



THE STAR

ASX Announcement

30 January 2026

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2025

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

SUMMARY

- Q2 FY26 revenue of \$301 million (up 6% compared to Q1 FY26) and Q2 FY26 EBITDA profit of \$6 million (before significant items), compared to an EBITDA loss of \$13 million for Q1 FY26. EBITDA results throughout this announcement are stated before significant items, which will be disclosed separately in the Group's FY26 half year results announcement.
- The result for the period reflects stabilised trading in Sydney (although trading levels remain at historical lows), seasonally stronger volumes on the Gold Coast, and a higher operator fee for The Star Brisbane. Operating conditions remain challenging due to the impact of mandatory carded play and cash limits in NSW and stricter regulatory requirements across all properties.
- On 12 August 2025, The Star entered into binding long form documentation with Chow Tai Fook Enterprises Limited and Far East Consortium International Limited (the **Joint Venture Partners** or **JVPs**) to exit the Destination Brisbane Consortium Integrated Resort joint venture (**DBC**), dispose of its interest in the Festival Car park joint venture, dispose of the Treasury Hotel and Car Park and consolidate its Gold Coast position (**JVP Transaction**).

The terms of the JVP Transaction were released to the ASX on 12 August 2025. The 30 November 2025 sunset date in relation to the first stage of the JVP Transaction has expired. As a consequence, the JVP Transaction could be terminated by the parties, however it is The Star's present understanding that all parties remain committed to its completion. Further, completion of the JVP Transaction remains subject to several condition precedents. As previously disclosed, following the signing of the long form documentation in August 2025, The Star commenced recognising a fixed operator fee of \$5 million per month in relation to The Star being the operator of The Star Brisbane. The Star is required to recognise revenue to the extent that it is highly probable that it won't be reversed in a future period. The Group determined that it reached a highly probable status in December 2025 given the progress on material conditions precedent to the transaction. Consequently, the operator fee revenue of \$26 million in the quarter represents \$15 million attributable to the December quarter, with the remaining \$11 million representing the true-up of amounts not recognised between the effective date of the JVP Transaction and signing of the long form agreement in August 2025.

- In November 2025, 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**) completed the previously announced \$300 million strategic investments in The Star. Following completion of those transactions, Bally's now holds approximately 38% of the issued capital in The Star and Investment Holdings now holds approximately 23% of the issued capital in The Star.
- Under the terms of the existing Senior Facility Agreement (**SFA**) the Company is required to deliver a compliance certificate on or before 14 February 2026 which will set out calculations with respect to the applicable financial covenants under the SFA for the 12 month period ending 31 December 2025 (**December Compliance Certificate**). The Company and its advisers are currently conducting a refinancing process and are engaging with existing and potential new lenders in advance of 14 February 2026. There is no certainty as to the timing or outcome of the refinancing process. The Star has not requested a waiver from the SFA lenders of financial covenants for 31 December 2025, some of which are not expected to be met. Pursuant to the terms of the SFA, if there is a suitable commitment letter in relation to refinancing the SFA when the December Compliance Certificate is provided, any breach of the SFA which would have otherwise arisen as a result of non-compliance with financial covenants disclosed in the Certificate will be deferred, provided that such refinancing is completed on or before 31 March 2026.
- The Group's ability to successfully execute its ongoing capital management strategy in the timeframe required will be impacted by the quantum and timing of the AUSTRAC judgment which remains outstanding.
- The maturity date for DBC's debt facilities, for which the Group has a parent company guarantee (refer to Note B6 of the Group's FY25 financial statements released on 30 September 2025), has been extended to 31 March 2026.
- The Group's ability to continue as a going concern remains dependent on the outcome of numerous material uncertainties (including those noted above), some of which are interdependent and outside The Star's control. The full list of relevant matters were set out in Note G of the Group's FY25 financial statements released on 30 September 2025. The Star confirms that there are no material updates to the matters set out in Note G of the Group's FY25 financial statements released on 30 September 2025 and that each of these matters continue to influence The Group's ability to continue as a going concern.
- The Group had available cash at 31 December 2025 of \$130 million¹.

