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CROWN ANNOUNCES 2021 FULL YEAR RESULTS

MELBOURNE: Crown Resorts Limited (ASX: CWN) (Crown) today announced its results for the full year ended 30 June 2021:

- **Summary of performance[1]:**
  - Statutory revenue of $1,536.8 million, down 31.3%
  - Reported NPAT attributable to the parent a loss of $261.6 million
  - Reported EBITDA of $114.1 million, down 77.4%
  - Theoretical[2] NPAT attributable to the parent before Closure Costs[3] and Significant Items a loss of $84.2 million, down 152.3%
  - Theoretical EBITDA before Closure Costs and Significant Items of $241.7 million, down 52.0%
  - Closure Costs[3] of $120.6 million (net of tax), which includes costs incurred at Crown Melbourne[4], Crown Perth[5] and Crown Aspinalls[6] whilst gaming activities were closed
  - Net Significant Items expense of $54.6 million (net of tax) relating to Crown Sydney pre-opening costs, one-off allowance for expected credit losses, restructuring costs, asset impairments, and underpayments of casino tax by Crown Melbourne, offset by the profit on disposal of Crown Sydney apartments which settled during the period[7]
  - No final dividend declared
  - Following year-end, Crown reached agreement with its relationship banks regarding a series of modifications to Crown's financing arrangements. As part of these arrangements, Crown has agreed not to declare or pay dividends in respect of the half year ending 31 December 2021 or where a review event is triggered as a result of a cancellation or suspension of any of Crown's Australian casino licences

Crown's interim Chairman, Jane Halton, said:

"2021 has been a challenging year for Crown, with intense regulatory scrutiny and unprecedented impacts on business operations from the COVID-19 pandemic.

"I would like to thank Helen Coonan for stepping up and providing leadership and stability during this period. Helen has played an important role at Crown over a long period of time, particularly since her appointment as Executive Chairman where she has made a major contribution to Crown's reform program.

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1 This announcement includes certain non-IFRS measures, including theoretical results, EBITDA, Significant Items and Closure Costs, which are used internally by management to assess the performance of the business. Non-IFRS measures and recent trading results have not been subject to audit or review.

2 Theoretical results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play (at Crown Melbourne, Crown Perth (until 24 February 2021) and Crown Aspinalls). The theoretical win rate is the expected hold percentage on VIP program play over time. The theoretical result gives rise to adjustments to VIP program play revenue, operating expenses and income tax expense. Crown believes that theoretical results are the relevant measure of viewing performance of the business as it removes the inherent volatility in VIP gaming revenue.

3 Costs incurred by Crown's properties whilst gaming activities were closed due to Government orders, excluding net contribution in relation to hotel quarantine services (Closure Costs).

4 For the periods 1 July to 11 November 2020, 13 to 17 February 2021 and 28 May to 17 June 2021.

5 For the periods 1 to 13 February 2021, 24 to 30 April 2021, 3 to 7 May 2021 and 29 to 30 June 2021.

6 For the periods 1 July to 14 August 2020 and 5 November 2020 to 16 May 2021.

7 Significant Items expense of $78.7 million (net of tax) were recorded in the prior comparable period relating to Crown Sydney pre-opening costs, reassessment of DGN contingent consideration and impairment charges for Aspinalls and Nobu.

“Dr Ziggy Switkowski will join the Board as Chairman following receipt of all necessary regulatory approvals as part of the planned succession process. The Board welcomes Dr Switkowski to Crown and is confident he has the necessary capability and experience to lead the Board at what is a critical time for the organisation.

“Under the new leadership of our significantly renewed Board and senior management team, Crown is well placed to continue the momentum of change as we implement the reforms contained within our comprehensive Remediation Plan. We believe successful implementation of this Remediation Plan will position Crown as an industry leader in our approach to governance, compliance, responsible gaming and the management of risk – in particular the risk of financial crime – underpinned by an uplifted organisational culture. We will work hard to earn the continued trust of our regulators and communities as a responsible operator of outstanding quality integrated resorts.

“Crown is supportive of the measures taken by State and Federal Governments in response to COVID-19, with our priority being the health and safety of our employees, customers and the community.

“Recognising the impact COVID-19 has had not only on Crown’s business operations, but directly on Crown’s employees, we have proactively sought ways to support our people through this period. This has included financial support to employees who have been stood down, as well as those suffering serious financial hardship. Crown has also provided other forms of support to employees, such as ongoing access to Crown’s assistance and wellness program. I would like to thank all of our employees for their continued efforts and the resilience they have shown through this challenging period.

