NSW at 10:00am (Sydney time). It will also be held online at <https://meetings.openbriefing.com/SGRGM2025>.
- (b) Shareholders, proxy holders and corporate representatives may attend and participate at the General Meeting either in person or online via the online meeting platform by entering the following URL into their browser: <https://meetings.openbriefing.com/SGRGM2025>.
- (c) Detailed instructions on how to log in to, participate, vote and ask questions (in writing or orally) during the Meeting via the online meeting platform are set out in the Online Meeting Guide which is available on the Company's website at <https://www.starentertainmentgroup.com.au/general-meeting>, under the Investors tab.
- (d) We recommend logging in to the online meeting platform for the Meeting at least 15 minutes prior to the scheduled start time for the Meeting.
- (e) Registration for the General Meeting will open 30 minutes before the start of the General Meeting.
- (f) Note: Link Group is now known as MUFG Pension & Market Services. Link Market Services has rebranded to MUFG Corporate Markets, a division of MUFG Pension & Market Services.

### 5 Voting Methods

- (a) A Shareholder entitled to vote at the General Meeting may vote in one of four ways:
  - (i) by attending the Meeting and voting either in person or by attorney, or in the case of corporate Shareholders, by corporate representative;

- (ii) by attending the Meeting by accessing the secure online meeting platform and voting themselves or by attorney, or in the case of corporate shareholders, by corporate representative;
  - (iii) by lodging a direct vote online at the website of the Company's Share Registry at <https://au.investorcentre.mpms.mufg.com>; or
  - (iv) by appointing a proxy to attend and vote on their behalf, and lodging the appointment with the Company's Share Registry, including online at <https://au.investorcentre.mpms.mufg.com>.
- (b) To be effective, voting instructions must be received by the Company at the Company's Share Registry address shown below, or lodged online at the website of the Company's Share Registry by 10:00am (Sydney time) on Monday, 23 June 2025.
- (c) The Voting Form must be signed and returned in accordance with the instructions on the form. You will be taken to have signed your Voting Form if you lodge it online in accordance with the instructions on the website.

## 6 Voting using the online meeting platform

- (a) To log in to, and submit votes and questions during the Meeting via the online meeting platform for the Meeting, shareholders will need their Shareholder Reference Number (**SRN**) or Holder Identification Number (**HIN**), and postcode or country code. Your postcode is the postcode registered on your holding if you are an Australian Shareholder. For international shareholders, click on the 'Choose Country (if outside Australia)' link and select the applicable country from the drop-down list.

Proxy holders will be provided with their proxy number by the Company's Share Registry approximately 24 hours prior to the Meeting. The online meeting platform will be open for registration 30 minutes before the start of the Meeting.

- (b) Voting will be open until the Chairman of the Meeting closes the Meeting.
- (c) More information about online participation at the Meeting (including how to cast your votes and ask questions during the Meeting) is set out in the Online Meeting Guide which is available on the Company's website at <https://www.starentertainmentgroup.com.au/general-meeting>.

## 7 Voting by Proxy

- (a) A Shareholder entitled to attend the General Meeting and vote is entitled to appoint not more than two proxies, who may be either an individual or a corporation. A proxy need not be a Shareholder of The Star.
- (b) A Shareholder appointing two proxies must have at least two Shares and may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, then each proxy may exercise half of the votes. An additional Voting Form will be supplied by the Share Registry on request.
- (c) A Shareholder or proxy that is a corporation and entitled to attend and vote at the General Meeting may appoint an individual to act as its corporate representative to exercise its powers at the Meeting. Evidence of the appointment of a corporate representative must be in accordance with section 250D of the Corporations Act and be lodged with the Company before the General Meeting or at the registration desk on the day of the General Meeting.
- (d) If the appointment of a corporate representative is signed under power of attorney, the power of attorney under which the appointment is signed, or a certified copy of that power of attorney, must accompany the appointment unless the power of attorney has previously been noted by the Share Registry.
- (e) If you appoint the Chairman of the General Meeting as your proxy or the Chairman of the General Meeting is appointed as your proxy by default and you do not specify how the Chairman is to vote on a Resolution, by completing and submitting the Voting Form, you expressly authorise the Chairman to vote your proxy as she sees fit.

- (f) The Chairman of the General Meeting intends to vote all available proxies in favour of all Resolutions.

## **8 Attorneys**

If a Shareholder has appointed an attorney to attend and vote at the General Meeting, the power of attorney (or a certified copy of the power of attorney) must be provided to the Share Registry in the manner and by the same time, as specified for lodging Voting Forms, unless the power of attorney has been previously lodged with the Share Registry.

## **9 Restrictions on Voting**

Gambling legislation and certain government agreements in New South Wales and Queensland and Part 2 (Rules 83-87) of the Constitution of The Star contain provisions regulating the exercise of voting rights by persons with prohibited shareholding interests. The legislation and government agreements also set out the regulation of shareholding interests. The relevant Minister has the power to request information to determine whether a person has a prohibited shareholding interest. If a person fails to furnish these details within the time specified or, in the opinion of the Minister, the information is false or misleading, then the Minister can declare the voting rights of those shares suspended.

## **10 Questions from Shareholders**

- (a) Shareholders will have the opportunity to ask questions in person, or via the online meeting platform <https://meetings.openbriefing.com/SGRGM2025> (in writing or orally), during the General Meeting.
- (b) Shareholders may also lodge any written questions ahead of the General Meeting through their portfolio or holding(s) login on the Share Registry's website at <https://au.investorcentre.mpms.mufg.com>. More frequently asked questions may be addressed in the Chairman's address at the General Meeting. Written questions must be received by the Share Registry by 5:00pm (Sydney time) on Wednesday, 18 June 2025.

## Proxy Form

## LODGE YOUR VOTE



### ONLINE

<https://au.investorcentre.mpms.mufg.com>



### BY MAIL

The Star Entertainment Group Limited  
C/- MUFG Corporate Markets (AU) Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND\*

MUFG Corporate Markets (AU) Limited  
Parramatta Square, Level 22, Tower 6,  
10 Darcy Street, Parramatta NSW 2150



### ALL ENQUIRIES TO

Telephone: 1300 880 923

Overseas: +61 1300 880 923

## VOTING FORM

To vote directly or to direct your proxy how to vote on any item, please insert ☒ in Box A or Box B below. Please read the voting instructions overleaf before marking any boxes.

I/We being a shareholder(s) of The Star Entertainment Group Limited (ABN 85 149 629 023) (the "Company") and entitled to attend and vote hereby:

**A**

### VOTE DIRECTLY



elect to lodge my/our  
vote(s) directly (mark box)



in relation to the General Meeting of the Company to be held at **10:00am (Sydney time) on Wednesday, 25 June 2025** (the "Meeting") and at any adjournment or postponement of the Meeting.

You must mark either "For" or "Against" for each item for a valid direct vote to be recorded. If you mark the "Abstain" box, your vote for that item will be invalid. **GO TO STEP 2.**

OR

**B**

### APPOINT A PROXY



the Chairman  
of the Meeting  
(mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit, subject to any applicable voting exclusion(s) at the General Meeting of the Company to be held at **10:00am (Sydney time) on Wednesday, 25 June 2025** (the "Meeting") and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a hybrid event. You can participate by attending in person at **The Star Event Centre, The Star Sydney, 80 Pyrmont Street, Pyrmont NSW** or logging in online at <https://meetings.openbriefing.com/SGRGM2025> (detailed instructions on how to log in to, participate, vote and ask questions at the Meeting are set out in the Online Meeting Guide and Notice of Meeting, which are available on the Company's website at <https://www.starentertainmentgroup.com.au/general-meeting>).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

## VOTING DIRECTIONS

Voting directions will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

### Items of Business

For Against Abstain\*

**1** Approval of acquisition of relevant interests in The Star's shares by Bally's

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

**2** Approval of acquisition of relevant interests in The Star's shares by Investment Holdings

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**3a** Approval and ratification of prior allotment and issue of Tranche 1A Convertible Notes

For Against Abstain\*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**3b** Approval and ratification of prior allotment and issue of Tranche 1B Convertible Notes

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------



\* If you mark the Abstain box for a particular Item, your direct vote will be invalid if you are voting under Box A or, if you are voting under Box B, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

## SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)




Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



## HOW TO COMPLETE THIS SHAREHOLDER VOTING FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### STEP 1

#### VOTING UNDER BOX A – DIRECT VOTE

If you marked the box under Box A you are indicating that you wish to vote directly. Please only mark either **"For"** or **"Against"** for each item, to record a valid direct vote on that item at STEP 2. If you mark the **"Abstain"** box for an item, your vote for that item will be invalid.

If no direction is given on any of the items, or if you complete both Box A and Box B, your vote may be passed to the Chairman of the Meeting as your proxy.

You may identify on the Voting Form the total number of shares to be voted on any item by inserting the percentage or number of shares in the **"For"** or **"Against"** boxes.

If you have lodged a direct vote, and you attend the Meeting, your direct vote remains valid and is not revoked by your attendance unless you instruct the Company's share registry prior to the Meeting that you wish to vote in person on any or all of the items to be put before the Meeting (in which case your direct vote is revoked).

The decision of the Chairman of the Meeting as to whether a direct vote is valid is conclusive.

#### VOTING UNDER BOX B – APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the first box in Box B. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email of that individual or body corporate in Box B. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company and may be an individual or a body corporate.

#### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Voting Form, including where the item is connected directly or indirectly with the remuneration of a member of the Company's key management personnel. **The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

### STEP 2

#### VOTES – PROXY APPOINTMENT

You can direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you mark more than one box on an item your vote on that item will be invalid.

If you do not mark any of the boxes on a given item then, subject to the rest of this paragraph, your proxy may vote as he or she chooses.

#### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Voting Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Voting Form and the second Voting Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together to the Company's share registry.

#### SIGNING INSTRUCTIONS

You must sign this form in the spaces provided, as follows:

**Individual:** where the holding is in one name, the shareholder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must have previously lodged the Power of Attorney with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form and return both documents by mail or by hand.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001* (Cth)) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If you have appointed a proxy or an attorney, and you attend the Meeting, your proxy or attorney remains valid and is not revoked by your attendance unless you instruct the Company's share registry prior to the Meeting that you wish to vote in person on any or all of the items to be put before the Meeting (in which case your proxy or attorney is revoked entirely for the Meeting).

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be received at support@cm.mpms.mufg.com before the Meeting or at the registration desk on the day of the Meeting in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.mpms.mufg.com/en/mufg-corporate-markets](http://www.mpms.mufg.com/en/mufg-corporate-markets).

### LODGEMENT OF A VOTING FORM

This Voting Form (and any Power of Attorney under which it is signed) must be received at an address listed above by **10:00am (Sydney time) on Monday, 23 June 2025**, being not later than 48 hours before the commencement of the Meeting and at any adjournment or postponement of the Meeting. Any Voting Form received after that time will not be valid for the Meeting.

Voting Forms may be lodged by mail to the address listed above, by fax to the number listed above, or:



#### ONLINE

<https://au.investorcentre.mpms.mufg.com>

Login to the Investor Centre using the holding details as shown on the Voting/Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" – Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your vote by scanning the QR code adjacent or enter the voting link

<https://au.investorcentre.mpms.mufg.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

#### QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



#### BY MAIL

The Star Entertainment Group Limited  
C/- MUFG Corporate Markets (AU) Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to MUFG Corporate Markets (AU) Limited\*  
Parramatta Square  
Level 22, Tower 6  
10 Darcy Street  
Parramatta NSW 2150

\* during business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

# **Annexure to Notice of Meeting Explanatory Memorandum**



**THE STAR**  
ENTERTAINMENT  
GROUP

# EXPLANATORY MEMORANDUM

**FOR THE APPROVAL OF THE ACQUISITION OF RELEVANT INTERESTS IN THE STAR BY EACH OF BALLY'S AND INVESTMENT HOLDINGS AND OTHER MATTERS**

**THE STAR DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU VOTE IN FAVOUR OF THE RESOLUTIONS AT THE GENERAL MEETING IN THE ABSENCE OF A SUPERIOR PROPOSAL.**

This Explanatory Memorandum should be read together with the Notice of Meeting of which this Explanatory Memorandum forms part.

This Explanatory Memorandum is important and requires your prompt attention. You should read it in its entirety, and consider its contents carefully, before deciding whether or not to vote in favour of the Resolutions. If you are in any doubt about what you should do, you should consult with a financial, legal, taxation or other professional adviser.

If you have any questions in relation to this Explanatory Memorandum or the transactions set out in it, please call The Star Shareholder Information Line on 1300 255 218 (within Australia) or +61 2 9066 4084 (outside Australia), Monday to Friday (excluding public holidays) between 9.00am and 5.00pm (Sydney time). The line will be available until two Business Days after the General Meeting.

## Important Notices

### Purpose of this Explanatory Memorandum

This Explanatory Memorandum has been prepared for persons shown in The Star's register of Shareholders as holding Shares. If you have recently sold all of your Shares, please disregard this Explanatory Memorandum.

This Explanatory Memorandum has been prepared in connection with the Resolutions to be voted on by Shareholders at the General Meeting to be held at 10.00am (Sydney time) on Wednesday, 25 June 2025. The purpose of this Explanatory Memorandum is to provide Shareholders with information that The Star Directors believe to be material to deciding whether or not to vote in favour of the Resolutions detailed in the Notice of Meeting. You should review all of the information in this Explanatory Memorandum carefully. Section 2.1 sets out the reasons why you should vote in favour of the Resolutions and section 2.3 sets out the reasons why you may wish to vote against the Resolutions.

### Defined terms

A number of defined terms are used in this Explanatory Memorandum. These terms are defined in section 8. The Independent Expert Report annexed to this Explanatory Memorandum as Annexure A has its own defined terms.

### No investment advice

The information contained in this Explanatory Memorandum does not constitute financial product advice and has been prepared without reference to your individual investment objectives, financial situation, taxation position or particular needs. It is important that you read this Explanatory Memorandum in its entirety before making any decision as to whether or not to vote in favour of the Resolutions. If you are in any doubt in relation to these matters, you should consult with a financial, legal, taxation or other professional adviser.

### Not an offer

This Explanatory Memorandum does not constitute or contain an offer to Shareholders, or a solicitation of an offer from Shareholders, in any jurisdiction.

### Disclaimer as to forward-looking statements

Certain statements which appear in this Explanatory Memorandum (including in the Independent Expert Report) may be in the nature of forward-looking statements. Forward-looking statements generally may be identified by the use of forward-looking words such as 'believe', 'aim', 'expect', 'anticipate', 'intending', 'foreseeing', 'likely', 'should', 'planned', 'may', 'estimate', 'potential', or other similar words. Similarly, statements that describe the objectives, plans, goals, intentions or expectations of The Star, Bally's or Investment Holdings are or may be forward-looking statements.

Forward-looking statements should not be taken to be forecasts or predictions that events will occur or that objectives, plans, goals, intentions or expectations will be achieved. Such statements are only opinions and are subject to inherent risks and uncertainties. Those risks and

uncertainties include factors and risks specific to The Star and/or the industries in which it operates, as well as general economic conditions, prevailing exchange rates and interest rates and conditions in financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement and deviations are both normal and to be expected. Neither The Star, Bally's, Investment Holdings, nor any of their respective affiliates, officers, directors, employees or advisers or any person named in this Explanatory Memorandum or involved in the preparation of this Explanatory Memorandum makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement. Accordingly, you are cautioned not to place undue reliance on those statements.

The forward-looking statements in this Explanatory Memorandum reflect opinions held only at the date of this Explanatory Memorandum. Subject to any continuing obligations under relevant laws or the ASX Listing Rules, The Star, Bally's, Investment Holdings, and their respective affiliates, officers, directors, employees and advisers, disclaim any obligation or undertaking to update or revise any such statements after the date of this Explanatory Memorandum, to reflect any change in expectations in relation to such statements or any change in events, conditions or circumstances on which any such statement is based.

### Responsibility statement

The Star has prepared, and is responsible for, The Star Information. None of Bally's, Investment Holdings, nor any of their respective affiliates or their respective officers, directors, employees or advisers assumes any responsibility for the accuracy or completeness of such information.

Bally's has prepared, and is responsible for, the Bally's Information. Neither The Star, Investment Holdings nor any of their respective affiliates or their respective officers, directors, employees or advisers assumes any responsibility for the accuracy or completeness of such information.

Investment Holdings has prepared, and is responsible for, the Investment Holdings Information. Neither The Star, Bally's nor any of their respective affiliates or their respective officers, directors, employees or advisers assumes any responsibility for the accuracy or completeness of such information.

Grant Samuel has prepared the Independent Expert Report and takes responsibility for that report. None of The Star, Bally's, Investment Holdings nor any of their respective affiliates, or their respective officers, directors, employees or advisers assumes any responsibility for the accuracy or completeness of the information contained in the Independent Expert Report, except in the case of The Star, in relation to the information which it has provided to the Independent Expert. The Independent Expert Report is set out in Annexure A.

MUG has had no involvement in the preparation of any part of this Explanatory Memorandum, other than being named as The Star's Share Registry. MUG has not authorised or

caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Explanatory Memorandum.

### **Foreign jurisdictions**

The release, publication or distribution of this Explanatory Memorandum in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Explanatory Memorandum should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Explanatory Memorandum has been prepared in accordance with Australian law and the information contained in this Explanatory Memorandum may not be the same as that which would have been disclosed if this Explanatory Memorandum had been prepared in accordance with the laws and regulations outside of Australia.

### **Regulatory information**

A copy of this Explanatory Memorandum has been provided to ASIC and disclosed on ASX.

None of ASIC or ASX or their officers, take any responsibility for the contents of this Explanatory Memorandum.

### **Privacy**

The Star and its agents and representatives may collect personal information in the process of implementing the transactions contemplated by this Explanatory Memorandum. Such information may include the name, contact details and shareholdings of Shareholders and the names of persons appointed by those persons to act as a proxy, attorney or corporate representative at the General Meeting. The primary purpose of the collection of personal information is to assist The Star to conduct the General Meeting and to implement the transactions contemplated by this Explanatory Memorandum. Without this information, The Star may be hindered in its ability to implement such transactions. Personal information of the type described above may be disclosed to the Share Registry, third party service providers (including print and mail service providers and parties otherwise involved in the conduct of the General Meeting), authorised securities brokers, The Star and its

Related Bodies Corporate, professional advisers and service providers.

Shareholders have certain rights to access personal information that has been collected. Shareholders should contact the Share Registry in the first instance, if they wish to access their personal information. Shareholders who appoint a named person to act as their proxy, attorney or corporate representative should ensure that they inform that person of these matters.

### **Effect of rounding**

Figures, amounts, percentages, estimates, calculations of value and fractions in this Explanatory Memorandum are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Explanatory Memorandum.

### **Charts and diagrams**

Any diagrams, charts, graphs or tables appearing in this Explanatory Memorandum are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, graphs and tables is based on information available as at the date of this Explanatory Memorandum. Any discrepancies in any chart, graph or table between totals and sums of amounts presented or listed therein or to previously published financial figures are due to rounding.

### **Times and dates**

Unless otherwise stated, all times and dates referred to in this Explanatory Memorandum are to times and dates in Sydney, Australia. All times and dates are indicative only.

### **Currency and exchange**

Unless otherwise stated, all references to 'dollars' or '\$' in this Explanatory Memorandum are in Australian Dollars and all share prices and trading volumes refer to the Shares trading on the ASX.

### **Date of this Explanatory Memorandum**

This Explanatory Memorandum is dated 26 May 2025.

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## Key Dates

Set out below is an indicative timetable containing the key dates that are relevant to the Strategic Investments outlined in this Explanatory Memorandum.