¹ Comprising \$171 million of cash and cash equivalents less \$41 million of restricted cash (representing Cage Cash). At 31 December 2025, the Group had total cash and cash deposits of \$239 million, comprising \$171 million of cash and cash equivalents plus \$68 million of non-current restricted deposits. Restricted deposits comprises cash held in the Disposal Proceeds Account under the existing SFA agreement, cash backed Bank Guarantees (property leases and transactional banking facilities), and security relating to workers compensation cover. Cage Cash includes monies held physically on the gaming floor for the day-to-day operation of the casino gaming floor activities

FINANCIAL SUMMARY

Group²

	QUARTERLY FINANCIALS (A\$m)			CHANGE	
	Q2 FY26	Q1 FY26 (last quarter)	Q2 FY25 (pcp)	vs. Q1 FY26 (last quarter)	vs. Q2 FY25 (pcp)
Revenue	\$301	\$284	\$299	6%	1%
EBITDA	\$6	(\$13)	(\$8)	143%	173%

Property²

	QUARTERLY FINANCIALS (A\$m)			CHANGE	
	Q2 FY26	Q1 FY26 (last quarter)	Q2 FY25 (pcp)	vs. Q1 FY26 (last quarter)	vs. Q2 FY25 (pcp)
The Star Sydney					
Revenue	\$163	\$161	\$176	1%	(7%)
EBITDA	(\$8)	(\$10)	(\$4)	23%	(93%)
The Star Gold Coast					
Revenue	\$108	\$105	\$111	3%	(3%)
EBITDA	\$10	\$6	\$11	67%	(15%)
The Star Brisbane³					
Operator Fee Revenue	\$26	\$14	\$10	91%	151%
EBITDA	\$4	(\$9)	(\$13)	147%	131%
Treasury Brisbane³					
Revenue	\$4	\$4	\$2	0%	107%
EBITDA	\$0	\$0	(\$2)	0%	101%

The Star Sydney

- Revenue was slightly above the previous quarter, reflecting growth in gaming and hospitality revenue.
- Gaming revenue growth was attributable to growth in electronic gaming, partially offset by a decline in table games revenue.
- Since 19 October 2024 (being the date that mandatory carded play and \$5,000 daily cash limits was fully implemented across the entire gaming floor), average daily revenue has declined 19% to 31 December 2025, compared to the 4 week average daily revenue prior to 19 August 2024 (first stage of reform implementation).

The Star Gold Coast

- The increase in revenue compared to the prior quarter reflects seasonally stronger volumes across both gaming and hospitality segments.
- Gaming revenue grew by 4% compared to Q1 FY26 with growth reported in both table games and electronic gaming machines.

The Star Brisbane

- The financial results for The Star Brisbane are reported by DBC (Joint Venture 50% owned by The Star), which is subject to an agreement signed on 12 August 2025 with the Joint Venture Partners under which The Star will exit its interest in DBC. The Group is the operator of The Star Brisbane under a Casino Management Agreement (**CMA**) with DBC and recognises the operator fee as revenue and allocated corporate costs as the associated expense. Operator fee revenue for the quarter was \$26 million, and the EBITDA profit was \$4 million. The operator fee for the quarter reflects the \$5 million monthly fixed fee and

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

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

\$11 million representing the true-up of amounts not recognised between the effective date of the JVP Transaction and the signing of the long form agreement in August 2025, as noted above.

- Property earnings for The Star Brisbane are recognised as a share of profit/loss from investment in associates and are not included in The Star's EBITDA.
- *Property performance:*
 - Revenue generated by the Managed Integrated Resort for Q2 FY26 was \$126 million.
 - EBITDA of \$16 million was recorded for the Managed Integrated Resort for Q2. This excludes certain centralised corporate costs at the joint venture level.

Treasury Brisbane

- Treasury Brisbane Casino closed on 25 August 2024.
- Treasury Brisbane Casino's earnings have been replaced by The Star Brisbane operator fee in the Group's consolidated revenue and EBITDA.
- Treasury hotel and carpark continue to operate with a small revenue contribution and is breakeven at the EBITDA level for the last quarter.

Operating Expenses⁴

	QUARTERLY FINANCIALS (A\$m)			CHANGE	
	Q2 FY26	Q1 FY26 (last quarter)	Q2 FY25 (pcp)	vs. Q1 FY26 (last quarter)	vs. Q2 FY25 (pcp)
Operating expenses	\$230	\$233	\$235	1%	2%

- Operating expenses of \$230 million were largely in line with the previous quarter.