“Looking ahead, COVID-19 continues to create uncertainty, with variable operating restrictions remaining a feature of everyday life and likely to continue to materially influence business performance. Notwithstanding the current challenges facing the business, we remain optimistic and believe that Crown has a truly special portfolio of assets. Crown Melbourne and Crown Perth are world-class entertainment precincts and we are excited about the prospects for Crown Sydney.

“We look forward to welcoming back soon our many thousands of guests and employees across all of our properties once we emerge from the current challenges of the pandemic.”

Crown’s Chief Financial Officer, Alan McGregor, said:

“Crown’s full year results reflect the severe impact on operations from the COVID-19 pandemic.

“Crown Melbourne’s gaming operations were closed for a large part of the financial year and, when open, gaming facilities were subject to ongoing operating restrictions.

“Conversely, Crown Perth delivered strong performance during the financial year. Crown Perth re-opened with restrictions towards the end of June 2020 and remained open for the entirety of the first half, trading above expectations. Crown Perth faced several short-term closures throughout the second half, and whilst trading performance has rebounded quickly following each shutdown, overall performance moderated throughout the course of the year.

“Crown Sydney opened in a restricted capacity in late December 2020 and while gaming operations are yet to commence as Crown continues its consultation process with ILGA on suitability, the non-gaming operations observed encouraging property visitation. Notwithstanding, Crown Sydney delivered an overall operating loss for the financial year given the impact of COVID-19 related restrictions, border closures and the limited scale of operations.

“We are continuing to see good momentum in Crown Sydney apartment sales, with over $1 billion in gross sales and pre-sale commitments achieved to date, representing approximately 80% of the apartments by number. Settlement of the apartment sales commenced in April 2021, with approximately $650 million in proceeds received during the period allowing Crown to reduce outstanding debt and fully repay the $450 million project finance facility prior to year-end.

“Unfortunately, COVID-19 related restrictions are continuing to impact performance as we enter the 2022 financial year. Crown Melbourne has been closed for the majority of this financial year, whilst stay at home orders were imposed in Sydney on 26 June 2021 and remain in place. Crown Perth recommenced operations on 6 July 2021 following a short-term closure towards the end of June 2021, and is transitioning gaming and non-gaming activities to pre-lockdown conditions following the staged removal of remaining restrictions.

“I would like to acknowledge the support we have received from our relationship banks, with modifications to our financing arrangements agreed post year-end to provide Crown with additional financial flexibility through this challenging period.”

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2021 FULL YEAR FINANCIAL RESULTS

Detailed information on each reporting segment relating to the full year ended 30 June 2021 is provided below.

CROWN MELBOURNE

Operating Conditions

As a result of the COVID-19 pandemic, Crown Melbourne faced significant disruption, with gaming operations closed for 160 days of the financial year[8].

When open, various operating restrictions were imposed such as capacity limits at each venue, including the overall gaming floor or each indoor space, density limits, restrictions on available gaming product and physical distancing protocols, including the deactivation of every second electronic gaming machine and electronic table game, limits on the number of players at a traditional table game and minimum separation between tables.

Given the significant impact on operations, Crown Melbourne qualified for the Commonwealth Government's JobKeeper scheme through to 28 March 2021. During the financial year, Crown Melbourne recorded $54.9 million in JobKeeper subsidies for employees who worked in either a full or partial capacity and $91.0 million in JobKeeper amounts that were paid in their entirety to Crown's employees who were stood down.

Financial Performance

Theoretical revenue of $582.5 million was down 60.6% on the prior comparable period (pcp).

Main floor gaming revenue was $406.9 million, down 54.3% on the pcp, which comprises table games (non-program play) revenue of $241.2 million (down 56.0% on the pcp) and gaming machine revenue of $165.7 million (down 51.5% on the pcp).

Theoretical VIP program play revenue was $4.4 million, comprised entirely of interstate play, down 98.0% on the pcp. Actual VIP program play revenue was $0.6 million, with a below theoretical win rate on VIP program play turnover during the period.

Non-gaming revenue was $171.2 million, down 52.8% on the pcp.

Overall hotel occupancy across Crown Melbourne's three hotels was approximately 39%, with Crown Towers hotel occupancy 39%, Crown Metropol hotel occupancy 42% and Crown Promenade hotel occupancy 33%. These rates include hotel rooms that were made available to the Victorian Government for the purpose of quarantining returned travellers early in the financial year.

