



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

2021 HALF YEAR RESULTS – APPENDIX 4D

MELBOURNE: Crown Resorts Limited (ASX: CWN) (Crown) attaches the following documents for the half year ended 31 December 2020:

- Appendix 4D
- Half Year Financial Report

ENDS

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COPIES OF RELEASES

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

Appendix 4D

Half year ended 31 December 2020

(previous corresponding period: half year ended 31 December 2019)

Results for announcement to the market

Results in accordance with Australian Accounting Standards				\$m
Revenue from operations	down	62.1%	to	581.0
Net profit/(loss) for the period attributable to members of the parent	down	155.4%	to	(120.9)

	Theoretical Results ⁽¹⁾⁽⁶⁾		Actual Results ⁽²⁾	
	\$m	% Movement	\$m	% Movement
EBITDA before Closure Costs ⁽⁴⁾ & Significant items ⁽⁶⁾	141.5	(62.9%)	137.2	(69.3%)
Costs incurred during mandated closure ⁽⁴⁾	(82.6)		(82.6)	
One off allowance for expected credit losses ⁽³⁾	(24.9)		(24.9)	
Crown Sydney pre-opening costs ⁽³⁾	(25.3)		(25.3)	
EBITDA after Closure Costs ⁽⁴⁾ & Significant items ⁽⁵⁾⁽⁶⁾	8.7	(97.7%)	4.4	(99.0%)
Depreciation & amortisation	(138.0)	(2.9%)	(138.0)	(2.9%)
Reassessment of contingent consideration ⁽³⁾	(2.0)		(2.0)	
EBIT ⁽⁶⁾	(131.3)	(155.1%)	(135.6)	(144.6%)
Share of associates' profit/(loss)			(7.3)	
Net interest expense			(7.3)	
Income tax benefit			29.6	
Net/(loss) profit after tax			(120.6)	(155.1%)
Non-controlling interest			(0.3)	
Net profit/(loss) attributable to members of the Parent			(120.9)	(155.4%)

(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 3 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.

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

(3) These items have been classified as Significant items. