



**ASX/MEDIA RELEASE  
FOR IMMEDIATE RELEASE  
30 August 2021**

**2021 FULL YEAR RESULTS – APPENDIX 4E**

**MELBOURNE: Crown Resorts Limited (ASX:CWN) (Crown)** attaches the Appendix 4E for the full year ended 30 June 2021.

**ENDS**

This announcement was authorised for release by the Crown Board.

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## Appendix 4E

Year ended 30 June 2021

(previous corresponding period: 30 June 2020)

## Results for announcement to the market

Results in accordance with Australian Accounting Standards				\$m
Revenue from operations	down	<b>31.3%</b>	to	<b>1,536.8</b>
Net profit/(loss) for the period attributable to members of the parent	down	<b>429.1%</b>	to	<b>(261.6)</b>

	Theoretical Results <sup>(1)(6)</sup>		Actual Results <sup>(2)</sup>	
	\$m	% Movement	\$m	% Movement
EBITDA before Closure Costs <sup>(4)</sup> & Significant items <sup>(6)</sup>	241.7		238.5	
Costs incurred during mandated closure	(171.4)		(171.4)	
Profit on disposal of Crown Sydney apartments <sup>(3)</sup>	207.8		207.8	
Crown Sydney pre-opening costs <sup>(3)</sup>	(62.0)		(62.0)	
Underpayment of casino tax <sup>(3)</sup>	(37.4)		(37.4)	
One-off allowance for expected credit losses <sup>(3)</sup>	(27.2)		(27.2)	
Restructuring costs <sup>(3)</sup>	(21.7)		(21.7)	
Contribution to cost of the Bergin Inquiry <sup>(3)</sup>	<u>(12.5)</u>		<u>(12.5)</u>	
EBITDA after Closure Costs <sup>(4)</sup> & Significant items <sup>(5)(6)</sup>	117.3	(70.2%)	114.1	(77.4%)
Depreciation & amortisation	(290.3)	5.4%	(290.3)	5.4%
Asset impairments <sup>(3)</sup>	(53.6)		(53.6)	
Reassessment of contingent consideration <sup>(3)</sup>	<u>(2.0)</u>		<u>(2.0)</u>	
EBIT <sup>(6)</sup>	<u>(228.6)</u>	(653.5%)	(231.8)	(251.6%)
Share of associates' profit/(loss)			(8.7)	
Net interest expense			(44.3)	
Interest - Significant item <sup>(3)</sup>			(23.8)	
Income tax benefit			<u>47.3</u>	
<b>Net profit/(loss) after tax</b>			<b>(261.3)</b>	(419.0%)
Non-controlling interest			<u>(0.3)</u>	
<b>Net profit/(loss) attributable to members of the Parent</b>			<b>(261.6)</b>	(429.1%)

(1) 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 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. Refer to note 1 in the attached for more information. 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. VIP program play was significantly reduced during the period due to the closure of Crown's properties, international and interstate border restrictions, and the changes made to Crown's VIP operating model.

(2) Actual results reflect revenues & expenses at actual win rates.

(3) These items have been classified as Significant items. Refer note 2(e) for further details. Significant items are transactions that are not in the ordinary course of business or are material and unexpected due to their size and nature.

(4) Closure Costs reflect costs incurred by Crown Melbourne, Crown Perth and Crown Aspinalls whilst gaming activities were closed due to Government orders, excluding net contribution in relation to hotel quarantine services. Refer note 1 for further details.

(5) Significant items in 'EBITDA after Closure Costs & Significant items' includes EBITDA related Significant items only.

(6) Non-IFRS measures. Non-IFRS measures have not been subject to audit or review.

**Appendix 4E** *continued*

<b>Dividends</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
Final dividend:	Nil	Nil
Previous corresponding period:	Nil	Nil
Record date for determining entitlements to the dividend:	Not applicable	
Final dividend payment date:	Not applicable	
<b>Net Tangible Asset Backing</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
Net tangible asset backing per ordinary security on issue at period end <sup>(1)</sup> :	\$4.59	\$4.95

(1) Net tangible assets includes all right-of-use assets.

For additional Appendix 4E disclosures, refer to the accompanying Financial Statements and notes for the year ended 30 June 2021, and Crown Resorts Limited's announcement made to the ASX on the same date as this Appendix 4E which provides further analysis of the results.

## Statement of Profit or Loss

For the year ended 30 June 2021

	Note	2021 \$m	2020 \$m
Revenues	2	1,536.8	2,237.2
Other income	2	207.8	0.1
Expenses	2	(1,975.4)	(2,074.2)
Share of profits/(losses) of associates		(8.7)	0.3
<b>Profit/(loss) before income tax and finance costs</b>		<b>(239.5)</b>	<b>163.4</b>
Finance costs	2	(69.1)	(10.2)
<b>Profit/(loss) before income tax</b>		<b>(308.6)</b>	<b>153.2</b>
Income tax benefit/(expense)		47.3	(71.3)
<b>Net profit/(loss) after tax</b>		<b>(261.3)</b>	<b>81.9</b>
<b>Attributable to:</b>			
Equity holders of the Parent		(261.6)	79.5
Non-controlling interests		0.3	2.4
		<b>(261.3)</b>	<b>81.9</b>

The above Statement of Profit or Loss should be read in conjunction with the accompanying notes.

	2021 Cents per share	2020 Cents per share
<b>Earnings per share (EPS)</b>		
Basic EPS	(38.63)	11.74
Diluted EPS	(38.63)	11.74
EPS calculation is based on the weighted average number of shares on issue throughout the period		
<b>Dividends per share</b>		
Current year final dividend declared	-	-
Current year interim dividend paid	-	30.00

## Statement of Comprehensive Income

For the year ended 30 June 2021

	2021	2020
	\$m	\$m
<b>Net profit/(loss) after tax</b>	<b>(261.3)</b>	<b>81.9</b>
<b>Other Comprehensive Income</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation	(16.0)	5.3
Movement in cash flow hedge reserve	(13.7)	(6.6)
<b>Other comprehensive income/(loss) for the period, net of income tax</b>	<b>(29.7)</b>	<b>(1.3)</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>(291.0)</b>	<b>80.6</b>
<b>Attributable to:</b>		
Equity holders of the Parent	(290.4)	78.1
Non-controlling interests	(0.6)	2.5
	<b>(291.0)</b>	<b>80.6</b>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## Statement of Financial Position

