



THE STAR

ASX Announcement

6 October 2020

UPDATE ON DEBT COVENANT WAIVERS AND JOBKEEPER PROGRAM

The Star Entertainment Group Limited (ASX code: SGR) (**The Star**) has reached agreement with its debt providers around amendments to debt covenants and provides an update on the application of the Federal Government's JobKeeper program.

Debt covenant waivers and amendments

The Star has secured covenant support from its debt providers for the 31 December 2020 and 30 June 2021 testing dates as follows.

- In relation to the 31 December 2020 testing date, The Star's debt providers have agreed to a full waiver of its gearing and interest cover ratio covenants.
- In relation to the 30 June 2021 testing date, The Star's debt providers have agreed to an amendment of its financial covenant ratios, resulting in enhanced gearing and interest cover ratio headroom for that testing date.

Other than this covenant support, there are no material changes to margins or terms of the existing debt facilities.

As previously announced on 31 March 2020 initially and 16 April 2020 respectively, no final dividend was declared for FY2020 and cash dividends will not be paid by The Star until gearing (Net Debt / trailing 12-month statutory EBITDA) is below 2.5 times.

JobKeeper update

The Star successfully applied to participate in the Federal Government's JobKeeper Payment wage subsidy scheme (**JobKeeper**) in April 2020, with almost 7,000 staff eligible under the scheme.

The first phase of JobKeeper ceased on 27 September 2020.

Employer eligibility for the second phase of JobKeeper, which applies from 28 September 2020 to 3 January 2021, requires the actual GST turnover of a relevant employing entity in the September quarter to be down more than 50% on the prior corresponding period.

Based on the test for employer eligibility and The Star's actual performance to date, which includes GST turnover from the VIP Rebate business, The Star Sydney is eligible for JobKeeper phase 2. There are approximately 3,000 staff eligible for JobKeeper employed by The Star Sydney entity. The Star Queensland and the Group employer entities will not be eligible for JobKeeper phase 2.

Under JobKeeper phase 2, payments will be stepped down from the initial phase payment rate of \$1,500 per fortnight and will be paid at two rates - \$1,200 per fortnight or \$750 per fortnight, depending on the number of hours worked by the individual in the reference period.

Authorised by:

The Board of Directors

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