Theoretical EBITDA before Closure Costs and Significant Items was $94.1 million, down 73.4% on the pcp, which includes $41.7 million in payroll subsidies under the Commonwealth Government's JobKeeper scheme.

Closure Costs of $145.9 million[9] were net of $13.2 million in JobKeeper payroll subsidies, whilst EBITDA related Significant Items of $45.4 million were recorded during the period relating to an underpayment of casino tax and one-off allowance for expected credit losses.

Reported EBITDA was a loss of $100.6 million, which compared to a profit of $381.8 million in the pcp. The reported EBITDA result takes into account the variance from the theoretical VIP program play result which had a negative EBITDA impact of $3.4 million. This compares to a positive EBITDA impact of $93.3 million in the pcp.

Following year-end, Crown made a payment to the Victorian Commission for Gambling and Liquor Regulation (VCGLR) of $37.4 million representing an underpayment of casino tax by Crown Melbourne over the period commencing in the 2012 financial year to date relating to the incorrect deduction of certain bonus rewards provided to patrons in connection with play on Crown Melbourne's electronic gaming machines. Under the terms of Crown's regulatory agreements with the State of Victoria, Crown is required to pay interest on any

8 During the 2021 financial year, Crown Melbourne's gaming operations were closed for the periods 1 July to 11 November 2020, 13 to 17 February 2021 and 28 May to 17 June 2021.

9 Includes a provision for a minimum tax obligation agreed in 2014 in relation to new product at Crown Melbourne of approximately $25 million for the year ended 30 June 2021.

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underpayment of casino tax. As a result, an additional interest component of $23.8 million was also paid. Both the underpayment of casino tax and interest were fully provided at 30 June 2021.

CROWN PERTH

Operating Conditions

During the first half, Crown Perth maintained all gaming and non-gaming operations under COVID-19 related operating restrictions which included capacity limits at each venue based on a prescribed maximum density of one person per two square metres, the deactivation of every second electronic gaming machine and electronic table game terminal, and restricting the number of players at table games.

During the second half, Crown Perth was required to close gaming operations for various periods of time for a total of 27 days in line with government restrictions imposed in response to COVID-19[10].

Prior to the most recent closure, from 23 June 2021 remaining restrictions had been lifted and Crown Perth had commenced transitioning gaming and non-gaming activities to pre-COVID conditions.

Crown Perth qualified for the Commonwealth Government's JobKeeper scheme until 27 September 2020. During the financial year, Crown Perth recorded $24.7 million in JobKeeper subsidies for employees who worked in either a full or partial capacity and $9.0 million in JobKeeper amounts that were paid in their entirety to Crown's employees who were stood down.

Financial Performance

Theoretical revenue of $742.8 million was up 21.1% on the pcp.

Main floor gaming revenue was $478.3 million, up 38.9% on the pcp, which comprises table games (non-program play) revenue of $171.7 million (up 24.8% on the pcp) and gaming machine revenue of $306.6 million (up 48.2% on the pcp).

Theoretical VIP program play revenue was $0.4 million, comprised entirely of interstate play, down 99.1% on the pcp. Actual VIP program play revenue was $0.7 million, with an above theoretical win rate on VIP program play turnover during the period.

On 24 February 2021, Crown announced that the Gaming and Wagering Commission of Western Australia had issued directions to Crown Perth under the *Casino Control Act 1984* (WA) which provide that Crown Perth shall not participate in the conduct of junkets, premium player activity or privileged player activity. As a result, Crown no longer offers VIP program play at Crown Perth.

Non-gaming revenue was $264.1 million, up 20.4% on the pcp.

Overall hotel occupancy across Crown Perth's three hotels was approximately 67%, with Crown Towers hotel occupancy 71%, Crown Metropol hotel occupancy 72% and Crown Promenade hotel occupancy 53%.

Theoretical EBITDA before Closure Costs and Significant Items was $254.2 million, up 57.1% on the pcp, which includes $24.7 million in payroll subsidies under the Commonwealth Government's JobKeeper scheme.

Closure Costs of $20.3 million were recorded during the period, whilst Significant Items of $2.3 million related to one-off allowance for expected credit losses.

Reported EBITDA was $231.8 million, up 50.4% on the pcp. The reported EBITDA result takes into account the variance from the theoretical VIP program play result which had a positive EBITDA impact of $0.2 million. This compares to a positive EBITDA impact of $12.1 million in the pcp.