As at 30 June 2021

	Note	2021 \$m	2020 \$m
<b>Current assets</b>			
Cash and cash equivalents	3	476.0	286.9
Trade and other receivables		19.6	111.2
Income tax receivable		65.3	-
Inventories		21.5	17.2
Prepayments		45.4	41.6
Assets held for sale	4	425.8	-
<b>Total current assets</b>		<b>1,053.6</b>	<b>456.9</b>
<b>Non-current assets</b>			
Other financial assets		12.7	29.3
Investments in associates		127.4	186.0
Property, plant and equipment		4,316.6	4,871.2
Intangible assets - licences		1,030.6	1,047.3
Other intangible assets		330.4	355.6
Deferred tax assets		183.5	170.7
Other assets		45.6	48.8
<b>Total non-current assets</b>		<b>6,046.8</b>	<b>6,708.9</b>
<b>Total assets</b>		<b>7,100.4</b>	<b>7,165.8</b>
<b>Current liabilities</b>			
Trade and other payables		429.4	426.5
Interest-bearing loans and borrowings		314.3	8.2
Income tax payable		-	32.5
Provisions		304.1	200.3
Other financial liabilities		0.1	2.4
<b>Total current liabilities</b>		<b>1,047.9</b>	<b>669.9</b>
<b>Non-current liabilities</b>			
Other payables		177.2	172.3
Interest-bearing loans and borrowings		974.1	1,121.8
Deferred tax liabilities		406.7	420.5
Provisions		28.7	27.0
<b>Total non-current liabilities</b>		<b>1,586.7</b>	<b>1,741.6</b>
<b>Total liabilities</b>		<b>2,634.6</b>	<b>2,411.5</b>
<b>Net assets</b>		<b>4,465.8</b>	<b>4,754.3</b>
<b>Equity</b>			
Contributed equity		(203.3)	(203.3)
Reserves		(23.8)	3.1
Retained earnings		4,692.9	4,954.5
<b>Total equity</b>		<b>4,465.8</b>	<b>4,754.3</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

## Cash Flow Statement

For the year ended 30 June 2021

	Note	2021 \$m	2020 \$m
<b>Cash flows from operating activities</b>			
Receipts from customers		1,605.2	2,258.3
Payments to suppliers and employees		(1,471.6)	(1,847.5)
Dividends received		-	5.9
Interest received		1.1	12.2
Borrowing costs paid		(76.4)	(66.0)
Income tax paid		(72.3)	(36.0)
<b>Net cash flows from/(used in) operating activities</b>		<b>(14.0)</b>	<b>326.9</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(559.1)	(746.3)
Proceeds from sale of property, plant and equipment		650.5	0.1
Payment for the acquisition of equity accounted associates		(1.8)	(3.9)
Payment for the acquisition of controlled entities		(16.3)	-
Other (net)		0.3	-
<b>Net cash flows from/(used in) investing activities</b>		<b>73.6</b>	<b>(750.1)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		590.0	315.1
Repayment of borrowings		(459.8)	(328.8)
Dividends paid		-	(406.2)
<b>Net cash flows from/(used in) financing activities</b>		<b>130.2</b>	<b>(419.9)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the financial year		286.9	1,126.0
Effect of exchange rate changes on cash		(0.7)	4.0
<b>Cash and cash equivalents at the end of the financial year</b>	3	<b>476.0</b>	<b>286.9</b>

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

## Statement of Changes in Equity

For the year ended 30 June 2021

	Ordinary Shares	Retained Earnings	Reserves	Total	Non- Controlling Interest	Total Equity
	\$m	\$m	\$m	\$m	\$m	\$m
<b>Year ended 30 June 2021</b>						
Balance at 1 July 2020	(203.3)	4,954.5	3.1	4,754.3	-	4,754.3
Profit/(loss) for the period	-	(261.6)	-	(261.6)	0.3	(261.3)
Other comprehensive income/(loss)	-	-	(28.8)	(28.8)	(0.9)	(29.7)
Total comprehensive income/(loss) for the period	-	(261.6)	(28.8)	(290.4)	(0.6)	(291.0)
<i>Transactions with owners in their capacity as owners:</i>						
Movement in non-controlling interest put option	-	-	(1.4)	(1.4)	0.6	(0.8)
Share based payments	-	-	3.3	3.3	-	3.3
<b>Balance at 30 June 2021</b>	<b>(203.3)</b>	<b>4,692.9</b>	<b>(23.8)</b>	<b>4,465.8</b>	<b>-</b>	<b>4,465.8</b>
<b>Year ended 30 June 2020</b>						
Balance at 1 July 2019	(203.3)	5,298.8	1.4	5,096.9	-	5,096.9
Adoption impact of AASB 16	-	(17.6)	-	(17.6)	-	(17.6)
Adjusted balance at 1 July 2019	(203.3)	5,281.2	1.4	5,079.3	-	5,079.3
Profit/(loss) for the period	-	79.5	-	79.5	2.4	81.9
Other comprehensive income/(loss)	-	-	(1.4)	(1.4)	0.1	(1.3)
Total comprehensive income/(loss) for the period	-	79.5	(1.4)	78.1	2.5	80.6
<i>Transactions with owners in their capacity as owners:</i>						
Dividends paid	-	(406.2)	-	(406.2)	-	(406.2)
Movement in non-controlling interest put option	-	-	(0.3)	(0.3)	(2.5)	(2.8)
Share based payments	-	-	3.4	3.4	-	3.4
<b>Balance at 30 June 2020</b>	<b>(203.3)</b>	<b>4,954.5</b>	<b>3.1</b>	<b>4,754.3</b>	<b>-</b>	<b>4,754.3</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



# Notes

For the year ended 30 June 2021

## 1. Segment Information

The Group's operating segments have been determined based on geographic location, management reporting structure and the nature of the products and services offered by the Group. Crown has identified the Board of Directors as its chief operating decision maker that allocates resources and assesses the performance of the operating segments. The segment information presented below is consistent with internal management reporting. Crown believes that theoretical results are the relevant measure of viewing the performance of the business. The theoretical results presented below are reconciled to the reported results. The Group has five operating segments being Crown Melbourne, Crown Perth, Crown Sydney, Crown Aspinalls and Wagering & Online.

