



**ASX/MEDIA RELEASE
FOR IMMEDIATE RELEASE
18 February 2021**

2021 HALF YEAR RESULTS – PRESENTATION SLIDES

MELBOURNE: Crown Resorts Limited (ASX: CWN) (Crown) attaches the results presentation slides for the half year ended 31 December 2020.

ENDS

This announcement was authorised for release by the Crown Board.

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Crown Resorts Limited

2021 Half Year Results Presentation

18 February 2021

Crown Resorts Limited Results Summary

- ◆ Statutory revenue of \$581.0 million, down 62.1%
- ◆ Reported NPAT attributable to the parent a loss of \$120.9 million, down 155.4%
- ◆ Reported EBITDA of \$4.4 million, down 99.0%
- ◆ Theoretical² NPAT attributable to the parent before Closure Costs³ and Significant Items a loss of \$17.9 million, down 110.4%
- ◆ Theoretical EBITDA before Closure Costs and Significant Items of \$141.5 million, down 62.9%
- ◆ Closure Costs of \$58.1 million (net of tax), which includes costs incurred during the mandated closure of Crown Melbourne⁴ and Crown Aspinalls⁵, and Significant Items of \$42.0 million (net of tax), which primarily relates to Crown Sydney pre-opening costs and one-off allowance for expected credit losses, were recorded during the period⁶
- ◆ No interim dividend declared

1. This presentation 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 and Crown Aspinalls). The theoretical win rate is the expected hold percentage on VIP program play over time. Accordingly, 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 whilst Crown's properties were closed due to Government direction, excluding costs in relation to hotel quarantine services (Closure Costs).
4. For the period 1 July 2020 to 11 November 2020.
5. For the periods 1 July 2020 to 14 August 2020 and 5 November 2020 to 31 December 2020.
6. Significant Items of \$0.6 million (net of tax) were recorded in the prior comparable period (pcp) relating to Crown Sydney pre-opening costs.

Crown Resorts Limited Results Overview

- ◆ Results reflect the severe impact on operations from the COVID-19 pandemic
- ◆ Crown Melbourne progressively recommenced operations from November, albeit with only limited initial access to the property. Since the easing of restrictions on 9 December, results had shown improvement but continued to be impacted by ongoing COVID related restrictions
- ◆ Crown Perth has traded above expectations since re-opening in June 2020 despite ongoing COVID-19 restrictions, and limited marketing and promotional activity. Local gaming started strongly, with performance moderating across the half, whilst non-gaming revenues have shown improvement through the half
- ◆ Non-gaming operations commenced at Crown Sydney in late December with encouraging property visitation. The overall contribution from the property continues to be impacted by the limited scale of operations
- ◆ Good progress has been made in Crown Sydney apartment sales, with over \$870 million in gross sales and pre-sale commitments achieved to date. Crown expects a net project cost for Crown Sydney of approximately \$1.1 billion as a result of higher expected apartment sale proceeds given strong buyer interest in the Crown Sydney apartments
- ◆ Settlement of the apartment sales is expected to occur progressively from March through the balance of the calendar year, which will help to substantially de-lever Crown's balance sheet
- ◆ During the period, Crown was subject to a number of regulatory investigations. Crown will work cooperatively with regulators as it seeks to restore public and regulatory confidence in its operations
- ◆ Crown has continued to progress its Reform Agenda as it pursues improvements to its governance and compliance processes. Crown will continue to engage with regulators in relation to Crown's Reform Agenda and any further remedial steps identified