Excluding the impact of JobKeeper payroll subsidies received during the period, the operating margin (at theoretical and before Closure Costs and Significant Items) increased from 26.4% to 30.9%. The increase in margin was driven by a favourable mix of business, and lower marketing and promotional costs.

10 During the 2021 financial year, Crown Perth's gaming operations were closed for the periods 1 to 13 February 2021, 24 to 30 April 2021, 3 to 7 May 2021 and 29 to 30 June 2021.

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CROWN SYDNEY

Project Update

After four years of construction, select non-gaming operations at Crown Sydney opened to the public for the first time in a restricted capacity from 28 December 2020. Non-gaming operations progressively commenced operation throughout the year, with all areas of the hotel resort now complete.

The gaming areas are ready for opening on a staged basis, pending a determination of suitability by the casino's regulator, ILGA. Employees recruited to work in gaming areas continued to develop their skills and test a number of systems throughout the year to ensure Crown Sydney is ready ahead of opening of gaming.

Crown is pleased to have now welcomed over 3,000 employees and regular contractors to Crown Sydney, of which almost 450 are employed in gaming related roles, at a time when the hospitality industry has been severely impacted by COVID-19.

The residential component of the project, "Crown Residences", is also complete with residents commencing move-ins from April 2021. Apartment sales are progressing well with over $1 billion in gross sales and pre-sale commitments (inclusive of GST) achieved to date. As at 30 June 2021, approximately $750 million in sale proceeds (net of GST) had been received (including deposits previously released), with proceeds used to repay the $450 million project finance facility. Crown expects to receive a further approximately $500 million in sale proceeds (net of GST) in the 12 months to 30 June 2022, relating to contracted sales yet to settle, pre-sale commitments and unsold apartments, subject to the level of disruption caused by COVID-19.

The total project cost remains approximately $2.2 billion, of which approximately $2.1 billion had been spent by 30 June 2021. The expected net project cost following completion of all apartment sales, net of tax attributable to the gain on sale of apartments, is approximately $1.1 billion.

Financial Performance

Since commencing operations, almost 40,000 guests have stayed at Crown Towers and approximately 385,000 covers have been served at Crown Sydney's restaurants.

From 26 June 2021, stay-at-home orders were imposed by the New South Wales Government, resulting in the closure of food & beverage and conferencing facilities, and a reduction in permissible hotel services.

Total revenue was $68.6 million, which relates to Crown Sydney's non-gaming operations that progressively opened throughout the year.

Hotel occupancy was 31%, with higher occupancy on weekends and strong average room rates.

EBITDA before Significant Items was a loss of $22.8 million, with an overall operating margin of (33.2)%.

Notwithstanding the encouraging property visitation, Crown Sydney delivered an operating loss given the impact of COVID-19 related restrictions including border closures and the limited scale of operations.

Reported EBITDA was $123.0 million, which includes the profit on disposal of apartments, offset by Crown Sydney pre-opening costs.

CROWN ASPINALLS

Operating Conditions

Gaming activities recommenced at Crown Aspinalls on 15 August 2020, but ceased again with effect from 5 November 2020 following the introduction of new Government restrictions in the United Kingdom. Gaming activities recommenced on 16 May 2021.

While Crown Aspinalls was trading, performance was subdued given the constraints on international travel, social distancing restrictions and reduced operating hours.

Financial Performance

Theoretical EBITDA before Closure Costs and Significant Items was a loss of $6.3 million, which includes $1.1 million in Coronavirus Job Retention Scheme payments under the employee retention scheme in operation in the UK, and compares to a loss of $2.7 million in the pcp.

Closure Costs of $5.2 million were net of $3.5 million in Coronavirus Job Retention Scheme payments, whilst Significant Items of $16.9 million were recorded during the period relating to a one-off allowance for expected credit losses.

Reported EBITDA was a loss of $28.4 million, which compared to a gain of $2.3 million in the pcp. The reported EBITDA result takes into account the variance from the theoretical VIP program play result which had an immaterial EBITDA impact. This compares to a positive EBITDA impact of $6.2 million in the pcp.

Crown has commenced a review of the Crown Aspinalls business, including a review of business performance, prospects and gaming tax matters.

CROWN DIGITAL

Crown's wagering and online social gaming operations comprise Betfair Australasia and DGN Games.