### Closure of Crown's Operations

During the period, in response to the COVID-19 pandemic Crown was directed by relevant State and Federal Governments to suspend its gaming activities and other non-essential services at Crown Melbourne, Crown Perth and Crown Aspinalls.

Government mandated closures that occurred during the 2021 financial year are detailed below:

Property	Dates of Closure <sup>(1)</sup>
Crown Melbourne	1 Jul 20 – 11 Nov 20
Crown Melbourne	13 Feb 21 – 17 Feb 21
Crown Melbourne	28 May 21 – 17 Jun 21
Crown Perth	1 Feb 21 – 13 Feb 21
Crown Perth	24 Apr 21 – 30 Apr 21
Crown Perth	3 May 21 – 7 May 21
Crown Perth	29 Jun 21 – 30 Jun 21 <sup>(2)</sup>
Crown Aspinalls	1 Jul 20 – 14 Aug 20
Crown Aspinalls	5 Nov 20 – 16 May 21

- (1) Following year-end, on the evening of 15 July 2021, Crown Melbourne ceased gaming activities and the majority of non-gaming operations due to COVID-19 restrictions. From 28 July 2021, Crown Melbourne recommenced operations in accordance with Victorian Government restrictions, including patron capacity limits. On the evening of 5 August 2021, Crown Melbourne ceased gaming activities and the majority of non-gaming operations due to COVID-19 and remains closed.
- (2) Gaming activities recommenced at Crown Perth on 6 July 2021.

The closure dates reflect the periods when no gaming activities were permitted at the properties. In some instances, during the closure periods when gaming activities were not permitted at the properties, Crown was able to continue operating certain Food & Beverage and Hotel operations in a severely limited capacity. Given the restrictions in place in the relevant cities at the time, as well as a large portion of the properties being closed, volumes in Food & Beverage and Hotels were minimal, apart from hotel quarantine services. During July and August 2020, Crown Melbourne's hotels remained open largely to provide the State Government with hotel quarantine services. All other operations were closed or severely limited during these closure periods in accordance with Government direction.

Crown's businesses ordinarily operate each day of the year and, apart from minor exceptions, 24 hours each day. Due to the unprecedented nature of the Government mandated closures during the period, the circumstances surrounding Crown's closure are exceptional. During the closure period, whilst Crown did not generate any gaming revenues, Crown continued to incur expenses to maintain its operations. Given these exceptional circumstances, Crown has separately disclosed all costs incurred during the mandated closure period. The closure costs exclude costs in relation to hotel quarantine services provided during the closure period but include the impact of the JobKeeper program and other similar reimbursements, such as the Government support scheme in the UK. There were no closure costs associated with Crown's Wagering and Online businesses as their operations were not suspended during the reporting period.

In addition, Crown recorded a provision in relation to a minimum tax obligation at Crown Melbourne. In 2014, Crown reached agreement with the Victorian Government regarding a number of reforms to the Crown Melbourne casino licence. The agreement included an increase to the maximum number of gaming machines, table games, and fully automated table games permitted to operate. A condition of the increase in product was that Crown agreed to pay the State a minimum of \$35.0 million per annum in casino tax in relation to the new product over the six-year period commencing from the 2016 financial year. As a result of the casino being closed for significant periods throughout the 2021 financial year, Crown was unable to generate sufficient revenue from the new product to meet its tax obligation. Accordingly, at balance date Crown has recognised a provision of approximately \$25 million for the anticipated tax shortfall. The 2021 financial year is the final year the minimum tax obligation is applicable.

Net costs incurred at Crown's properties whilst gaming facilities were closed due to Government orders, excluding costs in relation to hotel quarantine services (Closure Costs) for the 2021 financial year were \$171.4 million (2020: \$107.3 million), including the tax shortfall of approximately \$25 million as described above.

## Notes

For the year ended 30 June 2021

1. Segment Information *continued*

## 30 June 2021

	Theoretical Result <sup>(1)(6)</sup>						VIP Win Rate & Commission	ACTUAL
	Crown Melbourne \$m	Crown Perth \$m	Crown Sydney \$m	Crown Aspinalls \$m	Wagering & Online \$m	Unallocated \$m	Crown Group \$m	Crown Group \$m
							Adjustment <sup>(1)(2)</sup> \$m	
<b>Operating revenue</b>								
Main floor tables	241.2	171.7	-	-	-	-	-	412.9
Main floor machines	165.7	306.6	-	-	-	-	-	472.3
VIP program play	4.4	0.4	-	2.1	-	-	(3.4)	3.5
Wagering & Non gaming	171.2	264.1	68.6	0.2	147.0	-	-	651.1
Commission adjustment	-	-	-	-	-	-	(2.8)	(2.8)
Intersegment							(1.2)	(1.2)
<b>Operating revenue</b>	<b>582.5</b>	<b>742.8</b>	<b>68.6</b>	<b>2.3</b>	<b>147.0</b>	<b>-</b>	<b>(6.2)</b>	<b>1,535.8</b>
Interest revenue						1.0	-	1.0
<b>Total revenue</b>	<b>582.5</b>	<b>742.8</b>	<b>68.6</b>	<b>2.3</b>	<b>147.0</b>	<b>-</b>	<b>(6.2)</b>	<b>1,536.8</b>
EBITDA before Closure Costs <sup>(3)</sup> & Significant items <sup>(6)</sup>	94.1	254.2	(22.8)	(6.3)	34.1	(111.6)	(3.2)	238.5
Costs incurred during mandated closure <sup>(3)</sup>	(145.9)	(20.3)	-	(5.2)	-	-	-	(171.4)
EBITDA related Significant items <sup>(4)</sup>	(45.4)	(2.3)	145.8	(16.9)	-	(34.2)	-	47.0
<b>EBITDA after Closure Costs <sup>(3)</sup> &amp; Significant items <sup>(5)(6)</sup></b>	<b>(97.2)</b>	<b>231.6</b>	<b>123.0</b>	<b>(28.4)</b>	<b>34.1</b>	<b>(145.8)</b>	<b>(3.2)</b>	<b>114.1</b>
Depreciation and amortisation	(169.9)	(75.7)	(24.6)	(4.5)	(11.4)	(4.2)	-	(290.3)
Asset impairments <sup>(4)</sup>	-	-	-	-	(17.3)	(36.3)	-	(53.6)
Reassessment of contingent consideration <sup>(4)</sup>	-	-	-	-	(2.0)	-	-	(2.0)
<b>Earnings before interest and tax "EBIT" <sup>(6)</sup></b>	<b>(267.1)</b>	<b>155.9</b>	<b>98.4</b>	<b>(32.9)</b>	<b>3.4</b>	<b>(186.3)</b>	<b>(3.2)</b>	<b>(231.8)</b>
Equity accounted share of associates' net profit/(loss)								(8.7)
Net interest income/(expense)								(44.3)
Interest - Significant item <sup>(4)</sup>								(23.8)
<b>Profit/(loss) before tax</b>								<b>(308.6)</b>
Income tax benefit/(expense)								47.3
<b>Profit/(loss) after tax</b>								<b>(261.3)</b>
Non-controlling interest								(0.3)
<b>Profit/(loss) attributable to equity holders of the Parent</b>								<b>(261.6)</b>