Crown Resorts Limited Group Result



\$m	1H F21 Theoretical	1H F20 Theoretical	Variance F/(U)	1H F21 Actual	1H F20 Actual	Variance F/(U)
EBITDA before Closure Costs and Significant Items						
Crown Melbourne	5.8	268.7	(97.8%)	0.7	333.5	(99.8%)
Crown Perth	162.7	121.7	33.7%	162.9	120.4	35.4%
Crown Sydney	(0.7)	–	N/A	(0.7)	–	N/A
Crown Aspinalls	(5.3)	3.6	(247.6%)	(4.7)	5.6	(185.0%)
Crown Digital	23.2	14.1	64.8%	23.2	14.1	64.8%
Corporate costs	(44.2)	(26.8)	(64.9%)	(44.2)	(26.8)	(64.9%)
EBITDA before Closure Costs and Significant Items	141.5	381.3	(62.9%)	137.2	446.8	(69.3%)
Depreciation & amortisation	(138.0)	(142.1)	2.9%	(138.0)	(142.1)	2.9%
EBIT before Closure Costs and Significant Items	3.5	239.2	(98.5%)	(0.8)	304.7	(100.3%)
Net interest income / (expense)	(7.3)	1.6	(556.3%)	(7.3)	1.6	(556.3%)
Income tax	(6.5)	(73.7)	91.1%	(5.1)	(93.1)	94.5%
Equity accounted investments ¹	(7.3)	6.1	(219.7%)	(7.3)	6.1	(219.7%)
Non-controlling interest (NCI)	(0.3)	(0.5)	40.0%	(0.3)	(0.5)	40.0%
NPAT attributable to the parent before Closure Costs and Significant Items	(17.9)	172.7	(110.4%)	(20.8)	218.8	(109.5%)
Closure Costs (net of tax)				(58.1)	–	N/A
Significant Items (net of tax)				(42.0)	(0.6)	NM
NPAT attributable to the parent				(120.9)	218.2	(155.4%)
EBITDA after Closure Costs and Significant Items²	8.7	380.5	(97.7%)	4.4	446.0	(99.0%)

1. Crown's equity accounted result is comprised of its net equity accounted share of NPAT from Nobu, Aspers Group and Chill Gaming.

2. Significant Items in 'EBITDA after Closure Costs and Significant Items' includes EBITDA related Significant Items only.

Crown Melbourne Operating Conditions

- ◆ As a result of the COVID-19 pandemic, Crown Melbourne remained closed for the majority of the first half
- ◆ Non-gaming operations progressively recommenced trading from November, with select food and beverage outlets re-opening in a restricted capacity from 2 November 2020, Crown Towers re-opening on 9 November 2020 and Crown Metropal re-opening on 1 December 2020. Following completion of the first half, Crown Promenade re-opened on 11 January 2021
- ◆ Restrictions on gaming operations were progressively lifted:
 - On 12 November 2020, electronic gaming machines and electronic table games recommenced operation, limited to ten designated VIP areas, each with a maximum capacity of ten patrons. Patron activity was also restricted to 90-minutes per day
 - From 25 November 2020, revised restrictions on gaming operations allowed the recommencement of table games, removal of the patron activity restriction and a total capacity limit of 1,000 patrons on the gaming floor. A maximum capacity limit in each indoor space was limited to the lesser of 150 patrons or the number permitted by the density quotient of one person per four square metres
 - From 9 December 2020, the patron capacity limit on the gaming floor at any one time was increased to up to 50% of the maximum capacity for the facility stated in the occupancy permit, subject to a density limit of one person per four square metres
- ◆ Throughout this period, physical distancing protocols have remained in place, including the deactivation of every second electronic gaming machine and electronic table game, limits on the number of players at a table and minimum separation between tables
- ◆ Crown Melbourne qualified for the Commonwealth Government's JobKeeper scheme, including from the first extension date of 28 September 2020. During the half, Crown Melbourne recorded \$27.1 million in JobKeeper subsidies for employees who worked in either a full or partial capacity and \$82.9 million in JobKeeper amounts that were paid in their entirety to Crown's employees who were stood down
- ◆ Given the operating restrictions which remained in place, Crown Melbourne qualified for the second extension of the JobKeeper scheme, which commenced on 4 January 2021 and runs until 28 March 2021