During the period, Crown increased its interest in DGN Games from 85% to 100% in exchange for the final earn-out payment of US$9.5 million to the original founders of DGN. Crown also made the final contingent consideration payment associated with the acquisition of Winners Club Limited of US$3.1 million.

EBITDA from Crown's wagering and online social gaming operations was $34.1 million, down 2.0% on the pcp. Improved revenue from Betfair was offset by increased expenses, particularly in the second half, as Betfair invested in business initiatives to drive longer term growth. Conversely, lower revenues from DGN were offset by lower marketing costs.

CORPORATE COSTS

During the period, corporate costs before Significant Items were $111.6 million, $67.3 million above the pcp.

The increase in corporate costs was driven by legal, consulting and other costs associated with various regulatory inquiries, and higher insurance costs. The prior year also recorded $20.6 million of corporate costs as Closure Costs.

Corporate costs are expected to remain at a similar level next year.

EQUITY ACCOUNTED INVESTMENTS

Crown's equity accounted result is comprised of its net equity accounted share of profit from Nobu, offset by the net equity accounted shares of losses from Aspers and Chill Gaming. Crown's net equity accounted share of NPAT across all these investments was a loss of $8.7 million, reflecting the impact of the COVID-19 pandemic on their operations, particularly Aspers which was closed for much of the financial year.

SIGNIFICANT ITEMS

During the period, the following have been classified as Significant Items:

	$m
Profit on disposal of Crown Sydney apartments	207.8
Crown Sydney pre-opening costs	(62.0)
Underpayment of casino tax	(37.4)
One-off allowance for expected credit losses	(27.2)
Restructuring Costs	(21.7)
Contribution to the cost of the Bergin Inquiry	(12.5)
EBITDA related Significant Items	**47.0**
Asset impairment – Queensbridge	(28.0)
Goodwill impairment – DGN	(17.3)
Impairment of associate – Aspers	(8.3)
Reassessment of contingent consideration – DGN	(2.0)
Interest on underpayment of casino tax	(23.8)
Tax amounts in Significant Items	(22.2)
Total Significant Items (net of tax)	**(54.6)**

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CASH FLOW AND DEBT

Net operating cash flow for the period was an outflow of $14.0 million, which compared to net operating cash flow of $326.9 million in the pcp, reflecting severe impacts on operations from the COVID-19 pandemic. Other material cash flow items incurred during the period included capital expenditure of $559.1 million which primarily relates to the continued construction of Crown Sydney, offset by approximately $650 million of proceeds received during the year from the settlement of Crown Sydney apartment sales.

In August 2020, Crown entered into a $450 million project finance facility to support the construction of Crown Sydney. This facility was repaid prior to the end of the financial year from proceeds from the settlement of Crown Sydney apartment sales.

At 30 June 2021, Crown's net debt position was $892.9 million (excluding working capital cash of $85.9 million and net of hedges). This consisted of total debt of $1,283.0 million and cash (excluding working capital cash) of $390.1 million.

At 30 June 2021, total liquidity, excluding working capital cash, was $560.8 million, comprising $390.1 million in available cash and $170.7 million in committed undrawn facilities.

Following year-end, Crown reached agreement with its relationship banks regarding a series of modifications to Crown's existing financing arrangements, including:

- An extension of near-term maturities by amending and aligning the maturity date of all of the $560 million in bilateral facilities to October 2023.
- A waiver of financial covenants in relation to the 31 December 2021 testing date. No waiver was required for the 30 June 2021 testing date.
- A waiver of certain events of default that would otherwise arise from cancellation or suspension (for a certain period of time) of any of Crown's Australian casino licences. In the event such a licence event occurs, Crown has agreed to a review process providing it with a period of time to negotiate with lenders or otherwise refinance the facilities.

As part of the arrangements agreed with lenders, Crown has agreed not to declare or pay dividends in respect of the half year ending 31 December 2021 or where a review event is triggered as a result of a cancellation or suspension of any of Crown's Australian casino licences.

In addition, one of Crown's relationship banks has agreed to provide a new $250 million debt facility. The facility will provide Crown with additional debt funding in certain circumstances, including any redemption of Crown's Euro Medium Term Notes. This facility remains subject to long form documentation.

Crown is no longer in discussions with Oaktree regarding the Revised Proposal that was previously announced by Crown to the market on 15 June 2021.