(1) 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 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. Revenue from gaming transactions that include complimentary goods or services being provided to customers is not allocated from gaming revenue to the good or service provided.

(2) During the year Crown incurred \$2.8 million of actual VIP program play commission expenses. In the actual results, the commission expenses have been allocated out of Operating Expenses and recognised as a reduction to revenue. This difference between the theoretical and actual result is included in the VIP Win Rate & Commission Adjustment column above.

(3) Closure Costs reflect all costs incurred at Crown Melbourne, Crown Perth and Crown Aspinalls whilst gaming facilities were closed due to Government direction (refer commentary above), excluding costs in relation to hotel quarantine services at Crown Melbourne and including the Crown Melbourne tax shortfall obligation of approximately \$25 million. No portion of corporate costs has been allocated to Closure Costs in the 2021 financial year due to the ad-hoc nature of the property closures during the year.

(4) These items have been classified as Significant items. Refer note 2(e) for further details. Significant items are transactions that are not in the ordinary course of business or are material and unexpected due to their size and nature.

(5) Significant items in 'EBITDA after Closure Costs & Significant items' includes EBITDA related Significant items only.

(6) Non-IFRS measures.

## Notes

For the year ended 30 June 2021

1. Segment Information *continued*

## 30 June 2020

	Crown Melbourne \$m	Crown Perth \$m	Theoretical Result <sup>(1)(7)</sup>			Crown Group \$m	VIP Win Rate & Commission Adjust- ment <sup>(1)(2)</sup> \$m	ACTUAL
			Crown Aspinalls \$m	Wagering & Online \$m	Unallocated \$m			Crown Group \$m
<b>Operating revenue</b>								
Main floor tables	548.7	137.6	-	-	-	686.3	-	686.3
Main floor machines	341.9	207.0	-	-	-	548.9	-	548.9
VIP program play	224.9	49.5	32.3	-	-	306.7	133.4	440.1
Wagering & Non gaming	362.3	219.2	0.8	135.5	0.3	718.1	-	718.1
Commission adjustment	-	-	-	-	-	-	(165.0)	(165.0)
Intersegment						(1.4)	-	(1.4)
	<b>1,477.8</b>	<b>613.3</b>	<b>33.1</b>	<b>135.5</b>	<b>0.3</b>	<b>2,258.6</b>	<b>(31.6)</b>	<b>2,227.0</b>
<b>Operating revenue</b>								
Interest revenue								10.2
<b>Total revenue</b>	<b>1,477.8</b>	<b>613.3</b>	<b>33.1</b>	<b>135.5</b>	<b>0.3</b>	<b>2,268.8</b>	<b>(31.6)</b>	<b>2,237.2</b>
EBITDA before Closure Costs <sup>(3)</sup> & Significant items <sup>(7)</sup>	354.3	161.8	(2.7)	34.7	(44.3)	503.8	111.6	615.4
Costs incurred during mandated closure <sup>(3)</sup>	(65.8)	(19.7)	(1.2)	-	(20.6)	(107.3)	-	(107.3)
Crown Sydney pre-opening costs <sup>(4)</sup>	-	-	-	-	(3.5)	(3.5)	-	(3.5)
<b>EBITDA after Closure Costs <sup>(3)</sup> &amp; Significant items <sup>(5)(7)</sup></b>	<b>288.5</b>	<b>142.1</b>	<b>(3.9)</b>	<b>34.7</b>	<b>(68.4)</b>	<b>393.0</b>	<b>111.6</b>	<b>504.6</b>
Depreciation and amortisation	(176.0)	(79.6)	(4.8)	(9.4)	(5.7)	(275.5)	-	(275.5)
Impairment - Crown Aspinalls <sup>(4)</sup>	-	-	(52.8)	-	-	(52.8)	-	(52.8)
Impairment - Nobu <sup>(4)</sup>	-	-	-	-	(21.7)	(21.7)	-	(21.7)
Reassessment of contingent consideration - DGN <sup>(4)</sup>	-	-	-	(1.7)	-	(1.7)	-	(1.7)
<b>Earnings before interest and tax "EBIT" <sup>(7)</sup></b>	<b>112.5</b>	<b>62.5</b>	<b>(61.5)</b>	<b>23.6</b>	<b>(95.8)</b>	<b>41.3</b>	<b>111.6</b>	<b>152.9</b>
Equity accounted share of associates' net profit/(loss) <sup>(6)</sup>								6.7
Equity accounted share of associates' net profit/(loss) during mandated closure <sup>(6)</sup>								(6.4)
Net interest income/(expense)								0.0
<b>Profit/(loss) before tax</b>								<b>153.2</b>
Income tax benefit/(expense)								(71.3)
<b>Profit/(loss) after tax</b>								<b>81.9</b>
Non-controlling interest								(2.4)
<b>Profit/(loss) attributable to equity holders of the Parent</b>								<b>79.5</b>

(1) 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 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. Revenue from gaming transactions that include complimentary goods or services being provided to customers is not allocated from gaming revenue to the good or service provided.

(2) During the year Crown incurred \$165.0 million of actual VIP program play commission expenses. In the actual results, the commission expenses have been allocated out of Operating Expenses and recognised as a reduction to revenue. This difference between the theoretical and actual result is included in the VIP Win Rate & Commission Adjustment column above.