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

LIQUIDITY UPDATE

- Available cash as at 31 December 2025 was \$130 million⁵ (compared to \$168 million⁶ at 30 September 2025). Note the Cash and Cash Equivalents balance of \$171 million shown in the accompanying Appendix 4C includes \$41 million of restricted cash representing Cage Cash.
- The SFA lenders agreed to waive the covenants for the SFA loans for 30 September 2025. These waivers contained a number of conditions. On 2 October 2025, The Star deposited \$30 million into the Disposal Proceeds Account (**DPA**) account as per the agreed terms of the covenant waivers.
- On 9 October 2025, The Star received the final \$67 million tranche of the Bally's investment, completing the full receipt of the previously announced \$300 million Strategic Investment from Bally's and Investment Holdings.

Other notable Appendix 4C items:

- The aggregated amount of payments to related parties and their associates for operating activities was \$9.5 million in the quarter. This is shown in Section 6.1 of the Appendix 4C. This includes payments to the Destination Gold Coast Consortium (**DGCC**) joint venture (\$0.5 million) and remuneration of Directors (including the former Group CEO and Managing Director) and other key management personnel (\$9.0 million).
- The aggregated amount of payments to related parties and their associates for investing activities was \$2.6 million in the quarter. This is shown in Section 6.2 of the Appendix 4C. This comprises of payments to and on behalf of the DGCC joint venture in relation to loans (\$1.6 million) and property, plant and equipment (\$1.0 million).
- Section 3.9 of the Appendix 4C shows a cash outflow of \$31.2 million of restricted cash during the quarter. This mainly relates to the \$30 million deposited into the DPA following the 30 September 2025 covenant waiver, as noted above.

OPERATIONAL UPDATE

Mandatory carded play & cash limits

- The Star Sydney
 - Mandatory carded play and \$5,000 daily cash limits were fully implemented across the entire gaming floor on 19 October 2024. Cash limits were due to reduce to \$1,000 by 19 August 2025. On 5 August 2025 the NSW Government confirmed that the daily cash limit of \$5,000 will be maintained until 19 August 2027.
- The Star Gold Coast and The Star Brisbane
 - Mandatory carded play and cash limits have been legislated but implementation remains subject to regulations by the Queensland Government, which have not been made to date.

Casino Licence Updates

- The current status of The Star's casino licences is as follows:
 - The Star Sydney's casino licence remains suspended with the Manager's term currently set until 31 March 2026.
 - The deferral of the suspension of The Star Gold Coast's casino licence and the Special Manager's term of appointment currently extends to 30 September 2026.
 - The Star Brisbane's External Adviser's appointment currently extends to 30 September 2026.
- The Star continues to engage with regulators and government in respect of the above casino licences.

⁵ Comprising \$171 million of cash and cash equivalents less \$41 million of restricted cash (representing Cage Cash). At 31 December 2025, the Group had total cash and cash deposits of \$239 million, comprising \$171 million of cash and cash equivalents plus \$68 million of non-current restricted deposits

⁶ Comprising \$203 million of cash and cash equivalents less \$35 million of restricted cash (representing Cage Cash). At 30 September 2025, the Group had total cash and cash deposits of \$239 million, comprising \$203 million of cash and cash equivalents plus \$36 million of non-current restricted deposits

Update on Key Initiatives

- Following implementation of the strategic investments of each of Bally's and Investment Holdings in November 2025, and as previously announced to the ASX, there have been a number of changes to The Star's Board and executive management. As at today's date, the Board of The Star comprises Soo Kim (as Chairman), George Papanier and Bruce Mathieson Jnr (as Group Chief Executive Officer and Managing Director). On 11 November 2025, Don Pasquariello was also appointed as non-executive director of The Star, subject to all regulatory and ministerial approvals being obtained. Those approvals have not yet been obtained, and Mr Pasquariello remains an observer to The Star Board at this time.
- The Star, in consultation with its major shareholders, is currently reviewing the resourcing structure and strategy of its operations. Once this review is completed, to the extent any material changes arise from this review, an update will be provided.

