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ASX/MEDIA RELEASE
FOR IMMEDIATE RELEASE
19 November 2021

CROWN RECEIVES ACQUISITION PROPOSAL FROM BLACKSTONE

MELBOURNE: Crown Resorts Limited (ASX:CWN) (Crown) announced that it has received an unsolicited and non-binding proposal from a company on behalf of funds managed and advised by Blackstone Inc. and its affiliates (together, Blackstone), to acquire all of the shares in Crown by way of a scheme of arrangement at a price of A$12.50 cash per share (the Proposal). The offer price will be reduced by the value of any dividends or distributions declared or paid by Crown.

The Proposal follows previous acquisition proposals made by Blackstone of A$11.85 cash per share as announced to the ASX on 22 March 2021 and A$12.35 cash per share as announced to the ASX on 10 May 2021.

The Proposal is subject to a number of conditions, including:

- Blackstone conducting due diligence on Crown (covering regulatory, commercial, operational, financial, taxation, legal and accounting matters) on an exclusive basis;
- Blackstone receiving final approval from its investment committees. Blackstone has stated that it has received the preliminary support of the global investment committees and Singapore investment committee of Blackstone;
- a unanimous Crown Board recommendation and a commitment from all Crown Directors to vote in favour of the Proposal (in the absence of a superior proposal and subject to an Independent Expert concluding (and continuing to conclude) that the proposed transaction is in the best interests of Crown shareholders); and
- execution of a binding Implementation Agreement incorporating various terms and conditions, including a range of conditions relating to Blackstone's regulatory approvals and Crown's casino licences. Further details of the terms and conditions proposed by Blackstone are set out in the appendix to this announcement.

Any acquisition of Crown by Blackstone would be conditional on Blackstone receiving final approval from the casino regulators in each of Victoria, New South Wales and Western Australia (the Regulators). Blackstone has stated that it has engaged with the Regulators in relation to this issue and that the Regulators' advisers have indicated to Blackstone that there is no reason to believe that an approval would not be realised. Blackstone has stated that this position is subject to the provision of further information and that the Regulators' advisers are continuing their review.

Blackstone has stated that it is prepared to proceed with the proposed transaction upon Blackstone receiving final confirmation of suitability from the Regulators, even if the Perth Royal Commission remains ongoing, Crown's consultation process with the NSW Independent Liquor & Gaming Authority remains ongoing, the legislation to implement the recommendations of the Victorian Royal Commission is yet to be finalised or passed, or the current AUSTRAC investigations are not completed. However, the consequences or outcomes of these processes may impact the proposed transaction.

Blackstone has indicated that the proposed transaction would be funded through a combination of debt and equity. Blackstone would provide equity financing for the proposed transaction through one or more of its affiliated funds and the proposed transaction would not be subject to any financing condition. In formulating

the offer price, Blackstone has assumed that Crown remains in compliance with its banking covenants and is not downgraded below the credit ratings as announced to the ASX on 29 October 2021.

Blackstone currently has a shareholding of 9.99% in Crown which it acquired from Melco Resorts & Entertainment Limited for $8.15 per share in April 2020.

The Crown Board has not yet formed a view on the merits of the Proposal. It will now assess the Proposal, having regard to the value and terms of the Proposal and other considerations. It will also engage with relevant stakeholders including regulatory authorities.

Crown shareholders do not need to take any action in relation to the Proposal at this stage. There is no certainty that the Proposal will result in a transaction.

Crown has appointed UBS and Gresham Partners as financial advisers and Herbert Smith Freehills as legal adviser in relation to the Proposal.

ENDS

This announcement was authorised for release by the Crown Board.