(3) Closure Costs reflect all costs incurred whilst the properties were closed due to Government direction (refer commentary above), excluding costs in relation to hotel quarantine services and Crown's Wagering and Online businesses during the closure period. The operating segments impacted by the closures in the 2020 financial year were Crown Melbourne, Crown Perth, Crown Aspinalls, corporate costs and Crown's share of associates.

(4) These items have been classified as Significant items. Refer note 2(e) for further details. Significant items are transactions that are not in the ordinary course of business or are material and unexpected due to their size and nature.

(5) Significant items in 'EBITDA after Closure Costs & Significant items' includes EBITDA related Significant items only.

(6) In addition to the mandated closure of Crown's core businesses, Crown's associates, Aspers and Nobu, were also subject to mandated closure orders. Accordingly, Crown's equity accounted share of losses during these mandated closure periods have been separately identified in the table above, consistent with the treatment of Crown's core businesses.

(7) Non-IFRS measures.

## Notes

For the year ended 30 June 2021

**2. Revenue and Expenses**

	2021 \$m	2020 \$m
Profit before income tax expense includes the following revenues and expenses:		
<b>(a) Revenue</b>		
Crown Melbourne	567.5	1,580.9
Crown Perth	740.9	607.5
Crown Sydney	68.4	-
Crown Aspinalls	2.5	42.7
Wagering & Online	145.9	134.7
Other	-	0.2
Less Commissions	(2.8)	(165.0)
Total Revenue from Contracts with Customers	1,522.4	2,201.0
Tenancy revenue	13.4	26.0
Interest	1.0	10.2
	<b>1,536.8</b>	<b>2,237.2</b>
<b>(b) Other income</b>		
Profit on disposal of Crown Sydney apartments	207.8	-
Profit on disposal of other non-current assets	-	0.1
	<b>207.8</b>	<b>0.1</b>
<b>(c) Expenses<sup>(1)</sup></b>		
Employment costs <sup>(2)</sup>	695.4	738.9
Superannuation expenses	53.2	59.1
Depreciation and amortisation (refer below)	290.3	275.5
Taxes & levies	373.1	425.3
Cost of sales	112.7	124.1
Property costs	102.7	98.5
Net credit loss expense	27.4	27.0
Asset impairment - Queensbridge	28.0	-
Goodwill impairment - DGN	17.3	-
Impairment of associate - Aspers	8.3	-
Reassessment of contingent consideration - DGN	2.0	1.7
Goodwill impairment - Crown Aspinalls	-	52.8
Impairment of associate - Nobu	-	21.7
Net foreign currency (gains)/losses	0.1	(0.2)
Other expenses <sup>(3)</sup>	264.9	249.8
	<b>1,975.4</b>	<b>2,074.2</b>

(1) During the current year, the Group modified the presentation of 'Expenses' to show more detailed information on the nature of each operating activity. In order to conform with the current period's presentation, certain comparatives have been re-classified for consistency. Since this is a change of presentation within operating activities, this did not have any effect on the consolidated statement of financial position or profit and loss.

(2) Employment costs include salaries, wages, bonuses, redundancies and other benefits, net of government grants, refer note 5 for further information.

(3) Other expenses include marketing and promotional costs, IT costs, operating supplies and corporate expenses.

## Notes

For the year ended 30 June 2021

**2. Revenue and Expenses** *continued*

	<b>2021</b>	<b>2020</b>
	<b>\$m</b>	<b>\$m</b>
<b>Depreciation of non-current assets</b> (included in 2(c))		
Buildings	106.8	92.5
Plant and equipment	153.7	151.4
Right-of-use assets	7.9	5.9
	<b>268.4</b>	<b>249.8</b>
<b>Amortisation of non-current assets</b> (included in 2(c))		
Casino licence fee and management agreement	20.3	20.4
Other assets	1.6	5.3
	<b>21.9</b>	<b>25.7</b>
<b>Total depreciation and amortisation expense</b>	<b>290.3</b>	<b>275.5</b>
<b>(d) Other income and expense disclosures</b>		
<b>Finance costs expensed:</b>		
Debt facilities	85.6	66.8
Lease liabilities	2.9	2.4
Interest significant items (refer to note 2(e))	23.8	-
Capitalised interest	(43.2)	(59.0)
	<b>69.1</b>	<b>10.2</b>

## Notes

For the year ended 30 June 2021

**2. Revenue and Expenses** *continued*

	2021 \$m	2020 \$m
<b>(e) Significant items - income / (expense)<sup>(1)</sup></b>		
Profit on disposal of Crown Sydney apartments <sup>(2)</sup>	207.8	-
Crown Sydney pre-opening costs <sup>(3)</sup>	(62.0)	(3.5)
Underpayment of casino tax <sup>(4)</sup>	(37.4)	-
One-off allowance for expected credit losses <sup>(5)</sup>	(27.2)	-
Restructuring costs <sup>(6)</sup>	(21.7)	-
Contribution to cost of the Bergin Inquiry <sup>(7)</sup>	(12.5)	-
EBITDA related Significant items	47.0	(3.5)
Asset impairment - Queensbridge <sup>(8)</sup>	(28.0)	-
Goodwill impairment - DGN <sup>(9)</sup>	(17.3)	-
Impairment of associate - Aspers <sup>(10)</sup>	(8.3)	-
Reassessment of contingent consideration - DGN <sup>(11)</sup>	(2.0)	(1.7)
Interest on underpayment of casino tax <sup>(4)</sup>	(23.8)	-
Goodwill impairment - Crown Aspinalls	-	(52.8)
Impairment of associate - Nobu	-	(21.7)
Income tax benefit/(expense) on significant items	(22.2)	1.0
<b>Total Significant items (net of tax)</b>	<b>(54.6)</b>	<b>(78.7)</b>