Authorised by:

The Board of Directors

For further information:

Media and Investor Relations	David Curry - General Manager, Corporate Affairs	Tel: +61 411 510 352
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Appendix 4C

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

Name of entity		
The Star Entertainment Group Limited		
ABN		
85 149 629 023	Quarter ended (“current quarter”)	
	31 December 2025	
Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	352,449	706,631
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(109,409)	(251,535)
(c) advertising and marketing	(10,366)	(21,143)
(d) leased assets	(1,929)	(3,851)
(e) staff costs	(222,993)	(414,911)
(f) administration and corporate costs	(34,692)	(75,952)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2,225	4,588
1.5 Interest and other costs of finance paid	(16,801)	(29,699)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(41,516)	(85,872)

2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities	-	-	
(b) businesses	-	-	
(c) property, plant and equipment	(11,131)	(22,760)	
(d) investments	-	-	
(e) intellectual property	-	-	
(f) other non-current assets	-	-	
2.2 Proceeds from disposal of:			
(a) entities	-	-	
(b) businesses	-	-	
(c) property, plant and equipment	401	408	
(d) investments	-	-	
(e) intellectual property	-	-	
(f) other non-current assets	-	-	
2.3 Cash flows from loans to other entities	(1,593)	(3,900)	
2.4 Dividends received (see note 3)	-	-	
2.5 Other (provide details if material)	-	-	
2.6 Net cash from / (used in) investing activities	(12,323)	(26,252)	
3. Cash flows from financing activities			
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-	
3.2 Proceeds from issue of convertible debt securities	66,667	66,667	
3.3 Proceeds from exercise of options	-	-	
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(3,000)	
3.5 Proceeds from borrowings	-	-	
3.6 Repayment of borrowings	-	(61,095)	
3.7 Transaction costs related to loans and borrowings	(13,820)	(15,916)	
3.8 Dividends paid	-	-	
3.9 Other (Non Current Restricted Cash)	(31,200)	29,409	
3.10 Net cash from / (used in) financing activities	21,647	16,065	

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	203,133	267,000
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(41,516)	(85,872)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(12,323)	(26,252)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	21,647	16,065
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	170,941	170,941

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	19,409	21,700
5.2	Call deposits	111,000	146,000
5.3	Bank overdrafts	-	-
5.4	Other (Cage Cash)	40,532	35,433
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	170,941	203,133

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(9,448)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(2,622)

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

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term 'facility' includes all forms of financing arrangements available to the entity.</i>		
	<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	354,128	354,128
7.2	Credit standby arrangements	-	-
7.3	Other (Bank guarantees)	34,461	18,880
7.4	Total financing facilities	388,589	373,008
7.5	Unused financing facilities available at quarter end		15,581
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	The Group has \$354,128,000 of loan facilities:		
	<ul style="list-style-type: none"> The syndicated debt facility of \$345,955,000 priced at 15.0% (all-in). At 31 December 2025, \$7,090,000 of interest has been capitalised (noting no further interest can be capitalised). The facility maturity date is December 2027. At 31 December 2025, the facility was secured against the Group's Gold Coast assets and with a first charge over certain assets. Bally's and Investment Holdings converted their subordinated debt and convertible notes into equity of the Group in November 2025. At 31 December 2025, the Group has an \$8,173,000 facility with Bally's and Investment Holdings, representing interest on the subordinated debt and convertible notes that were capitalised. The facility is priced at 9.00% (all-in). The facility maturity date is July 2029. 		
	The Group also has bank guarantee facilities of \$34,461,000 priced at 9.15%.		
	Note: At 31 December 2025, the Group had total cash and cash deposits of \$239 million, comprising \$171 million of cash and cash equivalents (as disclosed at item 5 above) plus \$68 million of non-current restricted deposits. Restricted deposits comprises cash held in the Disposal Proceeds Account under the existing SFA agreement, cash backed Bank Guarantees (property leases and transactional banking facilities), and security relating to workers compensation cover.		
8. Estimated cash available for future operating activities		\$A'000	
8.1	Net cash from / (used in) operating activities (item 1.9)		(41,516)
8.2	Cash and cash equivalents at quarter end (item 4.6)		170,941
8.3	Unused finance facilities available at quarter end (item 7.5)		15,581
8.4	Total available funding (item 8.2 + item 8.3)		186,522
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)		4.5
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		

- 8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:
- 8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: n/a

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

Answer: n/a

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

Answer: n/a

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

Compliance statement

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

Date:30 January 2026.....

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

Notes

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