Crown Melbourne Result



\$m	1H F21 Theoretical	1H F20 Theoretical	Variance F/(U)	1H F21 Actual	1H F20 Actual	Variance F/(U)
Table games (non-program play)	30.3	387.5	(92.2%)	30.3	387.5	(92.2%)
Gaming machines	23.4	243.3	(90.4%)	23.4	243.3	(90.4%)
Main floor gaming (total)	53.7	630.8	(91.5%)	53.7	630.8	(91.5%)
VIP program play	3.7	140.9	(97.3%)	(1.9)	239.6	(100.8%)
Non-gaming	39.7	253.9	(84.4%)	39.7	253.9	(84.4%)
Total revenue	97.1	1,025.6	(90.5%)	91.5	1,124.3	(91.9%)
EBITDA before Closure Costs and Significant Items¹	5.8	268.7	(97.8%)	0.7	333.5	(99.8%)
Costs incurred during mandated closure ²	(80.4)	–	N/A	(80.4)	–	N/A
One-off allowance for expected credit losses	(8.1)	–	N/A	(8.1)	–	N/A
EBITDA after Closure Costs and Significant Items	(82.7)	268.7	(130.8%)	(87.8)	333.5	(126.3%)
Depreciation & amortisation	(88.2)	(89.7)	1.7%	(88.2)	(89.7)	1.7%
EBIT	(170.9)	179.0	(195.5%)	(176.0)	243.8	(172.2%)
EBITDA ³ / revenue %	6.0%	26.2%	(20.2%) ⁴	0.9%	29.7%	(28.8%) ⁴
VIP turnover \$ billion	0.3	10.4	(97.3%)	0.3	10.4	(97.3%)
VIP win rate	1.35%	1.35%	–% ⁵	(0.67%)	2.30%	(2.97%) ⁵

1. Net of \$15.7 million in payroll subsidies under the Commonwealth Government's JobKeeper scheme.

2. Net of \$11.4 million in payroll subsidies under the Commonwealth Government's JobKeeper scheme.

3. Before Closure Costs and Significant Items.

4. Represents the difference in EBITDA margin compared to the pcp.

5. Represents the difference in win rate compared to the pcp.

Crown Perth Operating Conditions

- ◆ During the 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;
 - physical distancing between patrons at electronic gaming machines and electronic table games, including the deactivation of every second electronic gaming machine and electronic table game terminal; and
 - restricting the number of players at table games
- ◆ Early in the half, Crown Promenade was used exclusively to house AFL players and staff as part of the AFL's quarantine hub, and re-opened to the public on 23 September 2020
- ◆ Crown Perth qualified for the Commonwealth Government's JobKeeper scheme until 27 September 2020. During the half, 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

Crown Perth Result



\$m	1H F21 Theoretical	1H F20 Theoretical	Variance F/(U)	1H F21 Actual	1H F20 Actual	Variance F/(U)
Table games (non-program play)	103.5	97.9	5.7%	103.5	97.9	5.7%
Gaming machines	171.6	144.2	19.0%	171.6	144.2	19.0%
Main floor gaming (total)	275.1	242.1	13.6%	275.1	242.1	13.6%
VIP program play	0.4	35.5	(99.0%)	0.6	14.5	(95.7%)
Non-gaming	133.5	154.3	(13.5%)	133.5	154.3	(13.5%)
Total revenue	409.0	431.9	(5.3%)	409.2	410.9	(0.4%)
EBITDA before Significant Items¹	162.7	121.7	33.7%	162.9	120.4	35.4%
One-off allowance for expected credit losses	(0.7)	–	N/A	(0.7)	–	N/A
EBITDA after Significant Items	162.0	121.7	33.1%	162.2	120.4	34.8%
Depreciation & amortisation	(38.8)	(42.1)	7.7%	(38.8)	(42.1)	7.7%
EBIT	123.2	79.6	54.7%	123.4	78.3	57.6%
EBITDA ² / revenue %	39.8%	28.2%	11.6% ³	39.8%	29.3%	10.5% ³
VIP turnover \$ billion	0.0	2.6	(99.0%)	0.0	2.6	(99.0%)
VIP win rate	1.35%	1.35%	–% ⁴	2.41%	0.55%	1.85% ⁴