Event	Date
Despatch of Explanatory Memorandum and Notice of Meeting	26 May 2025
<b>General Meeting proxy forms</b>	10.00am (Sydney time) on 23 June 2025
Deadline for receipt of proxy forms (including proxies lodged online), powers of attorney or certificates of appointment of body corporate representatives for the General Meeting	
<b>General Meeting Record Date</b>	
Time and date for determining eligibility to vote at the General Meeting	7.00pm (Sydney time) on 23 June 2025
<b>General Meeting</b>	10.00am (Sydney time) on 25 June 2025
<i>If the Strategic Investments Resolutions are approved by Shareholders at the General Meeting and Regulatory Approvals have been obtained</i>	
<b>Further funding and issue of Tranche 2 Convertible Notes</b>	27 June 2025
Issue of Tranche 2 Convertible Notes to each of Bally's and Investment Holdings	
<b>Note:</b> If the Strategic Investments Resolutions are not approved, or if the Strategic Investments Resolutions are approved but the Regulatory Approvals have not been obtained, please refer to section 3.3.	
The dates set out above are indicative only and are subject, among other things, to the satisfaction (or, where capable, waiver) of the conditions precedent to the implementation of the Strategic Investments contemplated by this Explanatory Memorandum. Any changes to the above timetable (which may include the date for 'Further funding / issue of Convertible Notes' occurring on a later date) will be announced through the ASX and notified on The Star's Website.	



## Frequently Asked Questions

Set out below is table of frequently asked questions relating to the Resolutions, and the Strategic Investments contemplated in this Explanatory Memorandum, and details of where you can find further information.

Question	Answer	Further information
<b>Why have I received this Explanatory Memorandum?</b>	<p>This Explanatory Memorandum has been sent or made available to you because you are a Shareholder and eligible Shareholders are being asked to vote on the Resolutions, which, if approved, will result in each of Bally's and Investment Holdings potentially acquiring a significant stake in The Star.</p> <p>This Explanatory Memorandum is intended to help you decide how to vote on the Resolutions.</p>	N/A.
<b>What are the Strategic Investments?</b>	<p>The Strategic Investments comprise of multi-tranche Convertible Notes and Subordinated Debt Instruments for an aggregated principal funding amount of \$300 million.</p> <p>As announced on 7 April 2025, Bally's agreed to fund the principal amount of \$300 million. As further announced on 8 April 2025, Investment Holdings agreed with The Star to participate in the same funding arrangement by committing \$100 million of the total \$300 million to The Star.</p> <p>To the extent that the Investment Holdings commitment proceeds are provided, the funding provided by Bally's is expected to reduce to \$200 million.</p>	Section 1.
<b>Who is Bally's?</b>	Bally's is a Delaware corporation, with global headquarters in Providence, Rhode Island. Bally's is a global casino-entertainment company with a growing omni-channel presence. Bally's common stock is traded on the New York Stock Exchange under the symbol 'BALY'.	Section 4.8.
<b>Who is Investment Holdings?</b>	Investment Holdings Pty Ltd is as trustee for the BMG Discretionary Trust is a special purpose vehicle, controlled by the Mathieson family.	Section 4.12.
<b>What are the Directors' voting recommendations and how do the Directors intend to vote?</b>	<p>The Board of The Star unanimously recommends that Shareholders vote in favour of the Resolutions at the General Meeting, in the absence of a Superior Proposal and in the absence of the Independent Expert changing its opinion. Each Director intends to vote (or procure the voting of) all Shares held or controlled by them in favour of the Resolutions, again, subject to the same qualifications.</p> <p>The reasons for the Board's recommendation are outlined in the Letter from the Chairman and section 2.1.</p>	<p>Section 2.2 provides a summary of the reasons why Directors consider that eligible Shareholders should vote in favour of the Strategic Investments Resolutions.</p> <p>Section 2.3 provides a summary of some</p>

Question	Answer	Further information
		of the reasons why eligible Shareholders may wish to vote against the Strategic Investments Resolutions.
<b>What is the opinion of the Independent Expert?</b>	<p>The Board has commissioned the Independent Expert, Grant Samuel, to prepare the Independent Expert Report in relation to the Strategic Investments, which relates to the Strategic Investments Resolutions.</p> <p>The Independent Expert has concluded that each of the Strategic Investments are reasonable having regard to the interests of the non-Associated Shareholders of The Star. The Independent Expert has also concluded that the terms of each Strategic Investments are 'not fair' but states that 'the methodology required for this analysis under regulatory policy is, at best, theoretical and should not be the primary basis on which to judge the merits of the [Strategic Investments]'. A complete copy of the report is included in Annexure A to this Explanatory Memorandum.</p>	Section 2.2(h) and Annexure A.
<b>If approved by Shareholders, when will the funding for Tranche 2 be provided by Bally's and Investment Holdings?</b>	<p>Subject to each of Bally's and Investment Holdings receiving Regulatory Approvals, Bally's and Investment Holdings will provide the Tranche 2 funding on Friday, 27 June 2025, two Business Days after the General Meeting, which will be held on Wednesday, 25 June 2025.</p> <p>If Shareholders approve Resolution 1 and Resolution 2, then The Star will receive:</p> <ul style="list-style-type: none"> <li>• \$200 million of Tranche 2 funding if both Shareholder approval and Regulatory Approvals are obtained; or</li> <li>• \$133 million by way of an increase in funding under the Subordinated Debt Instruments if Shareholder approval is obtained and Regulatory Approvals are not yet obtained.</li> </ul> <p>The Star will then receive an additional \$67 million when Regulatory Approvals are obtained or otherwise no later than two Business Days after 7 October 2025.</p> <p>If Shareholders approve Resolution 1 and reject Resolution 2, The Star will receive:</p> <ul style="list-style-type: none"> <li>• \$200 million of Tranche 2 funding if both Shareholder approval and Regulatory Approvals are obtained; or</li> </ul>	Section 1.3.

Question	Answer	Further information
	<ul style="list-style-type: none"> <li>\$100 million by way of an increase in funding under the Subordinated Debt Instruments if Shareholder approval is obtained and Regulatory Approvals are not yet obtained. The Star will then receive an additional \$100 million when Regulatory Approvals are obtained or otherwise no later than two Business Days after 7 October 2025.</li> </ul>	
<b>What are Shareholders being asked to vote on?</b>	Shareholders are being asked to vote on the Strategic Investments Resolutions and the Placement Capacity Refresh Resolutions (together, the <b>Resolutions</b> ). The Strategic Investments Resolutions relate to the Strategic Investments in The Star by Bally's and Investment Holdings. Explanations of the Strategic Investments Resolutions are set out in section 1.1. The Placement Capacity Refresh Resolutions related to the refresh of The Star's 15% placement capacity for the purposes of ASX Listing Rule 7.1. Explanation of the Placement Capacity Refresh Resolutions are set out in section 7.	Section 1.1 and Section 7 and the Notice of Meeting.
<b>What vote is required to approve the Resolutions?</b>	The Resolutions are ordinary resolutions. For an ordinary resolution to be passed, more than 50% of the votes cast on the resolution by Shareholders in attendance and entitled to vote on the resolution must be cast in favour of the resolution.	Explanation of resolutions section of the Notice of Meeting.
<b>Why should I vote in favour of the Strategic Investments Resolutions?</b>	Section 2.2 sets out a number of reasons to vote in favour of the Strategic Investments Resolutions.	Section 2.2.
<b>Why may I consider voting against the Strategic Investments Resolutions?</b>	Section 2.3 sets out a number of reasons why you may wish to vote against the Strategic Investments Resolutions.	Section 2.3.
<b>Am I entitled to vote?</b>	Each Shareholder who is registered on The Star's Register at 7.00pm (Sydney time) on Monday, 23 June 2025 is entitled to vote at the General Meeting.	The Notice of Meeting sets out further details on your entitlement to vote.
<b>How do I vote?</b>	<p>You can vote: (i) in person by attending the General Meeting; (ii) online; or (iii) by appointing a proxy, attorney or, if you are a body corporate, a duly appointed corporate representative, to attend the General Meeting and vote on your behalf.</p> <p>Shareholders will also be able to join and observe the General Meeting virtually, vote in real time, ask questions and make comments online at <a href="https://meetings.openbriefing.com/SGRGM2025">https://meetings.openbriefing.com/SGRGM2025</a>.</p>	The Notice of Meeting sets out further details on your entitlement to vote and how to submit a proxy form.

Question	Answer	Further information
	<p>You will have an option to ask questions orally on the same URL.</p> <p>You can appoint a proxy by completing the proxy form attached to this Notice of Meeting and Explanatory Memorandum or by lodging your proxy online at <a href="https://au.investorcentre.mpms.mufig.com">https://au.investorcentre.mpms.mufig.com</a> in accordance with the instructions therein (as applicable) so that it is received by no later than 10.00am (Sydney time) on Monday, 23 June 2025.</p>	
<b>When and where will the General Meeting be held?</b>	<p>The General Meeting will be held at 10.00am (Sydney time) on Wednesday, 25 June 2025 at The Star Event Centre.</p> <p>Shareholders will also be able to join and observe the General Meeting virtually, vote in real time, ask questions and make comments online at <a href="https://meetings.openbriefing.com/SGRGM2025">https://meetings.openbriefing.com/SGRGM2025</a>. You will have an option to ask questions orally on the same URL.</p> <p>If, for whatever reason, it becomes necessary to make alternative arrangements with respect to any aspect of our General Meeting, we will advise Shareholders through The Star's Website and by making an announcement to the ASX.</p>	The Notice of Meeting sets out further details of your entitlement to vote.
<b>When will the results of the General Meeting be known?</b>	The Star expects to announce the results of the General Meeting to the ASX shortly after the conclusion of the General Meeting.	N/A.
<b>What Regulatory Approvals are a condition precedent to Tranche 2 of the Strategic Investments?</b>	Regulatory Approvals required for the issue of Tranche 2 Convertible Notes to each of Bally's and Investment Holdings, and for conversion of Tranche 1 and Tranche 2 Convertible Notes, include confirmation from the ASX under ASX Listing Rule 6.1 and relevant probity and associated approvals under the respective casino control regulations in Queensland and New South Wales and associated agreements. In the case of Bally's, approval from the Foreign Investment Review Board ( <b>FIRB</b> ) is also required. Confirmation from the ASX under ASX Listing Rule 6.1 has been obtained.	Section 6.2.
<b>What happens if Resolution 1 is not approved?</b>	<p>If Resolution 1 is not approved at the General Meeting, then the issue of Tranche 2 Convertible Notes to Bally's will not occur.</p> <p>If Shareholder approval is not obtained by 7 September 2025, automatic redemption of the Subordinated Debt Instrument held by Bally's shall apply. Subject to the terms of the Subordination Deed executed by Bally's, The Star must repay the principal amount of the Subordinated Debt Instrument relating</p>	Section 1.2 and 3.6

Question	Answer	Further information
	to Bally's, together with any accrued but unpaid interest, within 120 days.	
<b>What happens if Resolution 2 is not approved?</b>	<p>If Resolution 2 is not approved at the General Meeting, then the issue of Tranche 2 Convertible Notes to Investment Holdings will not occur.</p> <p>In this case, if Resolution 1 is approved, then Bally's will fund the entire portion of the \$200 million of the Tranche 2 funding, or increase its funding from its Subordinated Debt Instrument by \$200 million if required Regulatory Approvals have not been obtained.</p> <p>If Shareholder approval is not obtained by 7 September 2025, automatic redemption of the Subordinated Debt Instrument held by Investment Holdings shall apply. Subject to the terms of the Subordination Deed executed by Investment Holdings, The Star must repay the principal amount of the Subordinated Debt Instrument relating to Investment Holdings, together with any accrued but unpaid interest within 120 days.</p>	Section 1.2 and 3.6
<b>What happens if Resolution 1 is approved but not Resolution 2?</b>	<p>Resolution 1 and Resolution 2 are not inter-conditional.</p> <p>If Resolution 1 only was approved, Bally's would invest a further \$200 million in The Star by way of Convertible Notes (or potentially from its Subordinated Debt Instrument if required Regulatory Approvals have not been obtained).</p> <p>As Shareholders have not approved the issue of the Tranche 2 Convertible Notes, Investment Holdings would not subscribe for Tranche 2 Convertible Notes and would not be obligated to contribute any further funding to the Company.</p>	Sections 1.2 and 3.6
<b>What happens if Resolution 1 and Resolution 2 are approved but the Regulatory Approvals are not satisfied?</b>	<p>If Shareholders have approved the Strategic Investments Resolutions, but the Regulatory Approvals have not been obtained, \$133 million is payable within two Business Days following the Shareholder approval, with the remaining \$67 million being payable on the earlier of the Regulatory Approvals being obtained or two Business Days after 7 October 2025.</p>	Section 6.3.
<b>What is the end-date for the obtaining Regulatory Approvals?</b>	7 May 2026.	Section 6.3.
<b>What happens if the Regulatory Approvals are not obtained?</b>	<p>There is no certainty that each of Bally's and Investment Holdings will obtain all relevant Regulatory Approvals for the issue of the Tranche 2 Convertible</p>	Section 3.3.

Question	Answer	Further information
	Notes. If such approvals are not obtained by 7 May 2026, then the issue of the Tranche 2 Convertible Notes will not proceed and the Subordinated Debt will be redeemable in full at the election of Bally's and Investment Holdings, subject to the subordination arrangements entered into by Bally's and Investment Holdings with The Star's senior lenders.	
<b>What rights do each of Bally's and Investment Holdings have to appoint persons to the Board of The Star?</b>	<p>The parties have agreed that The Star will:</p> <ul style="list-style-type: none"> <li>• invite Bruce Mathieson Jnr and Soohyung Kim to attend Board meetings as invitees; and</li> <li>• following the conversion of the Convertible Notes, appoint additional and/or replacement Directors put forward by Bally's and/or Investment Holdings to the Board of The Star who will, in combination, constitute a majority of the Directors of the Board.</li> </ul>	Sections 5.2, and 5.4.
<b>How will Bally's and Investment Holdings seek to influence, change or vary the strategic direction of The Star?</b>	<p>Bally's intends to bring its track record of revitalising underperforming casino businesses, operating expertise and credibility and experience with regulated gaming businesses across multiple jurisdictions. Bally's intends to partner with The Star in executing a successful turnaround of The Star's business and operations and enhancing its reputation with regulators and other stakeholders in Australia. Bally's strategic rationale for its Strategic Investment is a desire to preserve The Star's long-term potential to deliver a more resilient and sustainable business for Shareholders and all other stakeholders.</p> <p>Investment Holdings' intention is to utilise the existing capabilities of The Star alongside the implementation of new measures to ensure The Star can return to profitability. Investment Holdings considers there to be areas within the casino and integrated resort offerings (gaming, bars, restaurants, function rooms, accommodation) that requires finessing to address underperformance. Investment Holdings, through their personnel, will use their expertise to improve and further develop The Star, to drive improved performance and sustainable growth.</p>	Sections 5.2, 5.3 and 5.4.
<b>Are other Shareholders of The Star able to subscribe for Convertible Notes?</b>	No. The terms of the Strategic Investments do not contemplate participation by other Shareholders. Furthermore, there are regulatory restrictions under both the Corporations Act and the ASX Listing Rules that would prevent participation from Shareholders that are not covered under an exemption in Chapter 6D of the Corporations Act.	N/A.

Question	Answer	Further information
<b>Where can I obtain further information?</b>	For further information, please call the Shareholder Information Line on 1300 255 218 (within Australia) or +61 2 9066 4084 (outside Australia), Monday to Friday (excluding public holidays) between 9.00am and 5.00pm (Sydney time). The line will be available until two Business Days after the General Meeting.	N/A.

# 1 Details of the Strategic Investments

## 1.1 Overview

At the General Meeting, Shareholders will be asked to consider for approval two resolutions relating to the Strategic Investments in The Star by each of Bally's and Investment Holdings for an aggregate amount of \$300 million, expected to comprise \$200 million from Bally's and \$100 million from Investment Holdings (the **Strategic Investments Resolutions**).

On 7 April 2025, The Star announced it had entered into the 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 had entered into a binding Commitment Letter to subscribe for \$100 million of the aggregate Strategic Investment amount on substantially the same terms as the Bally's Term Sheet. As a result, the Strategic Investment from Bally's is expected to be reduced to \$200 million.

The initial Tranche 1 funding of \$100 million was received by The Star on 9 April 2025 in their respective proportions from each of Bally's and Investment Holdings, and the Tranche 1A Convertible Notes and Tranche 1B Convertible Notes were issued to each of Bally's and Investment Holdings on 11 April 2025.

The following table provides an overview of the key terms of the Strategic Investments by Bally's and Investment Holdings:

Amount and timing	<ul style="list-style-type: none"><li>• \$300 million<ul style="list-style-type: none"><li>• Tranche 1: \$100 million received by The Star on 9 April 2025; and</li><li>• Tranche 2: \$200 million is payable to The Star following Shareholder approval and Regulatory Approvals; or \$133 million is payable to The Star as additional Subordinated Debt following Shareholder approval and a further \$67 million is payable to The Star following receipt of all required Regulatory Approvals (but no later than two Business Days after 7 October 2025 if Regulatory Approvals are still outstanding)</li></ul></li></ul>
Source of funds	<ul style="list-style-type: none"><li>• Bally's: \$200 million</li><li>• Investment Holdings: \$100 million</li></ul>
Securities offered	<ul style="list-style-type: none"><li>• Tranche 1:<ul style="list-style-type: none"><li>• Tranche 1A Convertible Notes, which were issued on 11 April 2025 to Bally's and are convertible into Shares representing 9.71% of The Star's pre-issue Share capital, in return for proceeds of \$22.3 million;</li><li>• Tranche 1B Convertible Notes, which were issued on 11 April 2025 to Investment Holdings and are convertible into Shares representing 4.85% of The Star's pre-issue Share capital, in return for proceeds of \$11.1 million; and</li><li>• Subordinated Debt Instrument: subordinated non-convertible debt of \$66.6 million, which was provided to The Star by Bally's and Investment Holdings respectively on 9 April 2025. This amount may be increased in certain circumstances, including if applicable Regulatory Approvals related to the issuance and conversion of the Convertible Notes are not obtained within specified periods.</li></ul></li><li>• Tranche 2 Convertible Notes: when aggregated with the Tranche 1 Convertible Notes and the Tranche 2 Convertible Notes, the Convertible Notes will be convertible into 56.7% of the issued capital of the Company.</li></ul>
Coupon	<ul style="list-style-type: none"><li>• 9.0% per annum, compounding and payable quarterly in arrears.</li><li>• The Coupon can be paid in cash or paid in kind at The Star's election.</li></ul>



<b>Conversion Price</b>	<ul style="list-style-type: none"> <li>The conversion price for all Convertible Notes is 8 cents per share (subject to customary adjustments).</li> </ul>
<b>Security</b>	<ul style="list-style-type: none"> <li>Unsecured and subordinated</li> </ul>
<b>Approval requirements</b>	<ul style="list-style-type: none"> <li>Tranche 1 of the Strategic Investments were not subject to Shareholder or other approval. The Tranche 1A Convertible Notes and the Tranche 1B Convertible Notes were issued within The Star's existing placement capacity under ASX Listing Rule 7.1, with the balance of the Strategic Investments in Tranche 1 being obtained by way of subordinated debt.</li> <li>Tranche 2 of the Strategic Investments, insofar as they relate to the issuance of the Tranche 2 Convertible Notes, is subject to: <ul style="list-style-type: none"> <li>in the case of both Bally's and Investment Holdings, the approval of The Star's Shareholders as set out in this Explanatory Memorandum;</li> <li>in the case of both Bally's and Investment Holdings, receipt of applicable probity and associated approvals under the respective casino control regulations in New South Wales and Queensland and associated agreements;</li> <li>in the case of Bally's, approval from FIRB;</li> <li>confirmation from ASX under ASX Listing Rule 6.1 that the terms of the Convertible Notes are appropriate and equitable (which has been obtained); and</li> <li>there being no default by The Star under the Senior Facility, the Subscription Agreements or the Convertible Note Deed Poll.</li> </ul> </li> <li>If the Shareholder approval sought by the Strategic Investments Resolutions is obtained prior to the relevant Regulatory Approvals referred to above, and all other conditions in respect of the issuance of the Convertible Notes have been satisfied, The Star has agreed a mechanism with each of Bally's and Investment Holdings to ensure that the funding under Tranche 2 of the Strategic Investments can be received prior to receipt of those Regulatory Approvals by increasing the principal amount of the Subordinated Debt Instrument with each of Bally's and Investment Holdings. This has been designed to ensure that the liquidity benefits of the Strategic Investments can still be received in a timely manner.</li> </ul>

As set out in more detail below, Shareholders are being asked to provide approval so that The Star can proceed with the issue of the Tranche 2 Convertible Notes and so that each of Bally's and Investment Holdings can acquire Shares in The Star through the conversion of the Convertible Notes.