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COPIES OF RELEASES

Copies of previous media and ASX announcements issued by Crown are available on Crown's website at www.crownresorts.com.au

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Appendix: Implementation Agreement terms and conditions proposed by Blackstone

Blackstone proposes that the Implementation Agreement would include terms and conditions including the following:

- Customary conditions to the scheme of arrangement, including: shareholder and Court approval; receipt of regulatory approvals (including Foreign Investment Review Board approval); receipt of material third party consents, no court order or regulatory impediment to completion; independent expert concluding that the scheme is in the best interests of Crown shareholders; no material adverse change (including any event that has a financial impact greater than agreed thresholds); no prescribed occurrences; and no breach of Crown representations and warranties.
- Crown directors to unanimously recommend the transaction in the absence of a superior proposal and subject to an independent expert's report concluding (and continuing to conclude) that the scheme is in the best interests of Crown shareholders, and Crown directors to vote any shares that they hold or control in favour of the scheme, subject to the same qualifications.
- Provisions dealing with vesting or termination of Crown performance rights and share options such that Blackstone is acquiring 100% of the shares of Crown (and all subsidiaries).
- Obligations on Crown to pursue and promote the scheme in accordance with the agreed indicative timetable.
- Obligations on Crown to conduct the business in the ordinary course, including: no material acquisitions or disposals; no material changes to employment terms (including granting of further performance rights or options that vest on a change of control event); no new financing; and no material unbudgeted capex.
- Reasonable access to Crown information and employees between signing and completion;
- Standard deal protection mechanisms (including break fees, no-shop, no-talk, no-due diligence, notification and matching right provisions consistent with Takeovers Panel guidance).
- Standard termination provisions for material breach etc.
- Customary representations and warranties.
- Provisions to deal with any material matters identified in due diligence.
- A condition that Blackstone has received final approval in respect of the Proposed Transaction from each of the Gaming Regulatory Authorities as required under the applicable gaming legislation and framework agreements in each of their respective States on terms and conditions acceptable to Blackstone.
- A condition to the effect that none of the following has occurred prior to the time of the second court hearing:
    - noting that the report of the Victorian Royal Commission delivered to the Governor on 15 October 2021 found that Crown is unsuitable to hold a casino licence in Victoria, Crown Melbourne Limited's casino licence is cancelled, suspended or surrendered other than a cancellation pursuant to clause 36I (or equivalent clause) of the legislation enacting the *Casino and Gambling Legislation Amendment Bill (2021)*;
    - noting that ILGA has outlined that Crown is currently unsuitable to hold a casino licence in New South Wales and that an Independent Monitor is reviewing Crown's remediation efforts to achieve suitability, a condition to the effect that ILGA (or any government or governmental entity, authority, agency, commission, corporation or body established under legislation with responsibility for casino and gaming regulation in New South Wales): (i) makes a decision that Crown is not suitable to hold a Casino licence; and/or (ii) takes action to prohibit Crown Sydney Gaming Pty Ltd from conducting gaming operations at Crown Sydney for a period extending beyond 31 December 2022; and/or

- the DLGSC (or any government or governmental entity, authority, agency, commission, corporation or body established under legislation with responsibility for casino and gaming regulation in Western Australia), or the Perth Casino Royal Commission:
    - takes action whether by way of a licence cancellation, suspension or otherwise to prohibit the Perth Licensee from conducting gaming operations; and/or
    - recommends or indicates that Blackstone may not lawfully complete the Proposed Transaction without requiring legislative and/or other changes to the applicable gaming legislation and framework agreements.

- Recognising that the regulatory actions and/or conditions required to implement any recommendation made in the report of the: (i) Bergin Inquiry dated 1 February 2021 in accordance with how any such recommendation is set out in that report; and/or (ii) Victorian Royal Commission delivered to the Governor on 15 October 2021 in accordance with how any such recommendation is set out in that report will, in each case, not trigger such condition, a condition to the effect that, prior to the time of the second court hearing, no Gaming Regulatory Authority (or any government or governmental entity, authority, agency, commission, corporation or body established under legislation with responsibility for casino and gaming regulation) imposes (or states or indicates that it intends to impose) terms or conditions on Crown (or casino operators generally) or any of its current or foreshadowed casino licences or framework agreements in each of their respective States which, when combined, constitute a material adverse change (i.e. having a financial impact on Crown of greater than an agreed threshold).

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