1. Includes \$24.7 million in payroll subsidies under the Commonwealth Government's JobKeeper program.

2. Before Significant Items.

3. Represents the difference in EBITDA margin compared to the pcp.

4. Represents the difference in win rate compared to the pcp.

Crown Sydney Project Update

- ◆ Crown Sydney opened to the public in a restricted capacity on 28 December 2020
- ◆ Crown is pleased to have welcomed over 2,500 employees and contractors to Crown Sydney, of which over 450 are employed in gaming roles, at a time when the hospitality industry has been severely impacted by COVID-19
- ◆ The hotel resort is largely complete, with only the final two villas and sky deck located at the top of the tower under construction. These final components of the resort will be completed progressively through April of this year
- ◆ All gaming areas are complete and ready for opening, subject to the receipt of all regulatory approvals
- ◆ Construction of the residential component of the project, “One Barangaroo”, is continuing in the upper portion of the tower, with final interior fit out of the apartments targeted to be complete by the end of March
- ◆ Apartment sales are progressing well with over \$870 million in gross sales and pre-sale commitments achieved to date. Settlement of the apartment sales is expected to occur progressively from March through the balance of the calendar year, with proceeds initially being used to repay the \$450 million project finance facility
- ◆ Crown has invested approximately \$2.0 billion of the \$2.2 billion gross project budget to date. Crown expects a net project cost for Crown Sydney of approximately \$1.1 billion as a result of higher expected apartment sale proceeds given strong buyer interest in the Crown Sydney apartments



Crown Sydney Operating Performance

- ◆ Since commencing operations, visitation to Crown Sydney has been encouraging, with nearly 11,000 guests having stayed at Crown Towers and approximately 100,000 covers served at Crown Sydney's restaurants since opening
- ◆ Hotel occupancy has continued to grow, with higher occupancy on weekends and strong average room rates
- ◆ Food and beverage revenues have exceeded expectations but continue to be impacted by capacity constraints
- ◆ The overall contribution from the property continues to be impacted by the limited scale of operation

\$m	1H F21 Actual
Non-gaming	0.9
Total revenue	0.9
EBITDA before Significant Items	(0.7)
Pre-opening costs	(25.3)
EBITDA after Significant Items	(26.0)
Depreciation & amortisation	(1.9)
EBIT	(27.9)
EBITDA ¹ / revenue %	(82.1%)

1. Before Significant Items.



Crown Aspinalls Result



\$m	1H F21 Theoretical	1H F20 Theoretical	Variance F/(U)	1H F21 Actual	1H F20 Actual	Variance F/(U)
VIP program play	1.2	28.4	(95.7%)	1.9	33.6	(94.3%)
Non-gaming	0.1	0.6	(90.0%)	0.1	0.6	(90.0%)
Total revenue	1.3	29.0	(95.5%)	2.0	34.2	(94.2%)
EBITDA before Closure Costs and Significant Items¹	(5.3)	3.6	(247.6%)	(4.7)	5.6	(185.0%)
Costs incurred during mandated closure ²	(2.2)	–	N/A	(2.2)	–	N/A
One-off allowance for expected credit losses	(16.1)	–	N/A	(16.1)	–	N/A
EBITDA after Closure Costs and Significant Items	(23.6)	3.6	(761.0%)	(23.0)	5.6	(513.0%)
Depreciation & amortisation	(2.3)	(2.3)	(2.1%)	(2.3)	(2.3)	(2.1%)
EBIT	(25.9)	1.3	(2103.3%)	(25.3)	3.3	(867.0%)
EBITDA ³ / revenue %	(407.0%)	12.3%	(419.3%) ⁴	(238.4%)	16.3%	(254.7%) ⁴
VIP turnover \$ billion	0.1	2.5	(96.5%)	0.1	2.5	(96.5%)
VIP win rate ⁵	1.42%	1.15%	0.27% ⁶	2.23%	1.36%	0.87% ⁶

1. Net of \$0.9 million in Coronavirus Job Retention Scheme payments under the employee retention scheme in operation in the UK.

2. Net of \$1.7 million in Coronavirus Job Retention Scheme payments under the employee retention scheme in operation in the UK.

3. Before Closure Costs.

4. Represents the difference in EBITDA margin compared to the pcp.

5. Crown Aspinalls theoretical VIP win rate based on the mix of play during the period.

6. Represents the difference in win rate compared to the pcp.

Crown Digital Result

\$m	1H F21 Actual	1H F20 Actual	Variance F/(U)
Total revenue	79.5	62.8	26.6%
Total expenses	(56.3)	(48.7)	(15.5%)
EBITDA	23.2	14.1	64.8%
Depreciation & amortisation	(5.4)	(4.5)	(20.6%)
EBIT	17.8	9.6	85.4%

Crown Digital includes:

- ◆ EBITDA from Crown's wagering and online social gaming operations (shown above)
 - Betfair Australasia, a 100% owned, online betting exchange
 - DGN Games, an 85% owned, online social gaming business
- ◆ Equity accounted investment in Chill Gaming (not included above)