The issue of the Tranche 2 Convertible Notes is also subject to Regulatory Approvals. If Shareholders have approved the Strategic Investments Resolutions, but Regulatory Approvals have not been satisfied, then \$133 million is payable following Shareholder approval by way of an increase in Subordinated Debt, with the remaining \$67 million payable on the earlier of the satisfaction of the Regulatory Approvals or two Business Days after 7 October 2025.

## 1.2 Summary of potential Relevant Interests for Bally's and Investment Holdings

The following table sets out the Relevant Interests in Shares that would be acquired by Bally's and Investment Holdings if the Strategic Investments Resolutions are approved by Shareholders, and Bally's and Investment Holdings obtain all requisite Regulatory Approvals, fund Tranche 2 of the Strategic Investments in full and convert their respective entitlement into ordinary Shares of The Star.

	Units	Bally's	Investment Holdings	Other Shareholders	Total
<b>Prior to Strategic Investment (Status Quo)</b>	# Shares	-	287,154,955	2,581,525,922	2,868,680,877
	% Ordinary Equity	-	10.0%	90.0%	100.0%
<b>Post conversion of Tranche 1 Convertible Notes</b>	# Shares	278,517,860	426,413,885	2,581,525,922	3,286,457,667
	% Ordinary Equity	8.5%	13.0%	78.6%	100.0%
<b>Post conversion of Tranche 2 Convertible Notes</b>	# Shares	2,500,000,000	1,537,154,955	2,581,525,922	6,618,680,877
	% Ordinary Equity	37.8%	23.2%	39.0%	100.0%
<b>Total Issuance</b>	# Shares	2,500,000,000	1,250,000,000	-	3,750,000,000

### 1.3 Key terms of the Strategic Investments entered into with Bally's and Investment Holdings

On 7 April 2025, The Star entered into the Term Sheet with Bally's with respect to a multi-tranche Convertible Note and Subordinated Debt Instrument with an aggregate principal value of \$300 million.

The Star entered into the Commitment Letter with Investment Holdings on 8 April 2025 under which Investment Holdings agreed to subscribe for \$100 million of the aggregate Strategic Investment by Bally's. As a result, the Strategic Investment from Bally's is expected to reduce to \$200 million. The aggregate principal value of the Strategic Investments remains at \$300 million. The subscription by Investment Holdings is on substantially the same terms as the investment by Bally's.

The Term Sheet and Commitment Letter arrangements with each of Bally's and Investment Holdings respectively have subsequently been superseded by a Subscription Agreement between The Star and Bally's, a Subscription Agreement between The Star and Investment Holdings and a Convertible Note Deed Poll including the terms and conditions applicable to all Convertible Notes.

The coupon for the Convertible Notes and the Subordinated Debt Instrument is 9.0% per annum, compounding and payable quarterly in arrears, and can be paid in cash or paid in kind. The conversion price for all Convertible Notes is 8 cents subject to customary adjustments as set out in the Convertible Note Deed Poll.

The first tranche of \$100 million was received on 9 April 2025 (**Tranche 1**) and included:

- Tranche 1A Convertible Notes, subscribed for by Bally's in the amount of \$22.3 million and convertible into Shares representing 9.71% of The Star's pre-issue Share capital;
- Tranche 1B Notes Convertible Notes, subscribed for by Investment Holdings in the amount of \$11.1 million and convertible into Shares representing 4.85% of The Star's pre-issue Share capital; and
- the Subordinated Debt Instrument, being subordinated, unsecured, non-convertible debt of \$66.6 million, lent as follows:
  - Bally's - \$44.4 million; and
  - Investment Holdings - \$22.2 million.

The principal amount of the Subordinated Debt Instrument may be increased in certain circumstances, including if the Regulatory Approvals required for the issuance and conversion of

the Tranche 2 Convertible Notes are not obtained within specified periods. This has been designed to ensure that The Star can obtain the liquidity benefits of the Strategic Investments in a timely manner.

The second tranche of \$200 million is payable to The Star following Shareholder approval, which involves approval of the Strategic Investments Resolutions at the General Meeting. If, at that time, applicable Regulatory Approvals have not been obtained, then \$133.3 million is payable following Shareholder approval (assuming approval is obtained at the General Meeting), with the remaining \$66.7 million being payable on the earlier of receipt of the Regulatory Approvals being obtained or two Business Days after 7 October 2025 (**Tranche 2**).

If the Shareholder approval which is the subject of this Explanatory Memorandum is obtained in respect of both Bally's and Investment Holdings, and the issue and subscription for the Tranche 2 Convertible Notes proceeds, then:

- Bally's Tranche 2 Convertible Notes, when aggregated with the Tranche 1A Convertible Notes, will be convertible into 37.8% of the issued Share capital of The Star; and
- Investment Holdings Tranche 2 Convertible Notes, when aggregated with the Tranche 1B Convertible Notes, will be convertible into 18.9% of the issued Share capital of The Star. As Investment Holdings currently holds 10% of the issued capital in The Star, on a fully diluted basis with the Tranche 1 Notes and Tranche 2 Convertible Notes, Investment Holdings will hold 23.22% of The Star.

Tranche 1 was not subject to Shareholder or other approval. In particular, the Tranche 1A Convertible Notes and the Tranche 1B Convertible Notes were issued within The Star's 15% placement capacity under ASX Listing Rule 7.1.

Tranche 2 of the Strategic Investments, insofar as they relate to the issuance of the Tranche 2 Convertible Notes, are subject to:

- in the case of both Bally's and Investment Holdings, the approval of The Star's Shareholders as set out in this Explanatory Memorandum;
- in the case of both Bally's and Investment Holdings, receipt of applicable probity and associated approvals under the respective casino control regulations in New South Wales and Queensland and associated agreements;
- in the case of Bally's, approval from FIRB;
- confirmation from ASX under ASX Listing Rule 6.1 that the terms of the Convertible Notes are appropriate and equitable; and
- there being no default by The Star under the Senior Facility, the Subscription Agreements or the Convertible Note Deed Poll.

Confirmation from the ASX under ASX Listing Rule 6.1 that the Convertible Notes are appropriate and equitable has been obtained.

If approval is obtained under section 611, item 7 of the Corporations Act, as set out in this Explanatory Memorandum, then a further approval under ASX Listing Rule 7.1 (for issuing equity securities greater than The Star's 15% placement over a 12 month period) is not required.

Subject to certain exceptions, the Strategic Investments mature on 2 July 2029. However, if Shareholder approval has not been obtained by 7 September 2025, automatic redemption shall apply in relation to the Tranche 1 component of the Subordinated Debt Instrument, which, subject to the terms of the Subordination Deeds, requires repayment within 120 days thereof by 5 January 2026. Further, if applicable Regulatory Approvals are not obtained by 7 May 2026, redemption (at the election of Bally's or Investment Holdings with respect to each of their Strategic Investments) shall apply in relation to both the Tranche 1 and Tranche 2 component of the Subordinated Debt Instrument, which, subject to the terms of the Subordination Deeds, requires repayment within 120 days thereof.

A more detailed summary of the terms of the Strategic Investments by Bally's and Investment Holdings is set out in section 6.3 of this Explanatory Memorandum.

## 2 Why you should vote in favour of, and potential reasons why you may wish to vote against, the Strategic Investments Resolutions

Section 2.2 provides a summary of some of the reasons why the Directors unanimously recommend that Shareholders should vote in favour of the Strategic Investments Resolutions. Section 2.2 should be read in conjunction with section 2.3, which sets out other reasons why you may wish to vote against the Strategic Investments Resolutions.

While Directors acknowledge the reasons to vote against the Strategic Investments Resolutions, they believe the advantages of the Strategic Investments Resolutions significantly outweigh the potential disadvantages.

### 2.1 Summary of the reasons why you might vote for or against the Strategic Investments Resolutions

#### REASONS TO VOTE IN FAVOUR OF THE STRATEGIC INVESTMENTS RESOLUTIONS

- ✓ Without the Strategic Investments by Bally's and Investment Holdings, The Star may not be able to continue as a going concern and could be placed into voluntary administration
- ✓ There has been no alternative source of additional funding for a similar quantum available to The Star that has been capable of being implemented
- ✓ The Subordinated Debt Instrument already provided to The Star as part of Tranche 1 would otherwise be required to be repaid which would represent an additional funding requirement
- ✓ The \$58 million proceeds held in escrow following the divestment of The Star Event Centre sale will be released to The Star if Shareholder approval is obtained for the Strategic Investment from Bally's (see Resolution 1)
- ✓ The Star has the potential to benefit from the combined financial contribution, experience and expertise of both Bally's and Investment Holdings
- ✓ The Strategic Investments are compatible with the existing arrangements with the lenders under The Star's Senior Facility
- ✓ There is an ability for interest payments on the Convertible Notes and Subordinated Debt Instrument to be capitalised which assists in preserving The Star's available cash
- ✓ The Independent Expert has concluded that each of the Strategic Investments are reasonable having regard to the interests of the non-Associated Shareholders of The Star

#### POTENTIAL REASONS TO VOTE AGAINST THE STRATEGIC INVESTMENTS RESOLUTIONS

- ✗ Your percentage shareholding and Voting Power in The Star will be diluted as a significant number of new Shares may be issued to Bally's and Investment Holdings upon conversion of the Convertible Notes and you are not entitled to participate in the Strategic Investments
- ✗ Notwithstanding Bally's and Investment Holdings may, in aggregate, acquire more than 50% of The Star's Shares on issue, and as a result there may be a change in the majority composition of the Board, no 'control premium' is being paid to non-Associated Shareholders
- ✗ Bally's and Investment Holdings will likely have significant influence over The Star
- ✗ You may not agree with the recommendation by the Directors and the opinion of the Independent Expert

## 2.2 Why you should vote in favour of the Strategic Investments Resolutions

The Board has formed the unanimous view that the Strategic Investments Resolutions, and the Strategic Investments to which the Strategic Investments Resolutions relate, are in the best interests of Shareholders for the reasons set out below. These reasons are qualified by no Superior Proposal emerging and in the Independent Expert not changing its opinion.

### (a) **Without the Strategic Investments by Bally's and Investment Holdings, The Star may not be able to continue as a going concern and could be placed into voluntary administration**

Over the last six months, The Star has faced significant near-term liquidity requirements, including as a consequence of the Group's operations generating negative operating cash flows and ongoing transformation and remediation related activities. The Half Year Results lodged with ASX on 15 April 2025 for the period ended 31 December 2024 outlined the Directors' assessment of the ability of the Group to continue as a going concern. A number of matters indicate material uncertainties exist that may cast doubt on the Group's ability to continue as a going concern.

One of the items that the Directors have noted as being a pre-requisite for the Group being able to meet its liabilities as and when they fall due over the next 12 months is the Shareholder and Regulatory Approvals being obtained for the \$300 million Strategic Investments into the Group by Bally's and Investment Holdings.

The Directors were not able to form the opinion that there are reasonable grounds that the Group could continue as a going concern without the Strategic Investments by Bally's and Investment Holdings.

If no alternative sources of funding become available to The Star to provide additional liquidity, a potential consequence is that the Directors place The Star into voluntary administration. If The Star enters into administration and is wound-up, after a number of prior ranking claims are satisfied, including payment of the statutorily preferred items and the debts of senior lenders and other claims that are senior ranking compared to ordinary equity, the funds available for Shareholders would be reduced and there may be no surplus funds available for Shareholders.

### (b) **There has been no alternative source of additional funding for a similar quantum available to The Star that has been capable of being implemented**

In The Star's FY24 results media release, announced to ASX on 26 September 2024, it was noted that 'The Star continues to assess additional avenues to further support its liquidity position, including other potential capital sources such as subordinated debt.'

Since the date of this announcement up until the date of this Explanatory Memorandum, no alternative source of funding has emerged, capable of being implemented, that would provide a similar quantum of funds compared to the Strategic Investments by Bally's and Investment Holdings.

### (c) **The Subordinated Debt Instrument already provided to The Star as part of Tranche 1 would otherwise be required to be repaid which would represent an additional funding requirement**

If Shareholder approvals are not obtained by 7 September 2025, automatic redemption of the Subordinated Debt will apply. At that point, The Star must repay the principal amount of the Subordinated Debt, together with any accrued but unpaid interest within 120 days, subject to the terms of the Subordination Deeds.

Even before 7 September 2025, if Shareholder approvals are not obtained, The Star may not have sufficient liquidity to fund its liabilities as identified in this section 2.2(a) above. The requirement to repay the Tranche 1 Subordinated Debt would represent an additional liquidity requirement during this period.

### (d) **The \$58 million proceeds held in escrow relating to The Star Event Centre sale are to be released to The Star if Shareholder approval is obtained for the Strategic Investment by Bally's (see Resolution 1)**

The Star completed the sale of The Star Event Centre and associated spaces for \$60 million on 8 April 2025. As part of the NSW Independent Casino Commission's (*NICC*) consent, sale proceeds of approximately \$58 million are now being held in escrow and will be released after Shareholder approval is obtained for the Strategic Investment into The Star by Bally's (see Resolution 1).

Prior to the Strategic Investments by Bally's and Investment Holdings being agreed, and Shareholder approval being imposed as a condition to The Star's access to the funds in escrow, The Star was unable to reach an agreement with the relevant stakeholders to be able to access these funds.

**(e) The Star has the potential to benefit from the combined financial contribution, experience and expertise of both Bally's and Investment Holdings**

Bally's and Investment Holdings will be making a combined investment in The Star of \$300 million. This considerable injection of funding at a time when The Star is facing liquidity challenges is critical to The Star's future operating capability.

In addition, Bally's has significant experience in owning and operating casinos. It currently holds a portfolio of 19 casinos in North America and a casino in the United Kingdom. It also has a track record of M&A and growth through acquisitions. As part of its Strategic Investment in The Star, Bally's has indicated it plans to appoint a number of Directors to the Board, subject to Regulatory Approvals. The Star believes that Bally's track record, and hands-on approach, will enable it to add value to The Star's operations as it navigates a number of operational, regulatory and financial challenges, particularly in the short to medium term.

In the case of Investment Holdings, its Chairman, Bruce Mathieson Snr, has had a long and successful history in the gaming industry, including through his stake in ALH Group Pty Limited. Other Mathieson Group entities now have 15.08% of Endeavour Group Ltd (which spun out of Woolworths Group Ltd in 2019). Endeavour Group Ltd is an Australian alcoholic drinks retailer, hotel operator, and is known to be the largest poker machine operator in Australia and currently has in excess of 300 gaming hotels.

**(f) The Strategic Investments are compatible with the existing arrangements with the lenders under The Star's Senior Facility**

Bally's and Investment Holdings have agreed to provide \$300 million, in aggregate, to The Star in circumstances where they have agreed to be subordinated to the Group's senior lenders under The Star's existing secured debt facility. The senior lenders required, and Bally's and Investment Holdings agreed to enter into, Subordination Deeds in respect of the amount owing under the Subordinated Debt and Convertible Notes.

Other potential financing and refinancing options that The Star was presented with prior to entering into the transaction with Bally's and Investment Holdings were conditional on regulatory and other approvals being obtained including changes to the priority of The Star's senior debt arrangements which created greater conditionality and, accordingly, less certainty that such matters would be able to be agreed with all stakeholders and implemented.

**(g) There is an ability for interest payments on the Convertible Notes and Subordinated Debt Instrument to be capitalised which assists in preserving The Star's available cash**

The rate of interest on the Subordinated Debt and Convertible Notes is 9% and compounding and payable quarterly in arrears. The Star can make an election that any quarterly Coupon amount can be paid in cash or in kind via an increase in a separate liability (**PIK Liability**).

The ability for The Star to elect for interest to be capitalised via an increase in the PIK Liability is a cash preservation mechanism that is beneficial as it seeks to work through its current liquidity and operating environment challenges to restore profitability.

**(h) The Independent Expert has concluded that each of the Strategic Investments are reasonable having regard to the interests of the non-Associated Shareholders of The Star**

In its report, the Independent Expert has concluded that *'there are compelling reasons for non associated shareholders of The Star to approve each of the [Strategic Investments]. They will clearly be better off if the [Strategic Investments] proceed than if they do not. Accordingly, each of the [Strategic Investments] are reasonable having regard to the interests of the non associated shareholders of The Star. [The Independent Expert] has concluded that the terms of each of the [Strategic Investments] are 'not fair' but the methodology required for this analysis under regulatory policy is, at best, theoretical and should not be the primary basis on which to judge the merits of the [Strategic Investments].'*

## 2.3 Why you may wish to vote against the Strategic Investments Resolutions

Although the Strategic Investments Resolutions are being unanimously recommended by the Board, factors which may lead you to consider voting against the Strategic Investments Resolutions include those set out below.

**(a) Your percentage Shareholding and Voting Power in The Star will be diluted as a significant number of new Shares may be issued to Bally's and Investment Holdings upon conversion of the Convertible Notes and you are not entitled to participate in the investment**

As a consequence of conversion of the Convertible Notes held by either or both of Bally's and Investment Holdings, Shareholders' proportionate holding in The Star will reduce.

This dilution will impact Shareholders' relative Voting Power and, should The Star return to profitability and pay dividends, Shareholders' share of any future earnings and dividends, or rights on a winding up.

The Conversion Price of 8 cents, on which the issuance to Bally's and Investment Holdings will be based, is below historical trading price reference points for The Star, including:

- the all-time lowest trading price for The Star Shares is 10 cents per share (first occurring on 28 February 2025);
- the last close price of Shares prior to the announcement of the Strategic Investments on 7 April 2025 and 8 April 2025, when it last traded on 28 February 2025, was 11 cents per share; and
- the 3-month volume weighted average price (**VWAP**) of Shares prior to the announcement of the Strategic Investments on 7 April 2025 and 8 April 2025, being the 3-months prior to 28 February 2025, was 14 cents per share.

**(b) Bally's and Investment Holdings may, in aggregate, acquire more than 50% of The Star's Shares on issue, and as a result there may be a change in the majority composition of the Board, and no 'control' premium is being paid to non-Associated Shareholders**

As set out in section 1.2 and section 3.6, it is possible that as a consequence of the prior issue of the Tranche 1A Convertible Notes, and subject to Shareholder approval at the General Meeting and receipt of Regulatory Approvals, following the issue of the Tranche 2 Convertible Notes, the Relevant Interests of Bally's and Investment Holdings could, in aggregate, acquire more than 50% of The Star's Shares on issue.

At the time the Conversion Price for the Convertible Notes was determined, which is 8 cents per share, the last closing price of The Star's shares on ASX was 11 cents per share. Therefore, notwithstanding that the Relevant Interest of Bally's and Investment Holdings in Shares, in aggregate, could exceed 50%, Shareholders may consider that there is no 'control' or 'takeover' premium being paid either to The Star or to other Shareholders, for Bally's and Investment Holdings to potentially, in aggregate, be more than 50% of The Star's Shares on issue.

**(c) Bally's and Investment Holdings will likely have significant influence over The Star**

In a situation where Bally's and Investment Holdings have converted their Convertible Notes, they will each be likely to exert considerable influence or control over the operating and financial policies of The Star.

Each party has indicated they expect to appoint directors. Ultimately, together, it is expected that they could control a majority of the Board. Bally's and Investment Holdings have represented that they are not currently associates. Despite this, either party, acting alone, may have the ability to block special resolutions put to shareholders at a general meeting.

Interests of Shareholders who are not associated with either Bally's and/or Investment Holdings may not be aligned.

**(d) You may not agree with the recommendation of the Directors and the Independent Expert's opinion**

Notwithstanding the unanimous recommendation of the Board and the Independent Expert's opinion, you may believe the Strategic Investments Resolutions, and the Strategic Investments, are not in your best interests.