NET INTEREST

Net interest expense for the period was $44.3 million[11]. This compares to minimal net interest expense in the pcp. The increase in net interest expense reflected higher net debt levels during the year, additional costs associated with new debt facilities, and reduced capitalised interest associated with the construction of the Crown Sydney project following completion of the project during the year.

DIVIDEND

No final dividend on ordinary shares has been declared. Future dividends will be subject to the Board's assessment of Crown's financial position at the appropriate time.

REGULATORY MATTERS

As announced by Crown on 19 October 2020, Crown Melbourne is the subject of a formal enforcement investigation by AUSTRAC's Enforcement Team into potential non-compliance with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (AML/CTF Act) and *Anti-Money Laundering and Counter-Terrorism Financing Rules 2007* (Cth) (AML/CTF Rules). Further, in June 2021, Crown was informed by AUSTRAC's Regulatory Operations branch that it had identified potential serious non-compliance with the

11 Excludes interest associated with the underpayment of casino tax, which has been recorded as a Significant Item.

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AML/CTF Act and AML/CTF Rules by Crown Perth and, as a result, AUSTRAC has initiated a formal enforcement investigation into the compliance of Crown Perth. Crown is fully cooperating with AUSTRAC in relation to these enforcement investigations.

While it is at this stage uncertain as to whether AUSTRAC will take enforcement action, or the type of enforcement action it may take, Crown considers that AUSTRAC is very likely to commence civil penalty proceedings against Crown Melbourne and Crown Perth. At this stage it is not possible to reliably estimate the amount that Crown Melbourne and/or Crown Perth may ultimately be required to pay if civil penalty proceedings are commenced. Accordingly, no provision has been raised in respect of these matters.

On 9 February 2021, the final report of the inquiry under section 143 of the Casino Control Act 1992 (NSW) (Bergin Report) was released. ILGA wrote to Crown stating that, having regard to the contents of the Bergin Report, it presently considered that Crown Sydney Gaming Pty Ltd (Crown Sydney Gaming) was no longer a suitable person to give effect to the Restricted Gaming Licence in New South Wales and that Crown Sydney Gaming had breached clause 14(a) of the VIP Gaming Management Agreement (VIP GMA).

Crown is continuing to consult with ILGA on a path to suitability to give effect to the Restricted Gaming Licence as part of the consultation process contemplated under the VIP GMA, and is committed to driving the necessary change. An Independent Monitor (Kroll) has been appointed to report back to ILGA on several of Crown's structural changes, with a particular focus on anti-money laundering measures. On 13 May 2021, Crown announced that it had reached agreement with ILGA on several matters regarding the operation of Crown Sydney, and that it had agreed to make certain payments to ILGA, including paying a contribution towards the cost of the Bergin Inquiry of $12.5 million, and an annual Casino Supervisory Levy of $5.0 million in each of FY2021 and FY2022 (adjusted for CPI).

On 22 February 2021, a Royal Commission was established into the suitability of Crown Melbourne Limited to hold a casino licence (Victorian Royal Commission). The Honourable Ray Finkelstein was appointed as Commissioner and Chairperson of the Victorian Royal Commission. The initial hearing took place on 24 March 2021, and the first public hearings commenced on 17 May 2021. Counsel Assisting the Royal Commission delivered their closing submissions on 20 July 2021, Crown's written closing submissions were delivered on 2 August 2021, and Crown's oral closing submissions were presented on 3 August 2021. The Victorian Royal Commission is expected to deliver its final report by 15 October 2021.

On 5 March 2021, the Honourable Neville Owen, the Honourable Lindy Jenkins and Mr Colin Murphy, were appointed as Royal Commissioners to inquire into the suitability of Crown Perth to continue holding a casino gaming licence in Western Australia (Perth Casino Royal Commission). The Commissioners are also examining the State's regulatory framework for casino gaming, including any matters that might enhance the Gaming and Wagering Commission's future capability and effectiveness. On 23 July 2021 it was announced the Perth Casino Royal Commission’s deadline for a final report has been extended from mid-November 2021 to 4 March 2022.

On 27 April 2021, Crown announced that Crown Melbourne had been issued with a letter of censure and fined $1.0 million by the VCGLR in relation to historical non-compliance by Crown Melbourne with its Internal Control Statement for junket operations.

Crown has also been subject to a number of other regulatory investigations, including by the VCGLR.

Crown will fully co-operate in relation to these matters and will continue to engage with regulators in relation to Crown’s Remediation Plan and any further remedial steps identified.