Closure Costs

- ◆ During the mandated closure period, whilst Crown did not generate any gaming revenues, Crown continued to incur expenses to maintain its operations and corporate responsibilities. Crown has separately identified these costs in reporting its results for the half year ended 31 December 2020¹

\$m	1H21
Crown Melbourne ²	(80.4)
Crown Aspinalls ³	(2.2)
Closure Costs included in EBITDA	(82.6)
Tax effect of Closure Costs	24.5
Closure Costs included in NPAT	(58.1)

1. Closure Costs exclude costs in relation to hotel quarantine services provided during the mandated closure period.
2. Includes the period 1 July 2020 to 11 November 2020.
3. Includes the periods 1 July 2020 to 14 August 2020 and 5 November 2020 to 31 December 2020.

Significant Items

- ◆ During the period, the following have been classified as Significant Items

\$m	1H21
Crown Sydney pre-opening costs	(25.3)
One-off allowance for expected credit losses	(24.9)
Significant Items included in EBITDA	(50.2)
Reassessment of DGN contingent consideration	(2.0)
Tax effect of Significant Items	10.2
Significant Items included in NPAT	(42.0)

Recent Trading Update

- ◆ For the period 1 January to 12 February 2021, Crown Melbourne's main floor gaming revenue (excluding VIP program play revenue) was down approximately 26% on the pcp whilst non-gaming revenue was down approximately 33% on the pcp
- ◆ On the evening of 12 February 2021, Crown Melbourne ceased gaming activities and the majority of non-gaming operations following the introduction of a five day lockdown in Victoria due to COVID-19. During this five day lockdown period, Crown Melbourne employees continued to be paid according to their ordinary rostered hours
- ◆ Crown Melbourne recommenced operations on 18 February 2021 in accordance with Victorian Government restrictions, including a patron capacity limit on the gaming floor of 300 patrons in each indoor space, subject to a density limit of one person per four square metres
- ◆ For the period 1 January to 31 January 2021, Crown Perth's main floor gaming revenue (excluding VIP program play revenue) was up approximately 8% on the pcp whilst non-gaming revenue was up approximately 17% on the pcp reflecting strong holiday season trade
- ◆ On the evening of 31 January 2021, Crown Perth ceased gaming activities and the majority of non-gaming operations following the introduction of a five day lockdown of the Perth metropolitan area
 - On 6 February 2021, non-gaming operations recommenced in accordance with temporary restrictions imposed by the Western Australian Government including a prescribed maximum density of one person per four square metres up to a maximum of 150 persons per venue
 - On 14 February 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, including capacity limits at each venue based on a prescribed maximum density of one person per two square metres and physical distancing between patrons
 - During the five day lockdown period, Crown Perth employees continued to be paid according to their ordinary rostered hours
 - Following the extension of the casino closure on 5 February 2021, approximately 1,700 gaming floor employees were stood down for the period of the closure and continued to be financially supported by a Crown funded payment similar to the amount they would have received on the JobKeeper scheme, despite Crown Perth not being eligible to participate in that scheme
- ◆ VIP program play turnover at both Crown Melbourne and Crown Perth has been minimal to start the calendar year due to the ongoing international and interstate border restrictions
- ◆ For the period 1 January to 12 February 2021, Crown's wagering and online social gaming revenue was up approximately 15% on the pcp

Debt Structure

\$m	31 Dec 20	30 Jun 20	31 Dec 19
Bank debt	851.7	280.0	25.7
Lease liabilities and other loans	77.1	59.7	56.0
Capital markets debt - EMTN ¹	174.6	174.6	174.6
- Subordinated Notes ²	615.7	615.7	615.5
Total Outstanding Debt	1,719.1	1,130.0	871.8
Less available cash ³	(479.1)	(238.5)	(500.6)
Net Debt / (Net Cash)	1,240.0	891.5	371.2

- ◆ Committed un-drawn bank facilities of \$188.4 million at 31 December 2020
- ◆ Total liquidity of \$667.5 million (excluding working capital cash) at 31 December 2020
- ◆ Crown's current issuer credit ratings are:
 - S&P – BBB (CreditWatch Negative)
 - Moody's – Baa3 (review for downgrade)
 - Fitch – BBB (Rating Watch Negative)