### **3 Other Considerations**

#### **3.1 The Star is likely to need to raise additional capital**

Even with financing provided by Bally's and Investment Holdings, The Star may not be able to continue as a going concern without raising additional funds.

Aside from The Star's challenging operating environment, as set out in section 4.3, The Star also faces a number of major claims, including civil proceedings launched by AUSTRAC, a class action, and a settled claim by the NSW Treasury for underpaid casino duty. While the amount of the claim by NSW Treasury is agreed, the amounts which The Star could become liable to pay in relation to the AUSTRAC and class action matters may be substantial. The Star's existing cash resources could be consumed, and in that case is likely to require The Star to seek additional funding. Any additional equity funding may be dilutionary for Shareholders.

Therefore, the transactions with Bally's and Investment Holdings may not, on their own, achieve the desired effect of enabling the Company to continue to trade as a going concern. Shareholders should also have regard to the 'going concern' note in the Half Year Results for the period ended 31 December 2024, and the matters relevant to the Directors' assessment of The Star's ability to continue to trade as a going concern.

The Star has agreed with Bally's and Investment Holdings that The Star is not restricted from raising equity once the Meeting has been held in respect of the Tranche 2 Convertible Notes. In these circumstances, subject to any conversion price adjustments, The Star could raise new equity if it determined it was necessary to do so.

In addition, the financing terms provided by Bally's and Investment Holdings each contain restrictions on entry into other debt financing agreements, other than under or in accordance with The Star's Senior Facility. The Star's Senior Facility permits debt to be raised on certain terms, including that it be subordinated to the senior debt and the incoming lender(s) enter into a subordination deed.

#### **3.2 The experience, track record and expertise of Bally's and Investment Holdings may not be sufficient to change The Star's financial position, performance and prospects**

While the experience, track record and expertise that Bally's and Investment Holdings possess in relation to the gaming industry are expected to positively impact The Star's financial position, performance and prospects, there is no certainty that these benefits will materialise.

Future developments in the Group's activities will depend on several factors that may be outside the scope of direct influence of Bally's and Investment Holdings, notably the Group's liquidity issues, the resolution of the AUSTRAC proceeding, and the timely and effective execution of the extensive program of remediation activities necessary for a return to casino licence suitability in both New South Wales and Queensland. These matters are set out in detail in the 'going concern' note 'E' to the Half Year Report for the period ended 31 December 2024.

#### **3.3 There are potential risks associated with Bally's and Investment Holdings' investment**

The \$300 million Strategic Investments by Bally's and Investment Holdings remains contingent on the ability of these Bally's and Investment Holdings (or Bally's alone if Investment Holdings was not to complete its investment) to fund the amounts owing if Shareholder approval and Regulatory Approvals are obtained.

There is no certainty that each of Bally's and Investment Holdings will obtain all relevant Regulatory Approvals for the issue of the Tranche 2 Convertible Notes. If such approvals are not obtained by 7 May 2026, then the issue of the Tranche 2 Convertible Notes will not proceed and the Subordinated Debt will be redeemable in full at the election of Bally's and Investment Holdings, subject to the subordination arrangements entered into by Bally's and Investment Holdings with The Star's senior lenders.

#### **3.4 The Strategic Investments provide Bally's and Investment Holdings with certain rights that apply while the Subordinated Debt Instruments are outstanding**

The Subscription Agreements which apply while the Subordinated Debt Instruments remain outstanding contain certain undertakings which have been made by The Star. These include, but are not limited to, the following matters which would otherwise require consent from each of Bally's and Investment Holdings:



- The Star must not incur expenditures which are not contemplated by an agreed 'Liquidity Scenario Document', other than in the ordinary course of business, or as required by applicable laws or as required to implement the Subscription Agreements;
- subject to certain exceptions, including for fines and penalties required to be paid to comply with applicable laws, the quantum and terms of fines payable to any governmental agencies are to be agreed with each of Bally's and Investment Holdings;
- to not dispose of a material asset of the Group, other than those sales or disposals required to ensure that the Group can satisfy or perform its obligations under any agreement entered into before the date of the Term Sheet (including the agreement to exit the Group's equity interest in DBC and consolidate its position on the Gold Coast on substantially the terms announced to the ASX on 7 March 2025);
- not to amend, modify, alter or repeal any constituent documents of the Group (subject to certain exceptions);
- to conduct its business and affairs in all material respects in accordance with applicable laws and regulations;
- to provide certain financial information to each of Bally's and Investment Holdings periodically;
- to not issue any Shares, equity securities or debt securities for the primary purpose of raising capital, with the exception of any employee incentive issuances or an offer of Shares after the General Meeting has been held in respect of the Tranche 2 Convertible Notes;
- to not enter into debt financing agreements (other than under or in accordance with the Senior Facility);
- to not enter into any material contract to acquire or dispose of an asset of the Group, other than those acquisitions or disposals required to ensure that the Group can satisfy or perform its obligations under any agreement entered into before the date of the Term Sheet (including the agreement to exit the Group's equity interest in DBC and consolidate its position on the Gold Coast on substantially the terms announced to the ASX on 7 March 2025);
- to not enter into any material operating contract that creates an aggregate annual liability above \$5,000,000 (subject to certain exceptions); and
- other than drawing down bank guarantee and other transactional and working capital facilities in the ordinary course of business, and other than as expressly required or allowed under the Senior Facility or the Subscription Agreements, to not agree to take any action, or allow any other member of the Group to agree to take any action, which would be a Voluntary Secured Lender Action.

There are other limited exceptions through which The Star would not be required to comply with these undertakings. Regardless of the outcome of the Strategic Investments Resolutions, these undertakings will continue to apply while the Subordinated Debt Instrument remains outstanding.

The Star has also agreed to invite certain representatives of Bally's and Investment Holdings to meetings of The Star Board.

### **3.5 The Strategic Investments do not remove the future risk of a default on obligations to The Star's senior lenders**

The lenders under The Star's Senior Facility have agreed to waive financial covenants under the Senior Facility up to and including the 30 June 2025 testing date. The Star is still under an obligation to comply with various financial covenant tests beyond 30 June 2025.

The 'going concern' note 'E' to the Half Year Report for the period ended 31 December 2024 confirmed that the Directors formed their opinion that The Star was a going concern on the basis that The Star would continue to have the support of its lenders, including with respect to financial covenants after 30 June 2025.

### **3.6 Potential Relevant Interest scenarios for Bally's and Investment Holdings**

The potential Relevant Interests of Bally's and Investment Holdings in Shares of The Star will depend on a number of different factors. Set out below are the considerations that impact the Relevant Interests that

could be acquired by Bally's and Investment Holdings in Shares of The Star and the potential outcomes from a set of different scenarios.

**The maximum Relevant Interest in Shares of The Star that could be acquired by Bally's**

The level of Bally's maximum potential shareholding in The Star will depend on a number of factors, including the following:

- whether Shareholder approval and Regulatory Approvals are obtained, and the Tranche 2 Convertible Notes are issued;
- the extent to which Bally's elects to convert some or all of the Tranche 1A Convertible Notes and Tranche 2 Convertible Notes;
- the extent to which Investment Holdings is issued Tranche 2 Convertible Notes and whether it elects to convert some or all of the Tranche 1B Convertible Notes and Tranche 2 Convertible Notes;
- the number of Shares on issue at the time of conversion of any Convertible Notes by Bally's; and
- the number of Shares held by Bally's at the time any such Convertible Notes are converted.

In determining the maximum number of Shares in which Bally's may acquire a Relevant Interest (53.7%), a number of assumptions are necessary. Those assumptions are as follows:

- Investment Holdings does not proceed with Tranche 2 of the Strategic Investment, and all of the Tranche 2 Convertible Notes are issued to Bally's (approximately \$244 million);
- Investment Holdings does not convert any of its Tranche 1B Convertible Notes into Shares;
- Bally's converts all of its Tranche 1A Convertible Notes and all of its Tranche 2 Convertible Notes into Shares;
- no further Shares are issued following the date of the Term Sheet or prior to the conversion of the Convertible Notes;
- Bally's does not acquire any additional Shares, other than those Shares acquired upon conversion of the Convertible Notes;
- the share capital of The Star is calculated on an undiluted basis (which assumes no performance rights are exercised); and
- no adjustment event occurs which would result in any amendment to the conversion price of the Convertible Notes (for example, if The Star undertook a rights issue, made a bonus issue of Shares, or if there was a consolidation or sub-division of Shares).

Having regard to the assumptions set out above, the maximum potential Relevant Interest that Bally's could acquire in Shares of The Star is approximately 53.7% of The Star's issued share capital. Under Resolution 1, The Star is seeking Shareholder approval for Bally's to acquire a Relevant Interest in the Shares of The Star of up to 53.7%.

It is possible that Bally's potential shareholding in The Star will be less than that set out above. In this regard, please see section 1.2 and the scenario table below in this section 3.6 of this Explanatory Memorandum.

**The maximum Relevant Interest in Shares of The Star that could be acquired by Investment Holdings**

The level of Investment Holdings' maximum potential shareholding in The Star will depend on a number of factors, including the following:

- whether Shareholder approval and relevant Regulatory Approvals are obtained, and the Tranche 2 Convertible Notes are issued;
- the extent to which Bally's elects to convert some or all of the Tranche 1A Convertible Notes and Tranche 2 Convertible Notes into Shares;
- the extent to which Investment Holdings elects to convert some or all of the Tranche 1B Convertible Notes and Tranche 2 Convertible Notes into Shares;

- the number of Shares on issue at the time of conversion of any Convertible Notes by Investment Holdings; and
- the number of Shares held by Investment Holdings at the time the Convertible Notes are converted.

In determining the maximum number of Shares in which Investment Holdings may acquire a Relevant Interest, a number of assumptions are necessary. Those assumptions are as follows:

- Investment Holdings is issued its proportion of the Tranche 2 Convertible Notes;
- Investment Holdings converts its Tranche 1B Convertible Notes and Tranche 2 Convertible Notes into Shares;
- Bally's converts none of its Tranche 1A Convertible Notes and none of its Tranche 2 Convertible Notes into Shares;
- no further Shares are issued following the date of the Term Sheet or prior to the conversion of the Convertible Notes;
- Investment Holdings does not acquire or dispose of any additional Shares beyond its holdings as at the date of this Explanatory Memorandum (being 287.2 million Shares or 10.01% of The Star's issued Share capital) other than those Shares acquired upon conversion of the Convertible Notes;
- the share capital of The Star is calculated on an undiluted basis (which assumes no performance rights are exercised); and
- no adjustment event occurs which would result in any amendment to the Conversion Price of the Convertible Notes (for example, if The Star undertook a rights issue, made a bonus issue of Shares, or if there was a consolidation or sub-division of shares).

Having regard to the assumptions set out above, the maximum potential Relevant Interest that Investment Holdings could acquire in Shares of The Star is approximately 37.3% of The Star's issued share capital. Under Resolution 2, The Star is seeking Shareholder approval for Investment Holdings to acquire a Relevant Interest of up to 37.3% of The Star's issued share capital.

It is possible that Investment Holdings' potential shareholding in The Star will be less than that set out above. In this regard, please see section 1.2 and the scenario table below in this section 3.6.

#### **Potential scenarios for Bally's and Investment Holdings to acquire Relevant Interests in Shares of The Star**

The following table sets out a number of different scenarios to illustrate how the respective Relevant Interests in Shares that may be acquired by Bally's and Investment Holdings could vary depending on various assumptions regarding which party converts the Convertible Notes it currently holds, or may acquire, pursuant to the Strategic Investments from Bally's and Investment Holdings. Shareholders should also be aware that in accordance with the scenarios outlined below, the timing at which any conversion of any Convertible Note occurs could cause the Relevant Interest in Shares of one party to initially increase, but also to decrease if the other party subsequently converts some or all of its Convertible Notes.

The table below assumes that Bally's and Investment Holdings are not Associates, as has been represented to The Star by those parties. Therefore, it does not seek to aggregate Voting Power across those two entities.

The following table sets out the Relevant Interest of each of Bally's and Investment Holdings following different conversion events of Tranche 1A Convertible Notes, Tranche 1B Convertible Notes and Tranche 2 Convertible Notes. It is anticipated that the most likely scenario below is scenario 3 in anticipation that both Bally's and Investment Holdings fund their respective commitments, as agreed.

Scenario		Bally's Relevant Interest in Shares	Investment Holdings Relevant Interest in Shares
1	<p>Bally's makes a \$244 million commitment for Tranche 2 Convertible Notes in circumstances where Investment Holdings has defaulted under the Subscription Agreement and does not fund its portion of Tranche 2.</p> <p>Bally's elects to convert Tranche 1A Convertible Notes and the entire portion of the Tranche 2 Convertible Notes into Shares.</p> <p>Investment Holdings elects not to convert any Tranche 1B Convertible Notes into Shares.</p>	53.7%	4.6%
2	<p>Bally's elects not to convert any of its Convertible Notes into Shares.</p> <p>Investment Holdings elects to convert both the Tranche 1B Convertible Notes and Tranche 2 Convertible Notes into Shares.</p>	0%	37.3%
3	<p>Bally's elects to convert both the Tranche 1A Convertible Notes and the Tranche 2 Convertible Notes into Shares.</p> <p>Investment Holdings elects to convert both Tranche 1B Convertible Notes and Tranche 2 Convertible Notes into Shares.</p>	37.8%	23.2%
4	<p>Bally's elects to convert both the Tranche 1A Convertible Notes and Tranche 2 Convertible Notes into Shares.</p> <p>Investment Holdings elects not to convert any of its Convertible Notes into Shares.</p>	46.6%	5.3%
5	Neither Bally's nor Investment Holdings elect to convert their Convertible Notes into Shares.	0%	10.0%
6	<p>Bally's elects to convert the Tranche 1A Convertible Notes only.</p> <p>Investment Holdings elects to convert the Tranche 1B Convertible Notes only.</p>	8.5%	13.0%

## 4 Overview of The Star, Bally's and Investment Holdings

### Overview of The Star

#### 4.1 Introduction

The Star undertakes the management of entertainment and leisure destinations with gaming, entertainment and hospitality services.

The Star's operating history from the assets it currently operates dates back to 1985, when The Star Gold Coast (then known as Conrad Jupiters Casino) opened on 22 November 1985.

In 2011, The Star, then known as Echo Entertainment Group Limited, was demerged from Tabcorp Holdings Limited, to create a dedicated ASX-listed operator of integrated resorts and gaming. Echo Entertainment Group Limited was rebranded into The Star in 2015.

The Star directly employs over 8,000 team members across The Star Sydney, The Star Gold Coast and The Star Brisbane.

#### 4.2 Overview of The Star Properties

The Group operates The Star Sydney, The Star Gold Coast and The Star Brisbane for its partners in the Destination Brisbane Consortium Queens Wharf Integrated Resort (**DBC**). The Group operated Treasury Brisbane up until its closure on 25 August 2024.

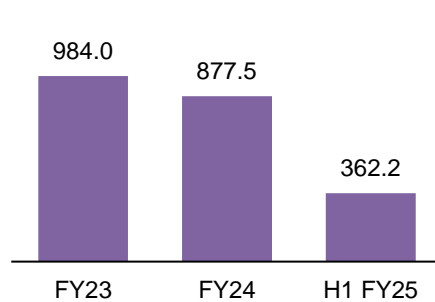
##### (a) The Star Sydney

Summary information about The Star Sydney:

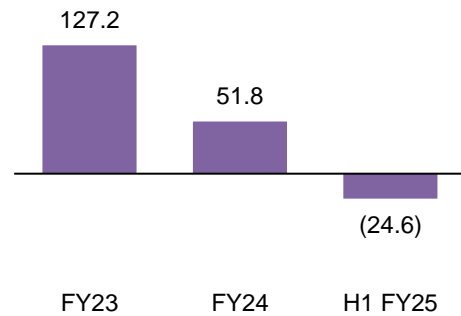
<b>Year opened</b>	<ul style="list-style-type: none"><li>1997</li></ul>
<b>Gaming licence</b>	<ul style="list-style-type: none"><li>99 years (remains suspended, with the term of the Manager's appointment extended to 30 September 2025)</li></ul>
<b>Gaming products</b> (as at 30 June 2024)	<ul style="list-style-type: none"><li>1,494 EGMs (1,500 licence cap)</li><li>231 table games</li><li>487 MTGMs</li></ul>
<b>Non-gaming products</b> (as at 30 June 2024)	<ul style="list-style-type: none"><li>650 hotel rooms</li><li>36 F&amp;B venues</li></ul>
<b>Property ownership</b>	<ul style="list-style-type: none"><li>100% long term lease held by The Star</li><li>3.8 hectares</li></ul>

Summary of recent historical financial performance:

**Historical revenue (\$m)**



**Historical EBITDA<sup>1</sup> (\$m)**



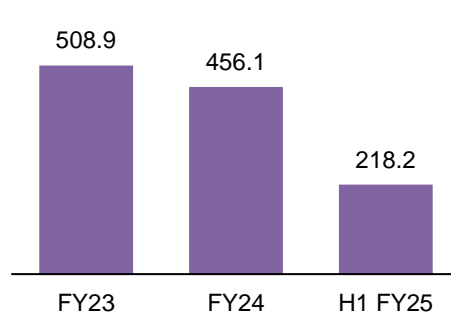
**(b) The Star Gold Coast**

Summary information about The Star Gold Coast:

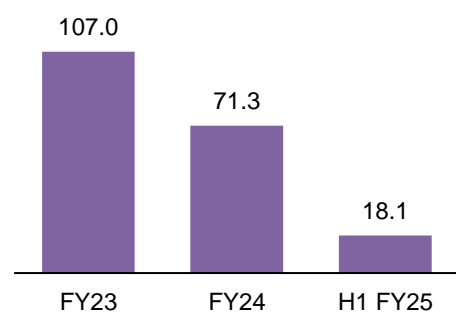
<b>Year opened</b>	<ul style="list-style-type: none"> <li>1985</li> </ul>
<b>Gaming licence</b>	<ul style="list-style-type: none"> <li>Perpetual Licence (which has been suspended, with suspension deferred and the term of the Special Manager extended to 30 September 2025)</li> </ul>
<b>Gaming products</b> (as at 30 June 2024)	<ul style="list-style-type: none"> <li>1,453 EGMs (1,651 licence cap)</li> <li>105 table games</li> <li>148 MTGMs</li> </ul>
<b>Non-gaming products</b> (as at 30 June 2024)	<ul style="list-style-type: none"> <li>1,164 hotel rooms</li> <li>22 F&amp;B venues</li> </ul>
<b>Property ownership</b>	<ul style="list-style-type: none"> <li>100% owned by The Star</li> <li>6.8 hectares</li> <li>Freehold on buildings</li> </ul>

Summary of recent historical financial performance:

**Historical revenue (\$m)**



**Historical EBITDA<sup>2</sup> (\$m)**



<sup>1</sup> **Note:** EBITDA excludes the significant costs of financing, taxation, and asset depreciation.

<sup>2</sup> **Note:** EBITDA excludes the significant costs of financing, taxation, and asset depreciation.

**(c) Other properties and interests**

On 28 August 2024, the DBC joint venture (of which the Group owns 50%) 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.

The Star also has a 33% interest in the Destination Gold Coast Consortium, which was the entity responsible for the development of Tower 1 (mixed use tower development consisting of residential apartments and the Dorsett Hotel) and the ongoing development of Tower 2 (mixed use tower development consisting of residential apartments and The Andaz hotel which is not yet open).

The Star also manages the Gold Coast Convention and Exhibition Centre on behalf of the Queensland Government.

**4.3 Recent financial and operating performance**

The Star has been through a period of challenging trading conditions, which in part reflects casino operating reforms (including mandatory carded play and restrictions on the use of cash), and loss of market share. The Star's earnings have been negatively affected by the implementation of cashless and carded play in The Star Sydney casino.

**(a) H1 FY25 Group financial results**

The Star lodged its Half Year Report on 15 April 2025.

The Star's H1 FY25 normalised revenue was \$650 million, down 25% from H1 FY24, primarily due to a 32% decline in domestic gaming revenue which was impacted by continued challenging trading conditions (casino industry reforms which include mandatory carded play and restrictions on the use of cash) and loss of market share.