INTERNATIONAL VIP BUSINESS

As previously announced on 17 November 2020, the Board determined that Crown will permanently cease dealing with all junket operators, subject to consultation with gaming regulators in Victoria, Western Australia and New South Wales. Subsequently, all three gaming Regulators in Victoria, Western Australia and New South Wales have advised that they do not support junket operations in their respective jurisdictions.

In addition, Crown has closed all remaining offshore offices, the international VIP team has been integrated into the broader business and a number of former senior team members have left Crown.

During the year, Crown undertook a review of all outstanding gaming debts. This resulted in a one-off adjustment to the allowance for expected credit losses, which has been separately classified as a Significant Item.

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EMPLOYEE AND COMMUNITY SUPPORT

As the COVID-19 situation unfolded during the 2021 financial year, a significant proportion of Crown's workforce was stood down for varying periods of time.

Following the completion of the JobKeeper scheme, Crown's practice has been to pay full rostered shifts in week one of a lockdown followed by discretionary payments from Crown to employees, which is considered on a case-by-case basis depending on their eligibility for government assistance.

Crown has also continued to financially support employees through its Hardship Fund, which provides additional, targeted financial assistance to employees experiencing serious financial hardship as a result of COVID-19. To date, close to 1,000 employees have accessed this fund to alleviate financial hardship caused by not being able to work during lockdown. Crown also supported employees in other ways, including ongoing access to Crown's assistance and wellness program.

Recognising the substantial impact the COVID-19 pandemic has had on the community more broadly, Crown has proactively sought ways to support the communities in which it operates through this challenging period. This has included food donations to organisations supporting the homeless and vulnerable.

RECENT TRADING

Crown's operations have continued to face disruption from COVID-19 into the 2022 financial year.

Crown Melbourne has so far been closed for the majority of this new financial year. On the evening of 15 July 2021, Crown Melbourne ceased gaming activities and the majority of non-gaming operations following the introduction of a lockdown in Victoria due to COVID-19. Crown Melbourne briefly recommenced gaming operations on 28 July 2021 under restriction, including a patron capacity limit on the gaming floor of 100 patrons in each indoor space, subject to a density limit of one person per four square metres, before closing again on the evening of 5 August 2021, and remains closed.

Similarly, Crown Sydney has been closed since 26 June 2021, other than for the provision of limited hotel and related services, in line with restrictions imposed by the New South Wales Government in response to the ongoing COVID-19 situation.

Shortly before the end of the 2021 financial year, Crown Perth closed its gaming operations in response to Western Australian Government restrictions due to COVID-19. On 6 July 2021, Crown Perth recommenced trading of gaming and non-gaming operations at a reduced capacity, whilst from 12 July 2021, Crown Perth recommenced trading of all gaming and non-gaming operations under the same restrictions that were in place immediately prior to the introduction of the lockdown. Following the latest easing of restrictions, Crown Perth's performance has rebounded quickly in line with recent experience and seasonal trends.

OUTLOOK

Crown continues to operate in an uncertain environment with a number of factors expected to impact financial performance throughout the 2022 financial year including:

- **COVID-19 related closures and operating restrictions**: Performance is expected to continue to be negatively impacted by COVID-19 related closures and operating restrictions as well as travel restrictions, including ongoing international border closures.
- **Regulatory processes**: Crown is the subject of a number of regulatory processes. The outcome of those regulatory processes could have a range of consequences and the potential to significantly impact the financial performance and operations of Crown.
- **Elevated corporate costs**: Crown also expects to continue to incur elevated corporate costs throughout the 2022 financial year, including legal, consulting and associated costs, whilst these regulatory, reform and any resulting processes continue.
- **Investment in resourcing and capability**: As part of Crown's Remediation Plan, Crown has been increasing resourcing and capability across a number of key areas, including across Crown's Financial Crime, Compliance and Responsible Gaming functions.

- **Changes to business practices**: Implementation of Crown's Remediation Plan is resulting in other changes to Crown's business practices, such as the implementation of a Significant Player Review process which has resulted in the exit of a number of customer relationships.

CONFERENCE CALL

Crown's Chief Financial Officer, Alan McGregor, will host a conference call for investors and analysts at 10:30am AEST today to discuss this announcement.

A link to an audio webcast of the conference call will be available on Crown's website at https://www.crownresorts.com.au/investors-media/investor-timetable.

ENDS

This announcement was authorised for release by the Crown Board.

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