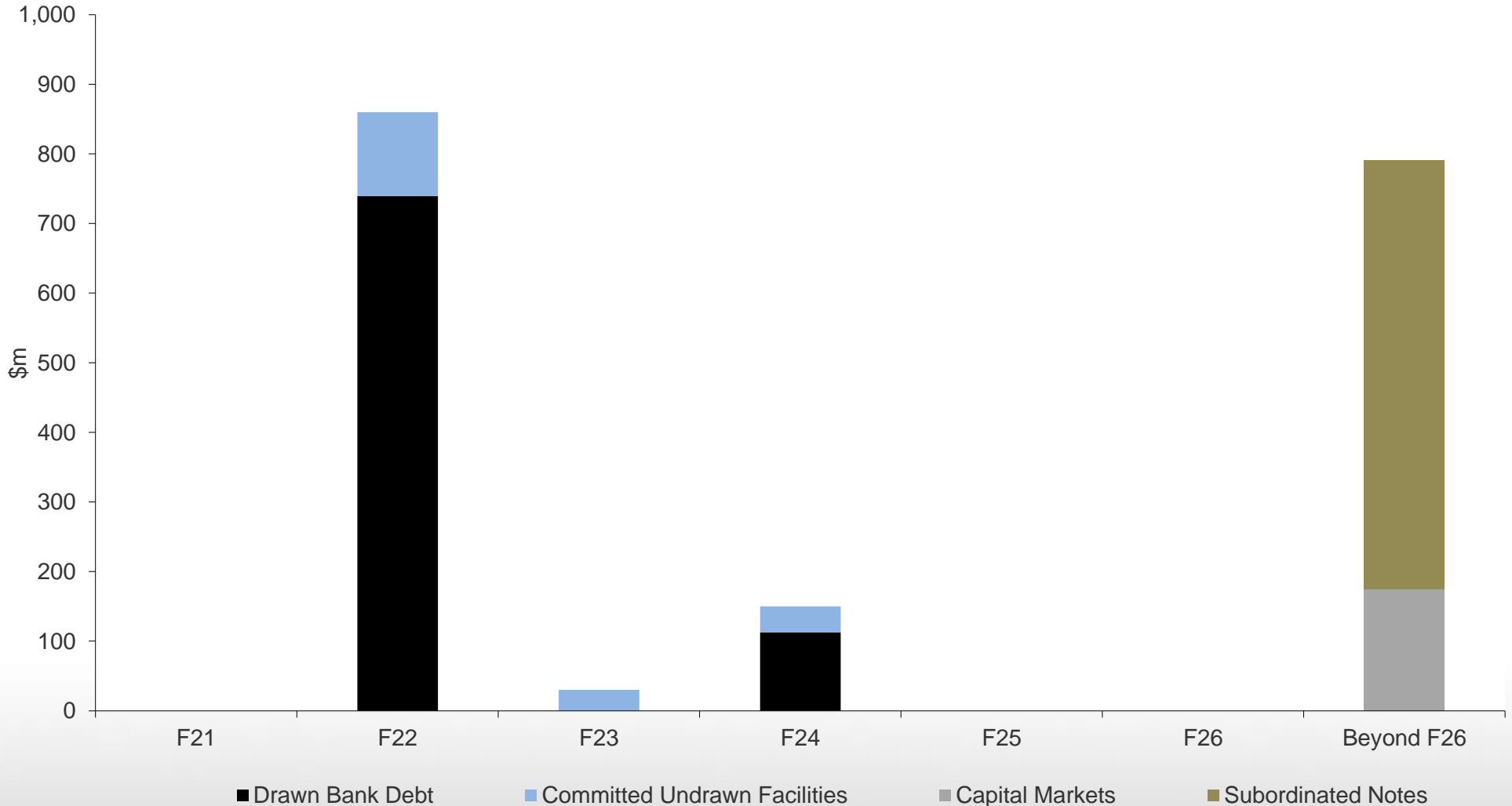
1. The EMTN is stated in the table above at the AUD amount repayable at maturity under a cross currency swap. The EMTN is included in the Statement of Financial Position at \$188.8m at 31 December 2020 based on the spot exchange rate.

2. Net of unamortised transaction costs.

3. Available cash refers to the closing cash balance of \$593.7 million (Jun 2020: \$286.9 million Dec 2019: \$652.0 million) less working capital cash of \$114.6 million (Jun 2020: \$48.4 million, Dec 2019: \$151.4 million). Working capital cash refers to cash held on the Company's premises and cash held in bank accounts for day-to-day operations of the businesses.