H1 FY25 EBITDA was a loss of \$25 million down 123% from H1 FY24 as the business experienced continue negative operating leverage from declining revenue, while operating expenses remained elevated. Operating expenses remain elevated due to remediation and transformation activities, with increased resourcing in risk, controls, and safer gaming functions. Remediation costs for H1 FY25 included in the result were \$33 million.

Normalised results	H1 FY25 \$m	H1 FY24 \$m	Variance %
Domestic gaming revenue	464.0	683.3	(32.1%)
Non-gaming and other revenue	185.6	182.4	1.8%
<b>Net revenue</b>	<b>649.6</b>	<b>865.7</b>	<b>(25.0%)</b>
Gaming taxes and levies	(154.1)	(210.5)	26.8%
Operating expenditure	(521.9)	(541.6)	3.6%
<b>EBITDA (before significant items)</b>	<b>(26.4)</b>	<b>113.6</b>	<b>(123.2%)</b>
D&A	(30.9)	(62.2)	50.3%
<b>EBIT (before significant items)</b>	<b>(57.3)</b>	<b>51.4</b>	<b>(211.5%)</b>
Share of net profit/(loss) of associate	(21.0)	3.7	(667.6%)
<b>Statutory EBIT (before significant items)</b>	<b>(78.3)</b>	<b>55.1</b>	<b>(242.1%)</b>
Net funding costs	(19.7)	(18.6)	(5.9%)
Tax (before significant items)	(37.7)	(11.5)	(227.8%)
<b>NPAT (before significant items)</b>	<b>(135.7)</b>	<b>25.0</b>	<b>nmf</b>
Significant items (after tax)	(166.2)	(15.9)	(945.3%)
<b>Statutory NPAT</b>	<b>(301.9)</b>	<b>9.1</b>	<b>nmf</b>

**(b) Q3 FY25 Group financial results (unaudited)**

The Star lodged its Quarterly Activities / Appendix 4C Cash Flow Report on 30 April 2025.

The Star's Q3 FY25 normalised revenue was \$271 million, down 9% compared to Q2 FY25 and down 35% from Q3 FY24 (the prior corresponding period). The decline in performance reflected 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.

The Star's Q3 FY25 EBITDA was a loss of \$21 million (before significant items), compared to an EBITDA loss of \$8 million for Q2 FY25 and EBITDA of \$38 million for Q3 FY24 (the prior corresponding period).

**4.4 The Star's exposure to major claims**

The Star has exposure to a number of potentially very material claims, which have previously been disclosed on ASX, including the following.

- AUSTRAC – Civil proceedings commenced in November 2022, with the hearing on liability and penalty currently due to commence on 4 June 2025.
- Class action – A shareholder class action commenced in the Supreme Court of Victoria in December 2022. The Star continues to defend the proceedings.
- Underpaid NSW casino duty – In April 2025, the NSW Treasury, on behalf of the NSW Government, confirmed the amount of underpaid casino duty payable by the Group and agreed payment will be required by 30 June 2026.

**4.5 Asset sales by The Star**

**(a) Exit from Destination Brisbane Consortium and the consolidation of the Gold Coast assets**

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. Key features of this transaction include:

- A cash payment to The Star of \$53 million, with \$45 million received in March 2025.
- No further equity contributions by The Star to DBC beyond 31 March 2025.
- Release of The Star from the parent company guarantee in relation to The Star's 50% shares of the DBC debt facility as well as release from other guarantees.
- Restructure of the DBC operator agreement to a fixed fee of \$5 million per month, until June 2026 and \$6 million per month thereafter.
- DBC will fund reasonable costs associated with transferring and/ or standing up employees, services and related systems from The Star to DBC in accordance with a transition plan to be agreed.
- Consolidation of The Star's assets on the Gold Coast, including increasing its 33% interest in two hotels (one new, one already operating) on the Gold Coast to full ownership and the ability to retain rights to future Tower 3 – 5 developments.

The completion of the agreement for The Star to exit its equity interest in DBC and consolidate its position on the Gold Coast remains subject to long form documents, which are currently being negotiated by the parties, being entered into and the satisfaction of a number of other conditions precedent. The long form documents were required to be entered into by 30 April 2025. All parties continue to work towards completion and execution of the long form documents. Given that this date has not been met, each party is now entitled to terminate the agreement by providing five Business Days' written notice to the other parties. As at the date of this Notice of Meeting and Explanatory Memorandum, no such notice has been issued and negotiations between the parties on the long form documents continue.



**(b) Other recent asset sales**

The Star completed its divestment of The Star Event Centre and associated spaces for \$60 million on 8 April 2025. As part of the NICC's consent to that transaction, sale proceeds of approximately \$58 million are now being held in escrow and should be released after Shareholder approval is obtained for the Strategic Investment into The Star by Bally's (see Resolution 1) (or as otherwise agreed with the NICC).

The Star has also progressed the sale of other non-core assets, including the sale of the leasehold interest in the Treasury Casino Building to Griffith University for \$67.5 million (plus GST), which completed during H1 FY25. An amount equal to the net proceeds of that sale being \$59.6 million has been deposited into a disposal proceeds account under the terms of The Star's Senior Facility.

**4.6 The Star Board and Senior Executive Team**

**(a) The Star Board**

The Board of The Star is comprised of the following Directors as at the date of this Explanatory Memorandum.

Name	Current Position
Mr Steve McCann	Managing Director, CEO
Ms Anne Ward	Chairman
Mr Peter Hodgson	Independent Non-Executive Director
Mr Michael Issenberg	Independent Non-Executive Director
Mrs Deborah Page AM	Independent Non-Executive Director
Ms Antonia Thornton	Independent Non-Executive Director

**(b) The Star's Senior Executive Team**

As at the date of this Explanatory Memorandum, the senior executives of The Star include the following team members.

Name	Current Position
Mr Steve McCann	Managing Director, Group CEO
Mr Frank Krile	Group Chief Financial Officer
Ms Jeannie Mok	Group Chief Operating Officer
Ms Rowena Craze	Group Chief Risk Officer (acting)
Ms Janelle Campbell	Chief Executive Officer, The Star Sydney
Mr Daniel Finch	Chief Executive Officer, The Star Brisbane
Mr Peter Meliniotis	Group Technology Transformation Executive (subject to all necessary regulatory approvals)
Mr Laurent Fresnel	Group Chief Technology and Innovation Officer
Ms Sarah Derry	Group Chief People Officer (subject to all necessary regulatory approvals)
Mr Patrick McGlinchey	Interim Group Chief Legal Officer

#### 4.7 The Star capital structure

As at the date of this Explanatory Memorandum, The Star's capital structure is as follows.

Type of security	Amount/ Number on issue	Quoted/ Unquoted
Ordinary Shares	2,868,680,877	Quoted
Convertible Notes (comprised of Tranche 1A Convertible Notes and Tranche 1B Convertible Notes as detailed below)	417,776,790	Unquoted
- Tranche 1A Convertible Notes	278,517,860 (\$22.3 million)  At a conversion price of 8 cents per share, this may result in 278,517,860 ordinary shares being issued	Unquoted
- Tranche 1B Convertible Notes	139,258,930 (\$11.1 million)  At a conversion price of 8 cents per share, this may result in 139,258,930 ordinary shares being issued	Unquoted
Performance Rights	23,664,878	Unquoted
Options expiring 24 November 2027	6,015,496	Unquoted
Service Rights	2,364,444	Unquoted

### Overview of Bally's

#### 4.8 Overview of Bally's operations

Bally's is a Delaware corporation, with global headquarters in Providence, Rhode Island. Bally's is a global casino-entertainment company with a growing omni-channel presence. Bally's common stock is traded on the NYSE under the symbol 'BALY'.

Bally's provides its customers with physical and interactive entertainment and gaming experiences, including traditional casino offerings, Interactive Gaming (or iGaming), online bingo, sportsbook and free-to-play games. As at 28 February 2025, it owns and operates 19 casinos in 11 states across the United States of America, one golf course in New York, one horse racetrack in Colorado, and a casino acquired from Aspers in Newcastle, United Kingdom, which was added to Bally's' portfolio in the fourth quarter of 2024.

In February 2025, Bally's merged with The Queen Casino & Entertainment Inc., adding four additional casinos to its portfolio. Bally's also owns Bally Bet Sportsbook & Casino, a sports betting and interactive casino platform, Bally's Interactive International division (formerly Gamesys Group), a leading global interactive gaming operator concentrated in the United Kingdom and Spain, and a significant stake in Intralot, a global lottery management and services business.

Bally's' revenues are primarily generated by these gaming and entertainment offerings. Its proprietary software and technology stack is designed to allow it to provide consumers with differentiated offerings and exclusive content.

Bally's operating structure is organised into three reportable segments (i) Casinos & Resorts, (ii) International Interactive, and (iii) North America Interactive.

#### **4.9 Bally's Strategy and Business Developments**

Bally's seeks to grow its business by pursuing the acquisition and development of new gaming opportunities and reinvesting in its existing operations.

Bally's believes that interactive gaming represents a significant strategic growth opportunity for Bally's and it will focus its strategic resources on regulated online gambling markets and those markets that it believes will regulate iGaming. It seeks to increase revenues at its casinos and resorts by enhancing the guest experience. Bally's seeks to provide popular games, restaurants, hotel accommodations, entertainment and other amenities in attractive surroundings with high-quality service in order to attract patrons with a satisfactory guest experience and engender guest loyalty. Bally's believes that its recent acquisitions have expanded and diversified it from market exposure perspectives, while mitigating its susceptibility to regional economic downturns, regulatory changes and increases in regional competition.

Bally's continues to make progress on the integration of its acquired assets and deploying capital on its strategic growth projects. Notable recent efforts include:

- Bally's secured a critical \$940 million construction and financing arrangement with GLPI, which positions it to move forward with the construction of its flagship permanent casino in the heart of downtown Chicago. With the demolition of the former Tribune buildings and the city's final approval of its re-imagined permanent Bally's Chicago Casino master plan, construction will be underway in 2025. Bally's existing Chicago Temporary Casino is allowing it to build relationships with customers in Chicago and establish a long-term presence in a market with a favourable adult population and demographics.
- Early in the fourth quarter of 2024, Bally's completed the controlled demolition of the Tropicana hotel towers in Las Vegas, moving the United States baseball franchise the Oakland Athletics closer to the start of stadium construction and allowing Bally's to plan for the broader redevelopment of the site.
- In December 2024, Bally's completed the sale and leaseback of certain real property interests underlying Bally's Kansas City and Bally's Shreveport casino properties to GLPI in a transaction valued at \$395 million.
- During 2024, Bally's launched Bally Bet Casino iGaming app in Rhode Island, joining New Jersey, Pennsylvania, and Ontario, Canada, offering live dealer casino games such as blackjack, roulette and baccarat. Additionally, Bally's continued to expand its North America Interactive presence with its Bally Bet Sportsbook app, with its partners, Kambi and White Hat Gaming, further increasing its customer engagement with the Bally's brand with a combined presence in 13 states of the United States of America and in Ontario, Canada.
- During the fourth quarter of 2024, Bally's disposed of portions of its International Interactive business in Asia and certain other international markets, transferring components of this business to an independent company led by the existing management team of those operations.
- On 7 February 2025, Bally's completed its merger transactions with Casino Queen & Entertainment Inc. and Standard General L.P. and its affiliates adding four new properties to the Bally's portfolio.

These measures have continued to position Bally's as a prominent, full-service, vertically integrated iGaming company, with physical casinos and online gaming solutions united under a single, leading brand.

#### 4.10 Bally's Board and Key Management Personnel

The Bally's Board of Directors is comprised of the following as at the date of this Explanatory Memorandum.

- Soohyung Kim - Chairman and Director
- Jaymin B Patel - Vice Chairman and Director
- Robeson M. Reeves - Chief Executive Officer and Director
- George T Papanier - President and Director
- Terrence Downey - Head of Global Operations and Director
- Jeffrey W Rollins - Director
- Wanda Y Wilson - Director
- Tracy S Harris - Director

The Bally's executive team is comprised of the following as at the date of this Explanatory Memorandum.

- Robeson M. Reeves - Chief Executive Officer
- George Papanier - President
- Terrence Downey - Head of Global Operations and Director
- Mira Mircheva - Executive Vice President and Chief Financial Officer (pending)
- Kim M. Barker - Executive Vice President and Chief Legal Officer

#### 4.11 Bally's financial information

Bally's has available funds on hand and from committed borrowing sources sufficient to finance its Strategic Investment in The Star. As at 31 March 2025 Bally's had US\$209.7 million (equivalent to approximately A\$333.6 million on the exchange rate applying on 31 March 2025) of unrestricted cash on hand, and a US\$620 million outstanding revolving credit facility (equivalent to approximately A\$986.2 million on the exchange rate applying on 31 March 2025) of which US\$135 million was drawn, with approximately US\$12 million supporting letters of credit, leaving US\$473 million (equivalent to approximately A\$753 million on the exchange rate applying on 31 March 2025) available to draw. On 9 April 2025, Bally's, subscribed for Tranche 1A Convertible Notes in the amount of \$22.3 million and lent \$44.4 million by way of the Subordinated Debt Instrument as part of its commitment for Tranche 1 of the Strategic Investments. The remaining portion of Tranche 1 was funded by Investment Holdings on 9 April 2025 as further described in this Explanatory Memorandum. Bally's investment of the remaining A\$133.3 million as part of Tranche 2 of the Strategic Investment is subject to the satisfaction of certain conditions including approval by Shareholders of the Resolutions and Regulatory Approvals.

### Overview of Investment Holdings

#### 4.12 Overview of Investment Holdings operations

Investment Holdings Pty Ltd as trustee for the BMG Discretionary Trust is a special purpose vehicle (**SPV**) incorporated in Australia. Investment Holdings has a single asset, being its shareholding in The Star. As at the date of this Notice, Investment Holdings currently holds 287,154,995 Shares, representing 10.01% of the issued share capital of The Star. Investment Holdings has two Directors, Bruce Mathieson Snr and Ross Blair-Holt. Ross Blair-Holt does not hold any interest in equity securities in The Star. Bruce Mathieson Snr holds no equity securities personally in The Star; however, is a beneficiary of the BMG Discretionary Trust.

On 27 June 2024, the NICC cleared Investment Holdings to increase its shareholding to 20.00% of the issued share capital in The Star after a comprehensive probity investigation conducted by Liquor & Gaming NSW. The NICC concluded that there are no impediments to Bruce Mathieson Snr and Ross Blair-Holt being associated with the management and operation of a casino.

Investment Holdings has made a further application to the NICC to increase its shareholding to a maximum of 35% in The Star. This increase would allow Investment Holdings to convert its Convertible Notes.

## 5 Overview of The Star following completion of the Strategic Investments

### 5.1 Share capital and other securities of The Star if the Strategic Investments complete

If the Strategic Investments complete and the Tranche 2 Convertible Notes are issued, then the capital structure of The Star will be as reflected in the table below. Note that this table has been prepared at the date of this Explanatory Memorandum and the numbers could change, for example, if any Performance Rights are exercised or lapse.

Type of security	Amount/ No. on issue	Quoted/ Unquoted
Ordinary Shares	2,868,680,877	Quoted
Convertible Notes (comprised of Tranche 1A Convertible Notes, Tranche 1B Convertible Notes and Tranche 2 Convertible Notes, as detailed below)	3,750,000,000	Unquoted
Tranche 1A Convertible Notes	278,517,860 (\$22.3 million)  At a conversion price of 8 cents per share, this may result in 278,517,860 ordinary shares being issued	Unquoted
Tranche 1B Convertible Notes	139,258,930 (\$11.1 million)  At a conversion price of 8 cents per share, this may result in 139,258,930 ordinary shares being issued	Unquoted
Tranche 2 Convertible Notes	3,332,223,210 (\$266,577,857)  At a conversion price of 8 cents per share this may result in 3,332,223,210 ordinary shares being issued	Unquoted
Performance Rights	23,664,878	Unquoted
Options expiring 24 November 2027	6,015,496	Unquoted
Service Rights	2,364,444	Unquoted

### 5.2 Intentions of Bally's and Investment Holdings

Bally's and Investment Holdings have represented and warranted to The Star that they are not Associates and are not acting in concert in relation to the affairs of The Star.

The intentions of Bally's and Investment Holdings may align in some respects or may differ depending on how each party wishes to exercise its Voting Power in The Star, including following the conversion of any of the Convertible Notes held by each party.

The sections below outline the intentions of each of those parties as disclosed to The Star.

### 5.3 Intentions of Bally's with respect to The Star

#### (a) Bally's intentions in relation to The Star

Bally's believes that there is substantial opportunity for improvement in The Star's business and operations if The Star implements best practices in managing casinos and integrated resorts. Bally's intends to bring its track record of revitalising underperforming casino businesses, operating expertise and credibility and experience with regulated gaming businesses across multiple jurisdictions. Bally's intends to partner with The Star in executing successful turnaround of The Star's business and operations and enhancing its reputation with regulators and other stakeholders in Australia. Bally's strategic rationale for its Strategic Investment is a desire to preserve The Star's long-term potential to deliver a more resilient and sustainable business for Shareholders and all other stakeholders. Bally's expects that the contemplated injection of capital from Bally's and Investment Holdings through their respective Strategic Investments in The Star will provide The Star with sufficient capital to implement operating improvements that place The Star on a path to growth and profitability.

Bally's intends to work with all of The Star's stakeholders - including its debt and equity holders, the state governments that host The Star's resorts, The Star's regulators, and The Star's employees – to work towards repositioning The Star for sustainable growth and profitability while maintaining the highest standards of integrity. Bally's recognises that The Star's employees are an integral part of the success of The Star, especially for delivering the customer experiences that are expected of an integrated resort operator of The Star's quality. Bally's has a demonstrated track record of positive labour relations and intends to continue to improve and grow The Star's relationship with its workforce. Following the issue of the Tranche 2 Convertible Notes, Bally's intends to review The Star's organisational structure to ensure that The Star has the relevant mix and level of employees and skills that is appropriate for the business going forward.

In the event that the Strategic Investments Resolutions are passed by Shareholders, Bally's would expect the Board to conduct a broad-based general review of The Star's strategic, financial and commercial operations to:

- evaluate the performance, profitability and prospects of The Star and its businesses;
- identify efficiencies and synergistic opportunities that may be available over time between Bally's, on the one hand, and The Star, on the other hand; and
- determine the optimal manner of operating and managing The Star's businesses going forward.

Based on the outcome of this review, the Board may consider that The Star requires additional capital in the future.

At present, Bally's does not have any intention to redeploy the fixed assets of The Star on the one hand, or to transfer assets between The Star and Bally's, or any of its Associates, on the other hand. Any determination with respect to redeploying such assets will only be made if the Strategic Investments Resolutions are passed and following completion of the review of The Star as described above. Bally's expects that, if the Strategic Investments Resolutions are passed and the Board engages in the review described above, Bally's will be able to assist The Star in implementing a turnaround that preserves The Star's long-term potential, including for employees. Although Bally's believes that the intentions, views and opinions reflected in this section of the Explanatory Memorandum have been formed (and are described) on a reasonable basis, no assurance can be given that such intentions, views or opinions will prove to be correct or that they will not change in the future.

Any final decisions will, if necessary, only be made if the Strategic Investments Resolutions are passed, based on all material facts and circumstances at the relevant time.

#### (b) Bally's intentions regarding the financial or dividend distribution policies of The Star

At the date of this Explanatory Memorandum, Bally's does not have any intention to significantly change the financial or dividend distribution policies of The Star.

#### (c) Bally's intentions with respect to corporate governance

If both Bally's and Investment Holdings subscribe for their proportion of the Tranche 2 Convertible Notes, and convert all Convertible Notes into Shares, Bally's will seek to appoint two additional and/or replacement

Directors to the Board. If, for whatever reason, Investment Holdings does not subscribe for its proportion of the Tranche 2 Convertible Notes and Bally's subscribes for those Tranche 2 Convertible Notes, and converts all Convertible Notes to Shares, it is proposed that Bally's will have majority representation on the Board.