- (1) Significant items are transactions that are not in the ordinary course of business or are material and unexpected due to their size and nature.
- (2) Profit on disposal of Crown Sydney apartments represents the proceeds received for apartments settled during the year less construction and selling costs.
- (3) The pre-opening costs primarily relate to payroll and other ancillary operating costs incurred before the opening of Crown Sydney including recruitment and training expenses. The pre-opening costs also include Gaming relating costs (including an appropriate allocation of Support Departments) that continue to be incurred prior to the commencement of gaming operations.
- (4) On 27 July 2021, Crown announced that it resolved to make a payment to the Victorian Commission for Gambling and Liquor Regulation (VCGLR), representing an underpayment of casino tax by Crown Melbourne of \$37.4 million 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 underpayment of casino tax. The interest component is \$23.8 million.
- (5) During the year, Crown announced that it would 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, NSW and WA have advised that they do not support junket operations in their respective jurisdictions. Furthermore, in February 2021, the WA regulator issued direction that Crown Perth shall not participate in the conduct of junkets, premium player activity or privileged player activity. In light of the above and given the COVID-19 related impacts to Crown's customers, Crown undertook a review of all outstanding gaming debts. This resulted in a one-off adjustment to the allowance for expected credit losses.
- (6) Restructuring and redundancy costs relating to corporate management and international VIP operating activities.
- (7) During the year, Crown reached an agreement with the NSW Independent Liquor and Gaming Authority (ILGA) to pay a contribution towards the costs of the Bergin Inquiry of \$12.5 million.
- (8) Impairment of Queensbridge land. Refer note 8 for further information.
- (9) Impairment of goodwill in DGN. Refer note 8 for further information.
- (10) Impairment of investment in Aspers. Refer note 8 for further information.
- (11) Reassessment of contingent consideration related to acquisition of DGN.

## Notes

For the year ended 30 June 2021

### 3. Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents are comprised of the following:

	2021	2020
	\$m	\$m
Cash on hand and at bank	471.7	158.3
Deposits on call	4.3	128.6
	<b>476.0</b>	<b>286.9</b>

The above closing cash balances includes \$85.9 million (2020: \$48.4 million) of cash on the company's premises and cash held in bank accounts to run the day to day operations of the businesses and cash (including deposits on call) of \$390.1 million (2020: \$238.5 million) for other purposes.

### 4. Assets Held for Sale

During the year, Crown committed to a plan to divest its interest in Aspers. Crown expects the transaction to be completed by 31 December 2021. An impairment loss of \$8.3 million has been recognised for the write down of the investment to the lower of its carrying value and fair value less costs of disposal. Refer note 8 for further information.

During the year, Crown commenced settling Crown Sydney apartments. There are a number of apartments that are yet to settle, which are substantially complete and are being actively marketed for sale. Crown expects the apartments to be settled by 30 June 2022. Accordingly, Crown has reclassified the construction costs of the apartments from Property, Plant and Equipment to Assets Held for Sale.

The major classes of assets associated with the assets classified as held for sale are detailed below.

	2021
	\$m
<b>Assets</b>	
Investments in associates	34.9
Property, plant and equipment	390.9
<b>Total assets</b>	<b>425.8</b>

### 5. JobKeeper and other employee retention schemes

During the year, Crown was entitled to government payments relating to employee retention schemes in Australia and the UK as a result of COVID-19 totalling \$184.2 million (2020: \$113.9 million). Crown presented grants related to payroll expenses as a deduction against the related expense in the Statement of Profit or Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, were expensed.

Crown Melbourne qualified for JobKeeper for the entire program, including the extensions through to 28 March 2021. Crown Perth only qualified for JobKeeper through to the end of the first phase on 27 September 2020.

Under the JobKeeper program, Crown recorded \$79.6 million (2020: \$43.4 million) in payroll subsidies which related to the period from 1 July 2020 through to 28 March 2021 for employees that continued to work in either a full or partial capacity. The subsidy amount has been recognised as a reduction in Employment costs in note 2(c).

Crown has recorded a further \$100.0 million (2020: \$67.9 million) in JobKeeper payments relating to employees who were stood down during the period. These amounts were paid in their entirety to Crown's employees and had no net impact on the Statement of Profit or Loss.

In addition, Crown received a further \$4.6 million (2020: \$2.6 million) in Coronavirus Job Retention Scheme (UK) payments relating to employees that were stood down at Crown Aspinalls.

# Notes

For the year ended 30 June 2021

## 6. Dividends Paid and Declared

	2021	2020
	\$m	\$m
<b>(a) Dividends declared and paid during the financial year</b>		
<i>Prior year final dividend</i>		
No final dividend declared (2019: 30.0 cents per share and franked at 25% at the Australian tax rate of 30%)	-	203.1
<i>Current year interim dividend</i>		
No current year interim declared (2020: 30.0 cents per share unfranked)	-	203.1
<b>Total dividends appropriated</b>	<b>-</b>	<b>406.2</b>
<b>(b) Dividends declared and not recognised as a liability</b>		
<i>Current year final dividend</i>		
No final dividend declared (2020: No final dividend declared)	-	-

No shareholders' dividend plans are in operation.

## 7. Changes in Accounting Policies

Crown has adopted the following amendments and interpretations to accounting standards that apply for the first time from July 2020. The adoption of the amendments and interpretations did not have a material impact on the financial position or performance of the Group during the period.

- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform
- IFRS Interpretations Committee agenda decision – Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38)

## 8. Impairment testing outcome

The Group performs impairment testing for goodwill and indefinite life intangible assets on an annual basis (at 30 June each year) or more frequently if there are other indicators of impairment. In addition, the Group performs impairment testing of its investment in associates and other investments if there are indicators of impairment.

Intangible assets deemed to have indefinite lives are allocated to the Group's cash generating units (CGUs) identified according to the lowest levels for which there are separately identifiable cash flows that are largely independent of the cash flows from other assets or groups of assets. The recoverable amount of a CGU is defined as the higher of the value in use and the fair value less cost of disposal. This implied value is then compared with the carrying value of the CGU to determine any impairment required.

When utilising the value in use method for impairment testing, the key assumptions used are cash flow forecasts based primarily on business plans prepared by management, terminal value, forecast growth rates, and discount rates. When utilising the fair value less cost of disposal method for impairment testing, the key assumptions include cash flow forecasts based primarily on business plans prepared by management, third party valuations, market assessment of sales prices, internal asset valuations, trading multiples of entities of a similar nature, terminal value, discount rate, and estimated costs of disposal.



# Notes

For the year ended 30 June 2021

## **8. Impairment testing outcome** *continued*

### **Queensbridge**

At 30 June 2021, given the continued impact of COVID-19 and the potential impact on commercial development, Crown engaged an independent valuation firm to determine the fair value of the land and buildings at the Queensbridge development site. Based on the review of the anticipated recoverable amount of a sale of the land and associated buildings, calculated using the fair value less cost to sale method, the carrying value of Property, Plant and Equipment relating to the Queensbridge development project (including directly attributable costs incurred from acquisition) has been written down to its recoverable amount. As a result, an impairment loss of \$28.0 million has been recorded in the Statement of Profit or Loss.