Debt Maturity Profile

At 31 December 2020



1. Debt maturity profile excludes lease liabilities and other loans.

Group Cash Flow

\$m	1H F21	1H F20
Theoretical EBITDA before Closure Costs and Significant Items	141.5	381.3
Win rate variance	(4.3)	65.5
Closure Costs	(82.6)	-
Significant Items ¹	(50.2)	(0.8)
Reported EBITDA	4.4	446.0
Working capital movements	146.9	43.8
Cash Flow Generated by Operations	151.3	489.8
Net interest	(39.4)	(24.1)
Dividends received	-	4.3
Income tax payments	(39.6)	(50.9)
Operating Cash Flow	72.3	419.1
Capital expenditure	(330.8)	(426.3)
Investments	(0.8)	(2.7)
Net borrowings	567.5	(264.7)
Dividends paid	-	(203.1)
Effect of exchange rates on cash	(1.4)	3.7
Net increase / (decrease) in cash	306.8	(474.0)
Closing Cash²	593.7	652.0

1. Includes EBITDA related Significant Items only.

2. Includes \$114.6 million (Dec 2019: \$151.4 million) of cash held on the Company's premises and cash held in bank accounts for the day-to-day operations of the businesses.

ILGA Inquiry

- ◆ 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 which stated that Crown Sydney Gaming is not a suitable person to continue to give effect to the Restricted Gaming Licence in New South Wales and Crown is not a suitable person to be a close associate of the Licensee
- ◆ The Inquiry Report outlines a pathway towards suitability to allow Crown to give effect to the Restricted Gaming Licence
- ◆ The New South Wales Independent Liquor and Gaming Authority (ILGA) has since written to Crown stating that, having regard to the contents of the Inquiry Report, it presently considers 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 has breached clause 14(a) of the VIP Gaming Management Agreement (VIP GMA) and has given Crown a notice to this effect
- ◆ ILGA has commenced the consultation process contemplated under the VIP GMA and has invited Crown Sydney Gaming to address ILGA in relation to its present view
- ◆ Crown is committed to driving the necessary change and will consult with ILGA regarding the next steps

Other Regulatory Processes

- ◆ On 17 December 2020, the Victorian Minister for Consumer Affairs, Gaming and Liquor Regulation announced that she had requested the Victorian Commission for Gambling and Liquor Regulation (VCGLR) to bring forward the Seventh Casino Review into the Casino Operator and Licence (Crown Melbourne)
- ◆ On 16 February 2021, the Gaming and Wagering Commission of Western Australia (WA Commission) issued a statement that it will formally recommend that an independent inquiry under the *Casino Control Act 1984 (WA)* be established under the direction of the Minister for Racing, Gaming and Liquor into matters uncovered by the NSW ILGA Inquiry specific to the operations of Crown Perth
- ◆ Crown is also subject to a number of other regulatory investigations, including by AUSTRAC and the VCGLR
- ◆ Crown will fully co-operate in relation to these matters and will continue to engage with regulators in relation to Crown's Reform Agenda and any further remedial steps identified

Reform Agenda

- ◆ As previously announced, Crown has been progressing reforms to its governance and compliance processes
- ◆ These have been broadly categorised into four key areas:
 1. **Strengthening accountability and transparency within Crown**
 2. **Strengthening a culture of compliance within Crown**
 3. **Proactively assessing and addressing money laundering risks**
 4. **Protecting Crown from the risk of criminal elements**
- ◆ This Reform Agenda will act as the foundation for our consultation process with ILGA and the development of an agreed remediation action plan
- ◆ These reforms and remedial actions will also assist in discussions with other regulators and stakeholders