#### **5.4 Intentions of Investment Holdings with respect to The Star**

Investment Holdings has represented and warranted to The Star that it is not an Associate of Bally's and is not acting in concert with Bally's in relation to the affairs of The Star.

The intentions of Bally's and Investment Holdings may align in some respects or may differ depending on how each party wishes to exercise its Voting Power in The Star, including following the conversion of any of the Convertible Notes held by each party.

##### **(a) Investment Holdings' intentions in relation to The Star**

Investment Holdings' intention is to utilise the existing capabilities of The Star alongside the implementation of new measures to ensure The Star can return to profitability. Investment Holdings considers there to be areas within the casino and integrated resort offerings (gaming, bars, restaurants, function rooms, accommodation) that requires finessing to address underperformance. Investment Holdings, through its personnel, will use their expertise to improve and further develop The Star, to drive improved performance and sustainable growth.

Where Resolution 2 is passed by Shareholders, Investment Holdings may conduct a review of the following with the ultimate objective of returning The Star to profitability:

- evaluate The Star's performance and prospects;
- identify areas where Investment Holdings can add value to The Star through its operational expertise, financial resources and experience; and
- review The Star's assets and the entities within the Group to determine the optimal allocation of the assets.

Following the review, and subject always to the ASX Listing Rules, the Corporations Act, the *Casino Control Act 1992* (NSW) and the *Casino Control Act 1982* (Qld), Investment Holdings may inject further capital into The Star.

Investment Holdings and the Mathieson Group have significant experience over many years operating in excess of 300 hotels across Australia and employing thousands of staff. Employees play a significant role in daily operations by providing a great experience for visitors at these venues – including, in this case, The Star. Investment Holdings will work with The Star employees to drive efficiency and the provision of a great experience for customers.

##### **(b) Investment Holdings intentions regarding the financial or dividend distribution policies of The Star**

Investment Holdings does not currently intend to change the financial or dividend policies of The Star. Upon The Star returning to a position of profitability, Investment Holdings will consider financial or dividend distribution policies and options.

##### **(c) Investment Holdings' intention with respect to corporate governance**

Under the terms of the Subscription Agreement, upon conversion of all the Convertible Notes to Shares, Investment Holdings has the right to appoint a director to the Board of The Star. Subject to receipt of all necessarily regulatory approvals, it is presently Investment Holdings' intention to appoint Bruce Mathieson Jnr.

Bruce Mathieson Jnr holds a Bachelor of Commerce. Bruce Mathieson Jnr has over 25 years of hospitality and gaming experience, having held a number of senior leadership positions, including as Chief Executive Officer of ALH Group and as a Non-Executive Director of the Endeavour Group Ltd. Bruce Mathieson Jnr has extensive experience in all facets of hotel, gaming and property development. Bruce Mathieson Jnr holds no equity securities personally in The Star; however, is a beneficiary of the BMG Discretionary Trust.



## **5.5 Transaction costs**

The Star will incur transaction costs as a consequence of the Strategic Investments by Bally's and Investment Holdings.

The transaction costs include financial advisory, legal, accounting, Independent Expert, tax and administrative fees, Explanatory Memorandum printing, share registry and other expenses. The transaction costs are estimated at approximately \$10.0 million excluding GST.

## 6 Additional Information

### 6.1 Interests of The Star's Directors in Shares

The table below lists Shares in which The Star Directors have a Relevant Interest as at the date of this Explanatory Memorandum.

Name	Position	Relevant Interest in Shares
Mr Steve McCann	Managing Director, CEO	Nil Shares (10,517,458 Performance Rights)
Ms Anne Ward	Chairman	100,000 Shares
Mr Peter Hodgson	Independent Non-Executive Director	95,000 Shares
Mr Michael Issenberg	Independent Non-Executive Director	32,122 Shares
Mrs Deborah Page AM	Independent Non-Executive Director	57,016 Shares
Ms Antonia Thornton	Independent Non-Executive Director	170,000 Shares

The Star Directors who hold Shares will be entitled to vote at the General Meeting. Each Director of The Star intends, in the absence of a Superior Proposal and in the absence of the Independent Expert changing its opinion, to vote all Shares they hold or control in The Star in favour of the Resolutions which they are eligible to vote on.

If the Convertible Notes issued to Bally's and Investment Holdings are converted, and the Board of The Star is reconstituted to comprise a majority of Directors appointed by Bally's and Investment Holdings, the Strategic Investments will constitute a 'trigger event' at the relevant time under the Employment Agreement of Mr Steve McCann, Managing Director and CEO. A 'trigger event' includes a 'change in control' in The Star and entitles Mr McCann to payment of any unpaid remuneration entitlement due during the first two years of employment, including any remaining fixed remuneration due for the period and any incentives or retention bonus amounts due during this term.

The value of the benefits for Mr McCann if the Strategic Investments constitute a 'trigger event' under the Employment Agreement have been estimated at \$6,156,920.38<sup>3</sup>, comprising amounts of \$2.5 million for each of Mr McCann's FY26 long term and short term incentive payments and the value of 10,517,458 performance rights (based upon the closing price of Shares in The Star on 22 May 2025 and subject to the required anti-dilution adjustment, arising from the issuance of Shares pursuant to the Strategic Investments, in accordance with the terms of the Employment Agreement and the Employee Plan Rules, as disclosed in The Star's Notice of Annual General Meeting and Explanatory Memorandum released to the ASX on 29 October 2024).

### 6.2 Regulatory Approvals

#### (a) ASX advice and confirmations

The Star has obtained confirmation from the ASX under ASX Listing Rule 6.1 that the terms of the Convertible Notes are appropriate and equitable.

#### (b) FIRB

Bally's Strategic Investment is subject to approval under the FATA as a condition precedent to subscribing for the Tranche 2 Convertible Notes.

<sup>3</sup> Calculated on the basis of an assumption that Mr McCann remains employed by The Star in his current role until at least 8 July 2026.

**(c) Probity and associated approvals**

Bally's and Investment Holdings are applying for various Regulatory Approvals in connection with their respective Strategic Investments to which the Strategic Investments Resolutions relate. The Regulatory Approvals include obtaining probity and associated approvals under the *Casino Control Act 1992* (NSW), *Casino Control Act 1982* (Qld) and any other Australian Regulatory Approvals required to subscribe for the Tranche 2 Convertible Notes and for conversion of the Convertible Notes into Shares.

Under applicable casino regulations which apply to The Star, Regulatory Approval is required in respect of shareholdings in The Star above 10%. Probity clearances generally entail scrutiny of ownership structures, assets, trusts and investments, as well as interactions with other regulators and any previous disciplinary outcomes.

On 1 July 2024, The Star announced that approvals had been granted by the NICC and the Queensland Attorney-General and Minister for Justice for Investment Holdings, Bruce L Mathieson Snr and Ross Blair-Holt to acquire in excess of 10% (not exceeding 20%) of the total issued share capital in The Star.

Under applicable casino control legislation in New South Wales, The Star must seek and obtain approval for any major change in its affairs resulting from the Strategic Investments by Bally's and Investment Holdings. Additionally, in New South Wales and Queensland, Regulatory Approval is required for individuals representing Bally's and/or Investment Holdings to become associates of The Star. In essence, despite different provisions in the regulatory regime in both New South Wales and Queensland, the practical effect of the regulations in both States requires the approval of both the change of control and the substantial Relevant Interests held by Bally's and Investment Holdings in The Star as a result of these Strategic Investments.

**6.3 Terms of the Strategic Investments**

The table below summarises the key terms of the Strategic Investments by Bally's and Investment Holdings. The binding Term Sheet, disclosed on ASX on 7 April 2025 in respect of Bally's, and the Commitment Letter entered into with Investment Holdings, disclosed on ASX on 8 April 2025, have been superseded by Long Form Agreements comprising a Subscription Agreement between The Star and Bally's, a Subscription Agreement between The Star and Investment Holdings and a Convertible Note Deed Poll including which sets out the terms and conditions applicable to the Convertible Notes and will apply to any Convertible Notes held by either Bally's or Investment Holdings.

## Summary of the Terms and Conditions of the Strategic Investments

### Strategic Investments

The Strategic Investments consist of two tranches, as follows:

- **Tranche 1** (\$100 million): in Tranche 1, which has already occurred, the Tranche 1A Convertible Notes were issued to Bally's, the Tranche 1B Convertible Notes were issued to Investment Holdings and the Subordinated Debt Instrument was provided by each of Bally's and Investment Holdings, in consideration for the following amounts:
  - the Tranche 1A Convertible Notes subscribed for by Bally's had an aggregate principal amount of \$22,281,428.80;
  - the Tranche 1B Convertible Notes subscribed for by Investment Holdings had an aggregate principal amount of \$11,140,714.40;
  - the Subordinated Debt Instrument subscribed for by Bally's had an aggregate principal amount of \$44,385,237.87; and
  - the Subordinated Debt Instrument subscribed for by Investment Holdings had an aggregate principal amount of \$22,192,618.93; and
- **Tranche 2 Convertible Notes:** (\$200 million): in Tranche 2, it is proposed that the Tranche 2 Convertible Notes will be issued to each of Bally's and Investment Holdings following receipt of Shareholder approval and the relevant Regulatory Approvals.
- The aggregate principal amount of the Tranche 2 Convertible Notes will be \$266,577,856.80 (consisting of \$200,000,000 in new funding and the principal amount of the Subordinated Debt Instrument which will be applied to repay the principal amount of the Subordinated Debt Instrument issued to Bally's and Investment Holdings). Subject to receipt of the Shareholder approval in respect of the issuance of the Tranche 2 Convertible Notes to both Bally's and Investment Holdings, the additional funding of \$200,000,000 will be apportioned as follows
  - Bally's: \$133,333,333.33; and
  - Investment Holdings: \$66,666,666.67.

### Legal Status

The Convertible Notes and the Subordinated Debt Instrument are subordinated to the Senior Facility pursuant to the terms of the Subordination Deeds. The payment obligations of The Star under the Convertible Notes and the Subordinated Debt Instrument will rank equally with all its other existing and future unsecured and subordinated obligations, except for obligations that may be preferred by law.

### Currency of the Convertible Notes and Subordinated Debt Instrument

Australian dollars.

## Summary of the Terms and Conditions of the Strategic Investments

<b>Conditions Precedent to Tranche 2 Convertible Notes</b>	<p>The Star will only be required to issue, and each of Bally's and Investment Holdings will only be required to subscribe for, Tranche 2 Convertible Notes if the following conditions precedent have been satisfied:</p> <ul style="list-style-type: none"> <li>• The Star having received Shareholder approval, including for the purpose of, and under, section 611, item 7 of the Corporations Act, as set out in this Explanatory Memorandum;</li> <li>• each of the relevant Regulatory Approvals being obtained (as applicable);</li> <li>• ASX having confirmed that, in ASX's opinion, the terms and conditions which apply to the Tranche 2 Convertible Notes are appropriate and equitable for the purposes of ASX Listing Rule 6.1 (which has been obtained);</li> <li>• the senior agent of the Senior Facility having provided all consents, approvals and waivers necessary for the purposes of the Senior Facility; and</li> <li>• there being no event of default under the Senior Facility, the Subordinated Debt Instrument, the Tranche 1A Convertible Notes or the Tranche 1B Convertible Notes.</li> </ul>
<b>Settlement Date</b>	<p>Bally's subscribed for the Tranche 1A Convertible Notes and the Subordinated Debt Instrument on 11 April 2025. Investment Holdings also subscribed for the Tranche 1B Convertible Notes and the Subordinated Debt Instrument on 11 April 2025. The aggregate principal amount received by The Star was \$100 million.</p> <p>The Tranche 2 Convertible Notes settle two Business Days after the General Meeting if the Strategic Investments Resolutions are approved; subject only to the conditions precedent set out above.</p>
<b>Fall-back scenario if Shareholder approval is obtained but Regulatory Approvals are not granted</b>	<p>If the above requirements in relation to the Tranche 2 Convertible Notes have been satisfied, relevant Regulatory Approvals have not been obtained and there continues to be no default under the Subscription Agreements and The Star is not in default under the Senior Facility:</p> <ul style="list-style-type: none"> <li>• by the time the Shareholder approval is obtained at the General Meeting, then within two Business Days after approval of the Strategic Investments Resolutions at the General Meeting: <ul style="list-style-type: none"> <li>• the principal amount of the Subordinated Debt Instrument which has been loaned by Bally's shall be increased by \$66,666,666.67; and</li> <li>• the principal amount of the Subordinated Debt Instrument which has been loaned by Investment Holdings shall be increased by the amount as is required such that the aggregate of the Tranche 1B Subscription Amount, the proportion of the Tranche 2 Subscription Amount applicable to the number of Tranche 2 Convertible Notes issued to Investment Holdings prior to the receipt of the Regulatory Approval and the principal amount of the Subordinated Debt Instrument is equal to \$100,000,000; and</li> </ul> </li> <li>• by 7 October 2025, the principal amount of the Subordinated Debt Instrument loaned by Bally's shall be increased by \$66,666,666.67, with such amount to be payable by 9 October 2025.</li> </ul> <p>However, if the Regulatory Approvals are obtained at any time after the Strategic Investments Resolutions are approved, then the obligation of either of Bally's or Investment Holdings to pay the relevant subscription amount for the Tranche 2 Convertible Notes, shall be set off against the obligation of The Star to repay the principal amount of the Subordinated Debt Instrument then outstanding. In such case, the relevant subscription price shall be payable within two Business Days of the Regulatory Approvals being obtained.</p>

## Summary of the Terms and Conditions of the Strategic Investments

Finally, if for whatever reason Investment Holdings does not increase the principal amount of the Subordinated Debt Amount or subscribe for Tranche 2 Convertible Notes within two Business Days of the Shareholder approval, there is a mechanism in the Long Form Agreements which allows The Star to obtain such further funding from Bally's, such that if Investment Holdings does not make the required payment within a further two Business Days of that deadline, it will no longer be obliged to issue the Tranche 2 Convertible Notes to Investment Holdings, and Investment Holdings will no longer be able to increase the principal amount of its Subordinated Debt Instrument. In that scenario, if the relevant Regulatory Approvals have not been obtained and there continues to be no default under the Subscription Agreements and The Star is not in default under the Senior Facility:

- by the time the Shareholder approval is obtained at the General Meeting, then within two Business Days after Investment Holdings fails to adhere to its payment obligations as described above (after having accounted for a further cure period of two Business Days), Bally's will increase the principal amount of its Subordinated Debt Instrument by a further \$33,333,333.33; and
- by 7 October 2025, the principal amount of the Subordinated Debt Instrument loaned by Bally's shall be increased by \$100,000,000, with such amount to be payable by 9 October 2025.

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**Maturity Date** 2 July 2029 (**Maturity Date**).

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**Coupon** 9.0% per annum (**Coupon**).

Interest on the Convertible Notes and the Subordinated Debt is compounding and payable quarterly in arrears on the aggregate principal amount of the Subordinated Debt Instrument and Convertible Notes outstanding.

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**PIK Liability** At the election of The Star, any quarterly Coupon amount can be paid in cash, or in kind via an increase in a separate cash liability (the **PIK Liability**) and not via an increase in the aggregate amount of Subordinated Debt Instrument or Convertible Notes.

If The Star elects to pay one or more Coupon payments in kind, it may make one or more payments to Bally's and/or Investment Holdings prior to the Maturity Date to reduce or extinguish the then outstanding PIK Liability. Such payments can, at The Star's sole election be in cash, or can be satisfied by the issue of Shares.

There is no agreement to issue Shares as this is solely within The Star's control. If The Star did wish to utilise this option, any issue of Shares remains subject to compliance with law and obtaining any relevant approvals, including under the Corporations Act, ASX Listing Rules and relevant gaming legislation.

Furthermore, if The Star did decide to issue Shares, then the number of Shares it would issue would be determined based on the arithmetic average of the daily VWAP of the Shares for the 15 consecutive trading days immediately preceding the date The Star provides notice to Bally's and/ or Investment Holdings of such payment.

If The Star does not determine to make one or more payments ahead of the Maturity Date, the PIK Liability will otherwise become due and payable on the Maturity Date, subject to the Subordination Deed.

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## Summary of the Terms and Conditions of the Strategic Investments

<b>Conversion Price</b>	<p>All Convertible Notes will have a Conversion Price of 8 cents per Share.</p> <p>The Conversion Price is subject to customary adjustments, including for rights issues, issues of securities at less than market price, consolidations, reclassifications and subdivisions of securities, cancellation of capital, modification of rights of securities, the payment of dividends, capital distributions and security issues to shareholders credited as fully paid by way of capitalisation of profits or reserves.</p>
<b>Conversion Shares</b>	<p>Based on The Star's current issued share capital of 2,868,680,877 Shares, at the conversion price, the Convertible Notes could convert into the following number of Shares and percentage of share capital.</p> <ul style="list-style-type: none"> <li>• <b>Tranche 1A Convertible Notes issued to Bally's:</b> 278,517,860 Shares, being an amount equal to 9.71% of The Star's existing issued share capital.</li> <li>• <b>Tranche 1B Convertible Notes issued to Investment Holdings:</b> 139,258,930 Shares, being an amount equal to 4.85% of The Star's existing issued share capital.</li> <li>• <b>Tranche 2 Convertible Notes issuable to Bally's (subject to Shareholder Approval, and Investment Holdings subscribing for its Tranche 2 Convertible Notes as described below):</b> 2,221,482,140 Shares being an amount equal to 37.8% of The Star's pro forma share capital assuming conversion of both Tranche 1 Convertible Notes and Tranche 2 Convertible Notes into Shares.</li> <li>• <b>Tranche 2 Convertible Notes issuable to Investment Holdings (subject to Shareholder Approval):</b> 1,110,741,070 Shares, being an amount equal to 23.2% of The Star's pro forma share capital assuming conversion of both Tranche 1 Convertible Notes and Tranche 2 Convertible Notes into Shares.</li> </ul>
<b>Conversion at election of Bally's or Investment Holdings</b>	<p>Subject to the below, each of Bally's and Investment Holdings may convert the outstanding Convertible Notes into the applicable Conversion Shares:</p> <ul style="list-style-type: none"> <li>• in respect of the Tranche 1A Convertible Notes and the Tranche 1B Convertible Notes, in the period commencing on the date which is three Business Days following the issue date of that Convertible Note and ending on the date which is five Business Days prior to the Maturity Date; or</li> <li>• in respect of any other Convertible Note, in the period commencing on the date which is three Business Days following the later of: (i) the issue date of that Convertible Note; and (ii) the date on which any conditions precedent to the issuance and/or conversion applying to such Convertible Notes have been satisfied or waived (where applicable), and ending on the date which is five Business Days prior to the Maturity Date.</li> </ul> <p>To give effect to any on-sale of any Shares issued on conversion of the Convertible Notes, The Star will lodge a prospectus with ASIC on or prior to the date upon which the Tranche 2 Convertible Notes are issued that relates to both the Tranche 2 Convertible Notes and Shares issued on conversion of the Tranche 1A Convertible Notes and Tranche 1B Convertible Notes.</p>