### **DGN Games**

As at 30 June 2020, goodwill relating to the acquisition of DGN Games was \$52.4 million (US\$36.1 million). At 30 June 2021, indicators of impairment were identified for the DGN Games CGU. These indicators were considered taking into account the re-forecast of cash flows of DGN, along with indications of a likely fair value of the CGU in the current market. Based on the impairment testing undertaken, the carrying amount of the CGU exceeded its recoverable amount at 30 June 2021. As a result, Crown has reduced goodwill relating to the acquisition of DGN Games by \$17.3 million (US\$13.0 million). This impairment loss has been included in the Statement of Profit or Loss.

### **Aspers**

As outlined in note 4, during the period the Group's investment in Aspers was reclassified as an Asset Held for Sale. As a result, the investment was required to be valued at the lower of carrying value and fair value less costs of disposal. Crown assessed the fair value less cost of disposal of the investment and based on this analysis, the fair value less cost of disposal of the Group's investment in Aspers was \$34.9 million as at 30 June 2021, compared to the carrying value of \$43.2 million. Crown has therefore reduced the carrying amount of the investment in Aspers by \$8.3 million. This impairment loss has been included in the Statement of Profit or Loss.

## **9. Contingent Liabilities**

### ***Litigation matters***

As announced by Crown on 4 December 2017, Maurice Blackburn Lawyers commenced a class action proceeding against Crown in the Federal Court of Australia which Crown is defending. The proceeding, which relates to the detention of Crown employees in China in 2016, has been filed on behalf of persons who acquired an interest in Crown shares between 6 February 2015 and 16 October 2016. The matter has been set for hearing by the Court on 25 October 2021. Further detail in relation to this class action, including copies of the Statement of Claim, Amended Statement of Claim, and Further Amended Statement of Claim is available on Maurice Blackburn's website.

As announced by Crown on 14 December 2020, Maurice Blackburn Lawyers commenced a class action proceeding against Crown in the Supreme Court of Victoria. The claim alleges that, in the period from 11 December 2014 to 18 October 2020, Crown had inadequate systems and processes for ensuring compliance with its obligations under anti-money laundering laws and that Crown engaged in misleading and deceptive conduct, breached its continuous disclosure obligations and conducted its affairs contrary to the interests of members as a whole in the period. Maurice Blackburn has announced that the class action aims to recover compensation from Crown, seeks the potential buy-back of investors' shares at a fair value, and seeks that Crown implement a proper anti-money laundering training program. Crown is defending the proceeding.

The potential outcome and total costs related to the above matters remain uncertain.

In addition to the above matters, entities within the group are defendants from time to time in legal proceedings arising from the conduct of their business. The Group does not consider that the outcome of any proceedings ongoing at balance date, either individually or in aggregate, is likely to have a material effect on its financial position. Where appropriate, provisions have been made.

# Notes

For the year ended 30 June 2021

## 9. Contingent Liabilities *continued*

### **Regulatory matters**

#### **AUSTRAC enforcement investigations**

As announced by Crown on 19 October 2020 and 7 June 2021 respectively, each of Crown Melbourne and Crown Perth is the subject of an AUSTRAC enforcement investigation. Crown Melbourne and Crown Perth are fully cooperating with AUSTRAC in relation to these enforcement investigations.

Each of these investigations is ongoing and AUSTRAC has not informed Crown Melbourne or Crown Perth whether it will take any enforcement action.

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. If it does so, it is likely that Crown Melbourne and Crown Perth will be required to pay significant civil penalties.

Crown notes that AUSTRAC has commenced civil penalty proceedings on three occasions against other reporting entities, each of which concluded with the Federal Court ordering that the respondent pay significant civil penalties. These civil penalties were: \$45 million (ordered in 2017); \$700 million (ordered in 2018); and \$1.3 billion (ordered in 2020). As the judgments in each of the three civil penalty proceedings AUSTRAC has commenced make clear, the Federal Court's determination of the appropriate penalty was very specific to the facts in each case, and was arrived at only after consideration of the detailed agreed Statement of Agreed Facts and Admissions and joint submissions filed by AUSTRAC and the respondents.

If AUSTRAC does commence proceedings against Crown Melbourne and/or Crown Perth, in determining the appropriate penalty, the Federal Court would be required to have regard to all relevant matters, including the nature and extent of the contraventions and any loss and damage suffered as a result, the efforts Crown has made to date to address potential gaps in our systems and processes, as well as the size of Crown Melbourne and/or Crown Perth. Until there is greater certainty as to each of the relevant matters, Crown considers that this is one of the extremely rare circumstances in which 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.

If AUSTRAC does commence proceedings, the time by which Crown Melbourne and/or Crown Perth will be required to pay any civil penalty will depend on a number of factors, including the date on which AUSTRAC commences proceedings, the timetable ordered by the Federal Court and whether the parties are able to agree any proposed settlement, to be put to the Federal Court for approval.

Further information in relation to the enforcement investigations into Crown Melbourne and Crown Perth is set out below.

#### ***The Crown Melbourne enforcement investigation***

AUSTRAC has informed Crown that its enforcement investigation into Crown Melbourne concerns potential non-compliance with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (AML/CTF Act) and the *Anti-Money Laundering and Counter-Terrorism Financing Rules 2007* (Cth) (AML/CTF Rules). AUSTRAC has informed Crown Melbourne that the potential non-compliance includes concerns in relation to ongoing customer due diligence, and adopting, maintaining and complying with an anti-money laundering and counter-terrorism financing (AML/CTF) program. The concerns were identified in the course of a compliance assessment that commenced in September 2019 and focussed on Crown Melbourne's management of customers identified as high risk and politically exposed persons.

When informing Crown Melbourne of the enforcement investigation, AUSTRAC stated that it had not made a decision regarding the appropriate regulatory response, including whether enforcement action will be taken, and that Crown Melbourne would be advised in due course as to the outcomes of the investigation.