Strengthening Accountability and Transparency within Crown



Item	Overview	Update
Board renewal	<ul style="list-style-type: none"> Process of Board renewal to be undertaken 	<ul style="list-style-type: none"> CPH no longer has separate representation on the Crown Board following the resignation of Michael Johnston and Guy Jalland and the termination of John Poynton's consultancy arrangement with CPH Andrew Demetriou and Ken Barton resigned Non-Executive Director, Nigel Morrison, appointed to the Crown Board subject to the receipt of regulatory approvals Identification and selection of further Board candidates underway
Organisational structure	<ul style="list-style-type: none"> Review of organisation structure to be undertaken 	<ul style="list-style-type: none"> New Compliance and Financial Crime department independent of business unit created, with direct reporting lines to the CEO and Board Risk and Internal Audit functions separated and reporting lines elevated Steven Blackburn appointed as new Chief Compliance & Financial Crime Officer (commencing 1 March 2021) Recruitment process underway for: <ul style="list-style-type: none"> Chief Culture and People Officer Head of Internal Audit
Functional accountability	<ul style="list-style-type: none"> Review of functions across Crown's central and property level roles to ensure clear responsibility and accountability 	<ul style="list-style-type: none"> In progress

Strengthening a Culture of Compliance within Crown

Item	Overview	Update
Organisational culture review	<ul style="list-style-type: none"> Crown's existing culture to be assessed with input from a third party consultant 	<ul style="list-style-type: none"> Consultant engaged and process has commenced
Organisation wide risk and compliance message	<ul style="list-style-type: none"> Clear and consistent risk and compliance message to be communicated throughout the organisation 	<ul style="list-style-type: none"> In progress
Senior management accountability	<ul style="list-style-type: none"> Senior leadership to drive the standard for the business Additional education and / or disciplinary action to be taken where the right behaviours are not espoused 	<ul style="list-style-type: none"> In progress Board to oversee a search for a new Chief Executive Officer
Remuneration structures	<ul style="list-style-type: none"> Revised STI structure for senior executives implemented with STI subject to partial deferral and forfeiture in the event of any adverse compliance or regulatory events 	<ul style="list-style-type: none"> Completed
Ongoing measurement tools	<ul style="list-style-type: none"> Tools to monitor and report against Crown's culture on an ongoing basis to be developed 	<ul style="list-style-type: none"> In progress

Proactively Assessing and Addressing Money Laundering Risks



Item	Overview	Update
Joint Program implementation	<ul style="list-style-type: none"> New AML/CTF Joint Program to be implemented across all of Crown's properties 	<ul style="list-style-type: none"> Joint Program substantially implemented
Increased capability and resourcing of Financial Crime team	<ul style="list-style-type: none"> The level of resourcing dedicated to Financial Crime to be further increased from current levels 	<ul style="list-style-type: none"> Increased resourcing and capability added, with the appointment of Steven Blackburn as Chief Compliance & Finance Crime Officer, 10 additional resources added to the Financial Crime team and a further 3 appointments underway
Investing in technology to increase automation	<ul style="list-style-type: none"> Automated data analytics and reporting tool in the area of AML to be rolled out 	<ul style="list-style-type: none"> Ongoing
AML/CTF Risk Awareness training	<ul style="list-style-type: none"> New AML/CTF Risk Awareness training modules to be developed and rolled out to the organisation (including Board) 	<ul style="list-style-type: none"> Ongoing
External review of Crown's AML/CTF Program	<ul style="list-style-type: none"> Further external reviews to be undertaken of Crown's AML/CTF Program 	<ul style="list-style-type: none"> Further external reviews underway
Additional controls on cash deposits	<ul style="list-style-type: none"> Incidence of cash deposits by patrons into Crown's bank accounts to be reduced (and preferably eliminated) 	<ul style="list-style-type: none"> Additional controls being implemented to prevent cash deposits into bank accounts

Protecting Crown from the Risk of Criminal Elements



Item	Overview	Update
Future junket activity	<ul style="list-style-type: none"> The Board will give careful consideration before recommencing any future dealings with junkets 	<ul style="list-style-type: none"> The Board has 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 Crown will only recommence dealing with a junket operator if that junket operator is licensed or otherwise approved or sanctioned by all gaming regulators in the States in which Crown operates All previously active junket operators have now been advised of the decision (verbal/in writing)
Information sharing protocols	<ul style="list-style-type: none"> Information sharing protocols to be explored with law enforcement agencies 	<ul style="list-style-type: none"> In progress
Significant player review	<ul style="list-style-type: none"> Review of top-end local players to determine whether (i) to continue to deal with the patron; (ii) further investigation is required; or (iii) cease to do business with the patron 	<ul style="list-style-type: none"> Process implemented

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