## Summary of the Terms and Conditions of the Strategic Investments

<b>Redemption at maturity</b>	<p>The Convertible Notes will be automatically redeemed on the Maturity Date, if Bally's or Investment Holdings has not otherwise exercised their conversion rights at the Redemption Price.</p> <p>The issue price in respect of the Tranche 2 Convertible Notes will be partially applied to redeem the principal amount of the Subordinated Debt Instrument in full and such part of the issue price that is to be applied in this manner will be set-off against the amount payable by The Star to Bally's and Investment Holdings on redemption of the Subordinated Debt Instrument.</p>
<b>Early redemption of Subordinated Debt Instrument where no Shareholder Approval</b>	<p>If Shareholder Approval has not been obtained by 7 September 2025, automatic redemption will apply in relation to the Subordinated Debt Instrument and, subject to the Subordination Deed, The Star will be required to repay the principal amount of the Subordinated Debt Instrument, together with any accrued but unpaid interest (for the avoidance of doubt, including any PIK Liability relating to the Subordinated Debt Instrument then outstanding) within 120 days.</p>
<b>Early redemption of the Subordinated Debt Instrument where Regulatory Approvals not obtained</b>	<p>If the relevant Regulatory Approvals in respect of Bally's and Investment Holdings (as applicable) have not been obtained by 7 May 2026, then the Subordinated Debt Instrument shall be redeemable in full at the election of Bally's and Investment Holdings (as applicable), by notice in writing. Upon receipt of such written notice, subject to the terms of the Subordination Deed, The Star shall be required to repay Bally's and/or Investment Holdings (as applicable) the principal amount of the Subordinated Debt Instrument, together with any accrued but unpaid interest (for the avoidance of doubt, including any PIK Liability then outstanding) within 120 days.</p>
<b>Redemption at the option of Bally's and Investment Holdings</b>	<p>Each of Bally's and Investment Holdings may, by notice in writing no later than 10 Business Days following the occurrence of a Prescribed Redemption Event (or such longer period as The Star may permit), elect in its discretion to redeem all of its Subordinated Debt Instrument and/or the Convertible Notes.</p> <p>Upon such election, subject to the terms of the Subordination Deed, The Star will be required to pay to Bally's or Investment Holdings (as applicable), within 120 days of such notice, the principal amount of the Subordinated Debt Instrument and/or the Redemption Price in respect of the Convertible Notes, together with any accrued but unpaid interest (for the avoidance of doubt, including any PIK Liability then outstanding), subject to the subordination set out below.</p>
<b>Redemption at option of The Star</b>	<p>If a Change of Control occurs:</p> <ul style="list-style-type: none"> <li>• under a takeover bid under Chapter 6 of the Corporations Act and that takeover bid has become unconditional and the bidder and its Associates have acquired a Relevant Interest in at least 50% of the Shares; or</li> <li>• under a scheme of arrangement under Part 5.1 of the Corporations Act and the acquirer and its Associates become entitled to acquire 100% of the Shares (which, for the avoidance of doubt, will occur on the scheme effective date),</li> </ul> <p>(each a <b>Redemption Trigger</b>), and following the occurrence of the Redemption Trigger, Bally's or Investment Holdings has not converted all of its outstanding Convertible Notes or redeemed all of its outstanding Convertible Notes, The Star may by notice in writing within five Business Days of such Redemption Trigger, elect to redeem all of the Convertible Notes held by Bally's or Investment Holdings and pay to that noteholder the face value of the Convertible Notes and any additional PIK Liability in respect of those Convertible Notes.</p>



## Summary of the Terms and Conditions of the Strategic Investments

### **Undertakings, Representations and Warranties:**

The Star, Bally's and Investment Holdings have given customary representations and warranties as at the date the Subscription Agreements were entered into in relation to, without limitation, power and capacity, solvency, authorisations, compliance with law, ranking, capital structure, accuracy of information and litigation (as applicable). Investment Holdings has also given customary trust representations and warranties. In respect of the Subordinated Debt Instrument, while the Subordinated Debt Instrument remains outstanding, and provided that Bally's and Investment Holdings (as applicable) are not in material default of their obligations (as applicable) under the Subscription Agreements and that such default is not subsisting, The Star has undertaken on behalf of itself and the Group (subject to certain exceptions outlined further below):

- to not incur expenditures not contemplated in an agreed 'Liquidity Scenario Document', other than in the ordinary course of business, or as required by applicable laws or as required to implement the Subscription Agreements;
- subject to certain exceptions, including for fines and penalties required to be paid to comply with applicable laws, the quantum and terms of fines payable to any governmental agencies are to be agreed with each of Bally's and Investment Holdings;
- to not dispose of a material asset of the Group, other than those sales or disposals required to ensure that the Group can satisfy or perform its obligations under any agreement entered into before the date of the Term Sheet (including the agreement to exit the Group's equity interest in DBC and consolidate its position on the Gold Coast on substantially the terms announced to the ASX on 7 March 2025);
- not to amend, modify, alter or repeal any constituent documents of the Group (subject to certain exceptions);
- to conduct its business and affairs in all material respects in accordance with applicable laws and regulations;
- to provide certain financial information to Bally's and Investment Holdings periodically;
- to not issue any Shares, equity securities or debt securities for the primary purpose of raising capital, with the exception of any employee incentive issuances or an offer of Shares after the General Meeting has been held in respect of the Tranche 2 Convertible Notes;
- to not enter into debt financing agreements (other than under or in accordance with the Senior Facility);
- to not enter into any material contract to acquire or dispose of an asset of the Group, other than those acquisitions or disposals required to ensure that the Group can satisfy or perform its obligations under any agreement entered into before the date of the Term Sheet (including the agreement to exit the Group's equity interest in DBC and consolidate its position on the Gold Coast on substantially the terms announced to the ASX on 7 March 2025);
- to not enter into any material operating contract that creates an aggregate annual liability above \$5,000,000 (subject to certain exceptions); and
- other than drawing down bank guarantee and other transactional and working capital facilities in the ordinary course of business, and other than as expressly required or allowed under the Senior Facility or the Subscription Agreements, to not agree to take any action, or allow any other member of the Group to agree to take any action, which would be a Voluntary Secured Lender Action,

(the **Subordinated Debt Undertakings**).

## Summary of the Terms and Conditions of the Strategic Investments

The Subordinated Debt Undertakings are subject to certain exceptions, which includes without limitation that the Subordinated Debt Undertakings will not apply to an action, omission or matter:

- resulting from regulatory or legislative changes, or any other changes in applicable laws;
- to respond to or implement any formal direction or requirement of certain governmental agencies;
- to respond to an emergency or disaster;
- disclosed on ASX within 24 months prior to the date of the Subscription Agreements;
- that is expressly allowed or required by the Subscription Agreements or Subordination Deeds; and
- in respect of which Bally's or Investment Holdings (as applicable) has provided its prior written consent.

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**Events of Default** Each of the following constitutes an event of default under the Subscription Agreements:

- **Default:** The Star defaults on any payment under or fails to comply in a material respect with any other material term of the Subscription Agreements or the Convertible Note Deed Poll.
- **Cross default:** any financial indebtedness of The Star or another member of the Group in excess of \$50,000,000 is not paid when due (or within an applicable grace period) or becomes due and payable before its stated maturity or expiry.
- **Insolvency:** The Star or another member of the Group has had a controller (as defined in the Corporations Act) or trustee appointed, is in liquidation or provisional liquidation, or is under administration.
- **Breach of Undertaking:** while the Subordinated Debt Instrument remains outstanding, The Star breaches a Subordinated Debt Undertaking.

Any event of default is, where appropriate, subject to a cure period of 20 Business Days from the date on which any notice is given of the occurrence of the event of default, following which, Bally's or Investment Holdings (as applicable) may declare all amounts outstanding to be due and payable under the Subordinated Debt Instrument and the Convertible Notes within 120 days of such notice and subject to interest accruing daily at the Coupon rate plus default interest of 2.00% per annum.

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## Summary of the Terms and Conditions of the Strategic Investments

<b>Transferability and Nominee:</b>	<p>The Subordinated Debt Instrument is not transferable, other than to any of the Related Bodies Corporate of either of Bally's or Investment Holdings (as applicable), provided that:</p> <ul style="list-style-type: none"> <li>• at least 10 Business Days' written notice is provided;</li> <li>• if any regulatory approvals or other consents are required in connection with such transfer, such approvals or consents are obtained prior to the transfer; and</li> <li>• no such transfer can occur if it is not permitted under the terms of the Subordination Deeds.</li> </ul> <p>The Tranche 2 Convertible Notes are transferable upon written notice to The Star, subject to the terms of the Subordination Deeds and any required Regulatory Approvals or approvals under the Senior Facility.</p> <p>Bally's and Investment Holdings may each nominate a wholly-owned Subsidiary to hold the Convertible Notes by providing written notice to The Star, subject to any Regulatory Approvals (<b>Investor Nominee</b>). If Bally's or Investment Holdings elects an Investor Nominee to hold the Convertible Notes, it must procure that the Investor Nominee complies with all relevant obligations under the Subscription Agreement, the Convertible Note Deed Poll and the Subordination Deed (as applicable) and enters into a subordination deed in connection with the Senior Facility (if required).</p>
<b>Subordination of Sub Debt Instrument / Notes:</b>	<p>Bally's and Investment Holdings have each entered into a Subordination Deed in favour of, and on terms satisfactory to, the senior secured lenders under the Senior Facility.</p> <p>Each of Bally's and Investment Holdings have undertaken in the Subscription Agreements to not take any action under the Subscription Agreements, or in respect of the Subordinated Debt Instrument or the Convertible Notes, which would breach any of their obligations under the Subordination Deeds.</p>
<b>Board Appointment:</b>	<p>If each of Bally's and Investment Holdings subscribe for their proportion of the Tranche 2 Convertible Notes, and convert all Convertible Notes into Shares, it is proposed that the Board of The Star will comprise:</p> <ul style="list-style-type: none"> <li>• two Directors nominated by Bally's;</li> <li>• one Director nominated by Investment Holdings;</li> <li>• the Managing Director; and</li> <li>• such number of independent Directors so that the Board comprises a minimum of five directors.</li> </ul> <p>If, for whatever reason, Investment Holdings does not subscribe for its proportion of the Tranche 2 Convertible Notes and Bally's subscribes for those Tranche 2 Convertible Notes, and converts all Convertible Notes to Shares, it is proposed that Bally's will have majority representation on the Board.</p>

### 6.4 Specific disclosures under section 611, item 7 of the Corporations Act and RG 74

Section 611, item 7 of the Corporations Act allows Shareholders to approve an acquisition of Relevant Interests in voting Shares that would otherwise contravene the prohibitions in section 606 of the Corporations Act. Approval of Resolutions 1 and 2 (that is, the Strategic Investments Resolutions) set out in the Notice of Meeting is being sought from Shareholders for these purposes.

The information set out below is required to be provided to Shareholders under the Corporations Act or is recommended to be provided to Shareholders under ASIC's *Regulatory Guide 74 'Acquisitions approved by members'* (**RG 74**) in respect of obtaining approval under section 611, item 7 of the Corporations Act for the Strategic Investments by Bally's and Investment Holdings.

Shareholders should also refer to the Independent Expert Report in Annexure A to this Explanatory Memorandum.

**(a) Details of The Star, Bally's and Investment Holdings**

Background information on The Star, Bally's and Investment Holdings is set out in section 4.

**(b) The identity of the persons who will acquire a Relevant Interest in the Shares in The Star as a result of the Strategic Investments and the extent of their Relevant Interest**

If Resolution 1 is approved, then Bally's could acquire a Relevant Interest in Shares of up to 53.7%.

If Resolution 2 is approved, then Investment Holdings could acquire a Relevant Interest in Shares of up to 37.3%, which includes the 10% interest that Investment Holdings currently has in Shares as at the date of this Explanatory Memorandum.

Please refer to section 3.6 which outlines the maximum Relevant Interest in Shares that could be acquired by Bally's as part of its Strategic Investment in The Star.

Please refer to section 3.6 which outlines the maximum Relevant Interest in Shares that could be acquired by Investment Holdings as part of its Strategic Investment in The Star.

Section 3.6 also sets out a range of different scenarios whereby the Relevant Interest in Shares that could be acquired by each of Bally's and Investment Holdings could vary.

**(c) Explanation of the reasons for the Strategic Investments**

Please refer to the Chairman's Letter and section 2 which details the reasons to vote for or against the Strategic Investments Resolutions.

**(d) When will the Strategic Investments occur?**

The issue of the Tranche 2 Convertible Notes settles two Business Days after the General Meeting, which is expected to be held on Monday, 25 June 2025, subject to Shareholders approving the Strategic Investments Resolutions. Settlement also remains subject to:

- Regulatory Approvals;
- receipt of confirmation from the ASX under ASX Listing Rule 6.1 in relation to the Note terms (which has been obtained);
- confirmation from The Star that it and each other member of the Group is not in default under its Senior Facilities as at the day immediately prior to the date of issue of the Tranche 2 Convertible Notes;
- Long Form Agreements having been entered into by the parties and there being no default under the Term Sheet or the Long Form Agreements; and
- the Senior Lenders providing all consents, approvals and waivers necessary to give effect to the transactions contemplated under the Term Sheet (subject to the terms of the Subordination Deed).

If the Shareholder Approvals are obtained at the General Meeting but Regulatory Approvals have not been obtained, then as set out in section 1.3, \$133.3 million is payable with the remaining \$66.7 million payable on the earlier of Regulatory Approvals being obtained or two Business Days after 7 October 2025.

**(e) What are the material terms of the Strategic Investments**

Please refer to section 6.3 for the material terms of the Strategic Investments by Bally's and Investment Holdings.

**(f) Details of the terms of any other relevant agreement between The Star, Bally's and Investment Holdings that is conditional on (or directly or indirectly depends on) shareholders' approval of the Strategic Investments**

There are no other relevant agreements to note. Please refer to section 6.3 for a summary of the key terms of the Strategic Investments which are reflected in:

- a subscription agreement dated 23 May 2025 between The Star and Bally's;
- a subscription agreement dated 23 May 2025 between The Star and Investment Holdings; and

- a Convertible Note Deed Poll including Terms and Conditions for the Convertible Notes.

**(g) Bally's and Investment Holdings intentions regarding the future of The Star**

Please see sections 5.2, 5.3 and 5.4 which sets out Bally's and Investment Holdings intentions regarding the future of The Star.

**(h) Bally's and Investment Holdings' intentions regarding the financial or dividend distribution policies of The Star.**

Please refer to sections 5.3 and 5.4 which set out Bally's and Investment Holdings intentions regarding the financial or dividend distribution policies of The Star.

**(i) Details of any interest that any director has in the Strategic Investments or any relevant agreement relating to the Strategic Investments.**

Please see section 6.1 for the Relevant Interest that each Director of The Star has in Shares of The Star.

Please refer to section 5.3 relating to the intention of Bally's, and section 5.4 relating to the intention of Investment Holdings, to appoint directors to the Board following the conversion of their Convertible Notes.

**(j) Details of the proposed Board of The Star if Resolution 1 and Resolution 2 are approved and the Convertible Notes are converted.**

Please refer to section 6.3 for further details.

## **6.5 Consents and disclaimers**

- (a)** MUFG Corporate Markets (AU) Limited as the manager of The Star's Register of shareholders, has given, and has not withdrawn before the date of this Explanatory Memorandum, their consent to be named in this Explanatory Memorandum in the form and context in which they are named.
- (b)** The Independent Expert has given and has not withdrawn their consent to be named in this Explanatory Memorandum and to the inclusion of the Independent Expert Report in Annexure A to this Explanatory Memorandum and to the references to the Independent Expert Report in this Explanatory Memorandum being made in the form and context in which each such reference is included.
- (c)** Bally's has given, and has not withdrawn, its consent in relation to the inclusion of the Bally's Information in this Explanatory Memorandum and to the references to that information in this Explanatory Memorandum in the form and context in which that information is included.
- (d)** Investment Holdings has given, and has not withdrawn, its consent in relation to the inclusion of the Investment Holdings Information in this Explanatory Memorandum and to the references to that information in this Explanatory Memorandum in the form and context in which that information is included.
- (e)** Each person named in this section 6.5:
  - has not authorised or caused the issue of this Explanatory Memorandum;
  - does not make, or purport to make, any statement in this Explanatory Memorandum or any statement on which a statement in this Explanatory Memorandum is based, other than as specified in this section 6.5; and
  - to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Explanatory Memorandum, other than a reference to its name and the statement (if any) included in this Explanatory Memorandum with the consent of that party as specified in this section 6.5.

## **7 Resolution 3(a) and Resolution 3(b) – Placement Capacity Refresh Resolutions (Prior Issue of Tranche 1A and Tranche 1B Convertible Notes)**

### **7.1 Background**

The Star issued 278,517,860 Tranche 1A Convertible Notes and 139,258,930 Tranche 1B Convertible Notes as announced to ASX on 11 April 2025, utilising The Star's placement capacity under ASX Listing Rule 7.1.

### **7.2 ASX Listing Rules 7.1 and 7.4**

The Placement Capacity Refresh Resolutions propose that Shareholders approve and ratify the prior issue and allotment of Tranche 1A Convertible Notes and Tranche 1B Convertible Notes which were issued on 11 April 2025 (**Tranche 1 Issue Date**).

All of the Tranche 1A Convertible Notes and Tranche 1B Convertible Notes were issued by utilising The Star's existing capacity under ASX Listing Rule 7.1.

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue or agree to issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Tranche 1A Convertible Notes and Tranche 1B Convertible Notes did not fit within any of the exceptions to ASX Listing Rule 7.1 and, as it has not been approved by Shareholders, it uses up part of the 15% limit in ASX Listing Rule 7.1, reducing The Star's capacity to issue further equity securities without shareholder approval under ASX Listing Rule 7.1 for the 12 month period following 11 April 2025.

ASX Listing Rule 7.4 allows the shareholders of a listed company to approve an issue, or agreement to issue, of equity securities after it has been made or agreed to be made. If they do, the issue or agreement to issue is taken to have been approved under ASX Listing Rule 7.1 (provided that the issue or agreement to issue did not breach ASX Listing Rule 7.1) and so does not reduce the company's capacity to issue further equity securities without shareholder approval under ASX Listing Rule 7.1.

The Star wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under ASX Listing Rule 7.1.

To this end, the Placement Capacity Refresh Resolutions seek seeks shareholder approval to subsequently approve the prior issue of the Tranche 1A Convertible Notes and Tranche 1B Convertible Notes for the purposes of ASX Listing Rule 7.4.

If the Placement Capacity Refresh Resolutions are passed, the issue of the Tranche 1A Convertible Notes and Tranche 1B Convertible Notes will be excluded in calculating The Star's 15% capacity to issue equity securities under ASX Listing Rule 7.1 without shareholder approval over the 12 month period following the Tranche 1 Issue Date.

If the Placement Capacity Refresh Resolutions are not passed, the issue of the Tranche 1A Convertible Notes and Tranche 1B Convertible Notes will be included in calculating The Star's 15% capacity to issue equity securities under ASX Listing Rule 7.1 without shareholder approval over the 12 month period following the Tranche 1 Issue Date.

### **7.3 Information required by ASX Listing Rule 7.5**

The following information is provided to shareholders in relation to the issue of the Institutional Placement Shares.

- (a) The Tranche 1A Convertible Notes and Tranche 1B Convertible Notes were issued to Bally's and Investment Holdings as part of Tranche 1 of the Strategic Investments.
- (b) The Star issued 278,517,860 Tranche 1A Convertible Notes and 139,258,930 Tranche 1B Convertible Notes on 11 April 2025.
- (c) The material terms of the Tranche 1A Convertible Notes and Tranche 1B Convertible Notes and the Strategic Investments are summarised in section 6.3 of the Explanatory Memorandum.

- (d) Each of the Tranche 1A Convertible Notes and Tranche 1B Convertible Notes were issued with a conversion price of 8 cents, for a total subscription of:
- \$22.3 million for Bally's Tranche 1A Notes; and
  - \$11.1 million for Investment Holdings Tranche 1B Notes
- (e) The Tranche 1A Convertible Notes and Tranche 1B Convertible Notes are part of the Strategic Investments by each of Bally's and Investment Holdings provide cash funding and assist The Star to continue as a going concern and avoid other consequences, such as an administration, which may not be in the best interests of The Star's Shareholders.
- (f) The Tranche 1A Convertible Notes and Tranche 1B Convertible Notes were issued under the Term Sheet, which is summarised in section 6.3 of the Explanatory Memorandum.

#### **7.4 Directors' recommendations**

The Directors recommend that Shareholders vote FOR the Placement Capacity Refresh Resolutions.