AUSTRAC has so far issued three statutory notices to Crown Melbourne requiring the provision of extensive information and the production of a significant volume of documents. Crown Melbourne is continuing to provide information and documents in response. The statutory notices request information and documents concerning a range of matters, including matters made public during the Bergin inquiry.

#### ***The Crown Perth enforcement investigation***

AUSTRAC has informed Crown that its enforcement investigation into Crown Perth concerns potential serious non-compliance with the AML/CTF Act and the AML/CTF Rules. The potential serious non-compliance was identified by AUSTRAC as a result of its review of information and documents provided by Crown Perth in response to a number of requests from AUSTRAC since August 2020, as well as information made public during the Bergin inquiry.

When informing Crown Perth of the enforcement investigation, AUSTRAC stated that it had not made a decision regarding the appropriate regulatory response that it may apply to Crown Perth, including whether or not enforcement action will be taken.

AUSTRAC has so far issued one statutory notice to Crown Perth requiring the provision of information and the production of documents. Crown Perth is continuing to provide information and documents in response.

# Notes

For the year ended 30 June 2021

## **9. Contingent Liabilities** *continued*

### **Other regulatory matters**

Regulators, including Crown's gaming regulators, and other bodies routinely conduct investigations and reviews of Crown's operations in the normal course of regulatory oversight. Crown regularly receives various notices and requests for information from regulators regarding a wide variety of matters.

In addition, Crown is undertaking a review of various indirect tax matters across local and overseas operations and will engage with relevant authorities as required.

### ***New South Wales***

On 9 February 2021, the Commissioner's report of the inquiry under section 143 of the *Casino Control Act 1992* (NSW) (Inquiry Report) was released. The New South Wales Independent Liquor and Gaming Authority (ILGA) wrote to Crown stating that, having regard to the contents of the Inquiry Report, it presently considered that Crown Sydney Gaming Pty Ltd (Crown Sydney Gaming) is 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) and had given Crown a notice to that effect.

The consultation process contemplated under the VIP GMA is well advanced and Crown continues to cooperate fully with ILGA as it works through the remediation process.

### ***Victoria***

On 22 February 2021, a Royal Commission was established into the suitability of Crown Melbourne Limited to hold a casino licence. The Hon. Ray Finkelstein AO QC was appointed as Commissioner and Chairperson of the 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 final submissions were delivered in two parts:

- i. its closing submissions dated 2 August 2021, which respond to the submissions of Counsel Assisting the Victorian Royal Commission and also address certain governance matters on which the Commissioner sought submissions; and
- ii. a further written submission dated 9 August 2021 which responds to certain enquiries made by the Commissioner at the hearing of oral closing submissions on 3 August 2021 and addresses the areas of the Melbourne Casino Complex which may be required to be sub-let if Crown Melbourne's licence is cancelled or surrendered.

All submissions can be found at <https://www.rccol.vic.gov.au/submissions>.

The Royal Commission is expected to deliver its final report by 15 October 2021.

### ***Western Australia***

On 5 March 2021, 2021, the Honourable Neville Owen (AO), the Honourable Lindy Jenkins and Mr Colin Murphy (PSM), were appointed Royal Commissioners to inquire into the suitability of Crown Perth to continue holding a casino gaming licence in Western Australia. 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. The initial hearing took place on 12 April 2021, and the first public hearings occurred over the period from 10 May 2021 to 27 May 2021. The next phase of hearings commenced on 26 July 2021. On 23 July it was announced the Commission's deadline for a final report has been extended from mid-November 2021 to 4 March 2022.

# Notes

For the year ended 30 June 2021

## **10. Events After the Reporting Period**

On 6 July 2021, Crown Perth recommenced trading of gaming and non-gaming operations at a reduced capacity. 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 on 29 June 2021.

On the evening of 15 July 2021, Crown Melbourne ceased gaming activities and the majority of non-gaming operations following a mandated closure by the Victorian Government due to COVID-19. From 28 July 2021, Crown Melbourne recommenced operations in accordance with Victorian Government restrictions, 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. On the evening of 5 August 2021, Crown Melbourne ceased gaming activities and the majority of non-gaming operations following a mandated closure by the Victorian Government due to COVID-19.

On 26 July 2021, the Perth Royal Commission commenced. On the same day, the Western Australian Government announced that it had extended the time to complete the WA Royal Commission to 4 March 2022.

On 27 July 2021, Crown announced that it resolved to make a payment to the Victorian Commission for Gambling and Liquor Regulation (VCGLR), representing an underpayment of casino tax by Crown Melbourne of \$37.4 million 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 underpayment of casino tax. The interest component was an additional \$23.8 million. Both the underpayment of casino tax and interest on the underpayment of casino tax were fully provided at 30 June 2021.

On 3 August 2021, the Victorian Government announced the establishment of a new casino and gambling commission, Victorian Gambling and Casino Control Commission (VGCCC), which will have oversight of all gambling and gaming activities within Victoria.

On 18 August 2021, the NSW Government announced that it agreed to support all 19 recommendations from the Bergin Inquiry Report on the regulation of casinos in NSW and the suitability of Crown Resorts to hold a restricted gaming facility licence. Additionally, the NSW Government announced an independent casino regulator will be established and a number of legislative reforms will be introduced as recommended by Commissioner Bergin.

On 26 August 2021, Crown announced that the Board has appointed Dr Ziggy Switkowski AO to succeed the Honourable Helen Coonan as Chairman, subject to the receipt of probity and regulatory approvals. As part of the planned succession process, Ms Coonan retired from the Board and as Executive Chairman on 27 August 2021. Dr Switkowski will join the Board as Chairman immediately upon receipt of all necessary regulatory approvals. Pending receipt of those approvals, Crown Non-Executive Director Jane Halton will act as interim Chairman.

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 Crown 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 pay dividends during the period in which the waivers are in place.

In addition, one of Crown's relationship banks has agreed to provide a new \$250 million liquidity 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.

## Appendix 4E – Additional Information

For the year ended 30 June 2021

### **Commentary on results**

The commentary on the results is contained in Crown's Announcement made to the ASX on the same date as this Appendix 4E.

### **Audit**

This report is based on accounts which are in the process of being audited. It is not considered likely any audit qualification will arise.



**Jane Halton AO PSM**  
Interim Chairman



**Antonia Korsanos**  
Chair of the Audit and Corporate Governance Committee

30<sup>th</sup> day of August 2021.