## 8 Glossary

Defined term	Meaning
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>Associate</b>	has the meaning set out in section 12(2) of the Corporations Act, where for the purposes of section 12, the 'designated body' is the third party.
<b>ASX</b>	ASX Limited (ABN 98 008 624 691) and, where the context requires, the financial market known as 'ASX' that it operates.
<b>ASX Listing Rules</b>	the official listing rules of the ASX.
<b>AUSTRAC</b>	Australian Transaction Reports and Analysis Centre.
<b>Bally Bet Sportsbook &amp; Casino</b>	a sports betting and online casino (or iCasino) platform product of Bally's.
<b>Bally's</b>	Bally's Corporation is a Delaware corporation, with global headquarters in Providence, Rhode Island. Bally's is a global casino-entertainment company with a growing omni-channel presence. Bally's common stock is traded on the New York Stock Exchange under the symbol 'BALY'. Where applicable references to Bally's includes any wholly-owned Subsidiary who it nominates to acquire the Convertible Notes.
<b>Bally's Information</b>	all information regarding Bally's and its intentions prepared for and/or provided on behalf of Bally's in writing for inclusion in this Explanatory Memorandum, except to the extent that information is based on information provided or prepared by or on behalf of The Star.
<b>Bally's Interactive International</b>	a division of Bally's a portfolio of brands in sports betting, iGaming, free-to-play gaming, poker, and daily fantasy sports.
<b>Business Day</b>	any day that is each of the following: <ul style="list-style-type: none"> <li>• a Business Day within the meaning given in the ASX Listing Rules; and</li> <li>• a day that banks are open for business in Sydney, Australia.</li> </ul>
<b>Casinos &amp; Resorts</b>	a reportable segment of the operating structure of Bally's, primarily relating to casinos and resorts in North America.
<b>Commitment Letter</b>	the legally binding commitment letter setting out the terms of the Strategic Investment by Investment Holdings, as announced on ASX on 8 April 2025.
<b>Competing Proposal</b>	any actual or proposed proposal, offer, expression of interest, agreement, arrangement or transaction, which, if entered into, implemented, consummated or completed substantially in accordance with its terms, would result in a person (other than Bally's, Investment Holdings or their Associates) (either alone or together with its Associates directly or indirectly): <ul style="list-style-type: none"> <li>• acquiring control of The Star within the meaning of section 50AA of the Corporations Act;</li> <li>• acquiring, obtaining a right to acquire, or otherwise obtaining a legal, beneficial or economic interest in, or control of 50% or more: (i) of a substantial part or a material part of the assets of; or (ii) by value of any business conducted by, The Star or any member of the Group;</li> <li>• acquiring or merging with The Star or any other member of the Group; or</li> <li>• otherwise requiring or causing The Star to abandon or otherwise not to proceed with the transactions contemplated by the Subscription Agreements or any Director not providing its recommendation or</li> </ul>



Defined term	Meaning
	voting intention in respect of the transactions contemplated by the Subscription Agreements,
	whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved acquisition, capital reduction, buy-back, sale or purchase of shares, other securities or assets, assignments of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement recapitalisation, refinancing or other transaction or arrangement. For the avoidance of doubt, each successive material modification or variation of a Competing Proposal will constitute a new Competing Proposal.
<b>Convertible Notes</b>	the Tranche 1A Convertible Notes, Tranche 1B Convertible Notes and Tranche 2 Convertible Notes or any of them (as applicable).
<b>Convertible Note Deed Poll</b>	the deed poll made on 23 May 2025 by The Star in favour of, and for the benefit of, each person who from time to time holds Convertible Notes.
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth), as modified or varied by any applicable ASIC class order, ASIC legislative instrument or ASIC relief.
<b>DBC</b>	Destination Brisbane Consortium Queens Wharf Integrated Resort.
<b>Director</b>	a director of The Star.
<b>EBITDA</b>	earnings before interest, taxes, depreciation, and amortisation.
<b>EGM</b>	electronic gambling machine.
<b>Event Centre</b>	The Star Event Centre.
<b>Explanatory Memorandum</b>	this document, including its annexures.
<b>FATA</b>	the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth).
<b>FIRB</b>	Foreign Investment Review Board.
<b>FY24</b>	the financial year ended 30 June 2024.
<b>FY25</b>	the financial year ended 30 June 2025.
<b>FY26</b>	the financial year ended 30 June 2026.
<b>F&amp;B</b>	food and beverage.
<b>General Meeting</b>	the meeting of Shareholders convened pursuant to the Notice of Meeting to consider and approve the Strategic Investments Resolutions and the Placement Capacity Refresh Resolutions.
<b>GLPI</b>	Gaming and Leisure Properties, Inc., a real estate investment trust specialising in casino properties, based in Wyomissing, Pennsylvania.
<b>Group</b>	The Star Entertainment Group Limited and its Subsidiaries.
<b>Half Year Report</b>	The Star's half year report for the half year ended 31 December 2024 released on ASX on 15 April 2025.
<b>Half Year Results</b>	The Star's financial results for the half year ended 31 December 2024 released on ASX on 15 April 2025.
<b>H1 FY24</b>	the financial reporting half year ended 31 December 2023.
<b>H1 FY25</b>	the financial reporting half year ended 31 December 2024.
<b>Independent Expert or Grant Samuel</b>	Grant Samuel & Associates Pty Limited (ABN 28 050 036 372) holder of AFSL No. 240985.
<b>Independent Expert Report</b>	the report of the Independent Expert, as set out in Annexure A.

Defined term	Meaning
<b>Intralot</b>	Intralot S.A.
<b>International Interactive</b>	a reportable segment of the operating structure of Bally's, primarily relating to Interactive Gaming outside North America and casino operations in the UK.
<b>Interactive Gaming or iGaming</b>	the conduct of online gambling games and online sports betting through the use of communications technology that allows a person, utilising money, cheques, electronic cheques, electronic transfers of money, credit cards, debit cards or any other instrumentality, to electronically transmit to a gaming operator information to assist in the placing of a bet or wager with such gaming operator and where the operator provides an online platform for customer registration and operation of online gambling games or sports betting, display of the game or sports betting outcomes, payment and other related information.
<b>Investment Holdings</b>	Investment Holdings Pty Ltd (ACN 006 336 303) as trustee for the BMG Discretionary Trust.
<b>Investment Holdings Information</b>	all information regarding Investment Holdings and its intentions prepared for and/or provided on behalf of Investment Holdings in writing for inclusion in this Explanatory Memorandum, except to the extent that information is based on information provided or prepared by or on behalf of The Star.
<b>Investor Nominee</b>	a wholly-owned Subsidiary nominated by Bally's or Investment Holdings (as applicable) to hold the Convertible Notes in accordance with the Subscription Agreements.
<b>Kambi</b>	Kambi Group plc.
<b>Long Form Agreements</b>	the Subscription Agreements and the Convertible Note Deed Poll.
<b>Manager</b>	Mr Nicholas Weeks, appointed as manager of The Star Sydney casino by the NICC on 17 October 2022.
<b>Maturity Date</b>	As defined in section 6.3.
<b>MTGM</b>	a multi-terminal gaming machine, being a gaming machine that is equipped with more than one player terminal as it is designed to be played by more than one player at a time.
<b>NICC</b>	the NSW Independent Casino Commission.
<b>North America Interactive</b>	a reportable segment of the operating structure of Bally's, primarily relating to Interactive Gaming in North America.
<b>Notice of Meeting</b>	the notice of meeting and Explanatory Memorandum prepared by The Star for the meeting of Shareholders proposed to be held on or about 25 June 2025 (including any adjournment).
<b>NPAT</b>	Net Profit After Tax.
<b>NYSE</b>	New York Stock Exchange.
<b>PIK</b>	payment-in-kind.
<b>Placement Capacity Refresh Resolutions</b>	<p>the resolutions in the Notice of Meeting seeking that, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the prior allotment and issue of:</p> <ul style="list-style-type: none"> <li>• 278,517,860 Tranche 1A Convertible Notes; and</li> <li>• 139,258,930 Tranche 1B Convertible Notes,</li> </ul> <p>issued on 11 April 2025 and otherwise on the terms and conditions as outlined in the Explanatory Memorandum.</p>

Defined term	Meaning
<b>Prescribed Redemption Event</b>	<p>any of the following events:</p> <ul style="list-style-type: none"> <li>a person (together with its Associates), other than a subscriber and its Associates, acquires or holds a Relevant Interest in more than 50% of the Shares in The Star (excluding any Relevant Interests under conditional contracts); or</li> <li>The Star ceases to be listed on the ASX or the Shares cease (on a permanent basis) to be quoted or admitted to trading status on the ASX, other than following a change of control where the proponent of the change of control or one or more of its Associates acquires or holds a Relevant Interest in 100% of the Shares in The Star.</li> </ul>
<b>Q2 FY25</b>	the second quarter of the financial year ending 30 June 2025.
<b>Q3 FY24</b>	the third quarter of the financial year ending 30 June 2024.
<b>Q3 FY25</b>	the third quarter of the financial year ending 30 June 2025.
<b>Redemption Price</b>	<ul style="list-style-type: none"> <li>the sum total of the face value of any Convertible Notes held by the noteholder (including any PIK Liability and any accrued but unpaid interest) at the relevant redemption date; or</li> <li>if The Star has not issued a prospectus prior to the occurrence of the applicable Prescribed Redemption Event or Maturity Date (including the issuance of a prospectus as contemplated by the Subscription Agreements), the higher of: (i) the sum total of the face value of any Convertible Notes held by the Noteholder (including any PIK Liability and any accrued but unpaid interest) at the relevant redemption date; and (ii) the cash settled value for the Convertible Notes held on the relevant redemption date on an as converted basis, calculated by multiplying the number of Shares that would have been issued on conversion of those Convertible Notes by the arithmetic average of the daily volume weighted average price of the Shares for the 15 consecutive trading days prior to the occurrence of the Prescribed Redemption Event or the Maturity Date (as applicable), plus any accrued but unpaid interest (for the avoidance of doubt, including any PIK Liability then outstanding).</li> </ul>
<b>Register</b>	the official record maintained by a company that lists the details of its shareholders.
<b>Regulatory Approvals</b>	<p>as the context requires:</p> <ul style="list-style-type: none"> <li>in the case of Bally's, it having received necessary approvals under the FATA; and</li> <li>in the case of Bally's and Investment Holdings, each of them having received all necessary regulatory approvals under applicable Australian laws to subscribe for the Tranche 2 Convertible Notes, and for the conversion of Convertible Notes into Shares, including under the <i>Casino Control Act 1992</i> (NSW), <i>Casino Control Act 1982</i> (Qld), and any agreement, contract or deed between any member of the Group and any governmental agency concerning the casino, gaming or other business operations of any member of the Group.</li> </ul>
<b>Relevant Interest</b>	has the meaning given in sections 608 and 609 of the Corporations Act.
<b>Resolutions</b>	the Strategic Investments Resolutions and Placement Capacity Refresh Resolutions.

Defined term	Meaning
<b>RG 74</b>	<i>Regulatory Guide 74 'Acquisitions approved by members'</i> issued by ASIC on 11 December 2011, as amended from time to time.
<b>Senior Facility</b>	The Star's existing secured corporate facility as set out in the document entitled 'Syndicated Facility Agreement – Project Pirrama' dated 8 November 2023 between, among others, The Star and the senior agent, as amended from time to time.
<b>Share</b>	a fully paid ordinary shares in the capital of The Star.
<b>Share Registry</b>	The Star's system of recording its Shareholder information, including ownership and transactions.
<b>Shareholder</b>	a person who is registered as the holder of one or more Shares.
<b>Special Manager</b>	Mr Nicholas Weeks, appointed as special manager of The Star Gold Coast by the Queensland Attorney-General and Office of Liquor and Gaming Regulation on 9 December 2022.
<b>Strategic Investments</b>	<p>the investments by:</p> <ul style="list-style-type: none"> <li>(i) Bally's; and</li> <li>(ii) Investment Holdings,</li> </ul> <p>in The Star by way of a multi-tranche Convertible Note and subordinated debt instrument for an aggregate principal value of \$300 million, the terms of which are summarised in section 6.3 of this Explanatory Memorandum. For the purposes of this definition, the <b>Strategic Investment</b> means the investment by either Bally's or Investment Holdings, as the context requires.</p>
<b>Strategic Investments Resolutions</b>	the two resolutions in the Notice of Meeting seeking Shareholder approval for the purposes of section 611, item 7 of the Corporations Act regarding the proposed acquisition of Relevant Interests in The Star by Bally's and Investment Holdings, respectively, upon the conversion of Convertible Notes issued, or to be issued, to them.
<b>Subordinated Debt</b>	direct, unconditional, unsecured and subordinated obligations of The Star, junior only to the Senior Facility.
<b>Subordinated Debt Instrument</b>	direct, unconditional, unsecured and subordinated obligations of The Star, junior only to the Senior Facility, provided to The Star by each of Bally's and Investment Holdings in accordance with the terms of the Subscription Agreements entered into by each of Bally's and Investment Holdings on 23 May 2025.
<b>Subordination Deed</b>	<p>as the context requires:</p> <ul style="list-style-type: none"> <li>• the subordination deed poll entered into by The Star and Bally's on or around the date of the Subscription Agreement (as amended from time to time); and</li> <li>• the subordination deed poll entered into by The Star and Investment Holdings on or around the date of the Subscription Agreement (as amended from time to time),</li> </ul> <p>(together, the <b>Subordination Deeds</b>).</p>
<b>Subscription Agreement</b>	<p>as the context requires:</p> <ul style="list-style-type: none"> <li>• the subscription agreement entered into by The Star and Bally's on 23 May 2025; and</li> <li>• the subscription agreement entered into by The Star and Investment Holdings on 23 May 2025,</li> </ul>

Defined term	Meaning
	(together, the <b>Subscription Agreements</b> ).
<b>Subsidiary</b>	has the meaning given in the Corporations Act.
<b>Superior Proposal</b>	<p>a genuine Competing Proposal that is received by The Star and that the Board determines, acting reasonably and in good faith and having regard to its fiduciary or statutory duties (after obtaining written legal advice from its external Australian legal adviser practicing in the area of corporate law and written advice from its external financial adviser):</p> <ul style="list-style-type: none"> <li>• is reasonably capable of being valued and completed; and</li> <li>• would, if completed in accordance with the terms of the Competing Proposal, be a transaction more favourable to The Star's shareholders than the transactions contemplated by the Subscription Agreements,</li> </ul> <p>in each case, after having taken into account all aspects of the Competing Proposal, including the identity, reputation and financial condition of the proponent of the Competing Proposal, the consideration (including on a time value of money basis) and form of consideration offered, the conditionality (including in relation to regulatory approvals), funding, certainty and timing of the Competing Proposal, all other relevant legal, financial, regulatory and other aspects of, and considerations relating to, the Competing Proposal and any other matters affecting the probability of the Competing Proposal being implemented in accordance with the terms of the Competing Proposal.</p>
<b>Term Sheet</b>	the legally binding term sheet setting out the terms of the Strategic Investment by Bally's, as announced on ASX on 7 April 2025.
<b>Tranche 1</b>	<p>means the first tranche of \$100 million was received by The Star on 9 April 2025 and includes:</p> <ul style="list-style-type: none"> <li>• Tranche 1A Convertible Notes, subscribed for by Bally's in the amount of \$22.3 million and convertible into Shares representing 9.71% of The Star's pre-issue Share capital;</li> <li>• Tranche 1B Notes Convertible Notes, subscribed for by Investment Holdings in the amount of \$11.1 million and convertible into Shares representing 4.85% of The Star's pre-issue Share capital; and</li> <li>• the Subordinated Debt Instrument, being subordinated, unsecured, non-convertible debt of \$66.6 million, split as follows: <ul style="list-style-type: none"> <li>• Bally's - \$44.4 million; and</li> <li>• Investment Holdings - \$22.2 million.</li> </ul> </li> </ul> <p>The principal amount of the Subordinated Debt Instrument may be increased in certain circumstances, including if the Regulatory Approvals required for the issuance and conversion of the Tranche 2 Convertible Notes are not obtained within specified periods. This has been designed to ensure that The Star can obtain the liquidity benefits of the Strategic Investments in a timely manner.</p>
<b>Tranche 1 Issue Date</b>	the prior issue and allotment of Tranche 1A Convertible Notes and Tranche 1B Convertible Notes to Bally's and Investment Holdings by The Star, which were issued on 11 April 2025, as defined in section 7.2.
<b>Tranche 2</b>	the second tranche of \$200 million payable to The Star following Shareholder approval, which involves approval of the Strategic Investments Resolutions at the General Meeting. If, at that time, applicable Regulatory Approvals have not

Defined term	Meaning
	been obtained, then \$133.3 million is payable following Shareholder approval (assuming approval is obtained at the General Meeting), with the remaining \$66.7 million being payable on the earlier of receipt of the Regulatory Approvals being obtained or two Business Days after 7 October 2025.
<b>Tranche 1A Convertible Notes</b>	278,517,860 'Tranche 1A' convertible notes convertible into 278,517,860 Shares which were issued to Bally's on 11 April 2025.
<b>Tranche 1B Convertible Notes</b>	139,258,930 'Tranche 1B' convertible notes convertible into 139,258,930 Shares which were issued to Investment Holdings on 11 April 2025.
<b>Tranche 2 Convertible Notes</b>	<ul style="list-style-type: none"> <li>in respect of Bally's: (i) if, for whatever reason, Investment Holdings does not pay to The Star the applicable subscription amount in respect of its Tranche 2 Convertible Notes, or the applicable upsize amount in respect of its Subordinated Debt Instrument, in each case in accordance with the time periods set out in the Subscription Agreement following the General Meeting and as summarised in section 6.3 of this Explanatory Memorandum, up to 3,054,815,473 convertible notes convertible into up to 3,054,815,473 Shares; and (ii) if those circumstances do not apply, up to 2,221,482,140 convertible notes convertible into up to 2,221,482,140 Shares; and</li> <li>in respect of Investment Holdings, up to 1,110,741,070 convertible notes convertible into up to 1,110,741,070 Shares which are proposed to be issued to Investment Holdings.</li> </ul>
<b>Voluntary Secured Lender Action</b>	<p>any one or more of the following:</p> <ul style="list-style-type: none"> <li>amending, extending, renewing, novating, replacing, supplementing or otherwise varying (including granting any waiver in relation to), the Senior Facility, or creating any new secured facilities;</li> <li>increasing the principal amount of the facilities available or permitted to be outstanding under the Senior Facility;</li> <li>shortening the time for payment of a principal amount of the facilities under the Senior Facility;</li> <li>extending the maturity date for all or any part of the facilities under the Senior Facility;</li> <li>increasing the applicable margins or line fees (or the frequency of payment of interest or line fees), or any line fees, in respect of the facilities under the Senior Facility (other than as a result of selection of interest periods in accordance with the Senior Facility);</li> <li>increasing default interest or other amounts payable only on the occurrence of or after an event of default or default (however described) under the Senior Facility;</li> <li>rendering any financial covenant under the Senior Facility more onerous;</li> <li>varying the obligations of an entity of The Star under the Senior Facility Agreement such that the relevant entity of The Star Group becomes subject to materially more onerous obligations than the obligations under the Senior Facility; and</li> <li>varying any definitions in the Senior Facility to the extent the changes would result in any event or circumstance above occurring.</li> </ul>
<b>VWAP</b>	volume-weighted average price.

Defined term	Meaning
<b>Voting Power</b>	has the meaning given to that term in the Corporations Act.
<b>White Hat Gaming</b>	White Hate Gaming, Inc.
<b>The Star's Website</b>	the website available at: <a href="https://www.starentertainmentgroup.com.au/">https://www.starentertainmentgroup.com.au/</a>

## Corporate Directory

### Registered office and principal place of business

Level 3, 159 William Street  
Brisbane QLD 4000

### Independent Expert

Grant Samuel & Associates Pty Limited (ABN 28 050 036 372)  
holder of AFSL No. 240985.

Level 20/1 Farrer Place  
Sydney, NSW, 2000

### Share Registry

MUFG Corporate Markets (AU) Limited  
Level 21, 10 Eagle Street  
Brisbane, QLD, 4000

### Stock exchange listing

The Star Entertainment Group Limited's shares are listed on the  
ASX (ASX Code: SGR)

### Company website

[www.starentertainmentgroup.com.au](http://www.starentertainmentgroup.com.au)

### Investor website

[www.starentertainmentgroup.com.au/investors/](http://www.starentertainmentgroup.com.au/investors/)

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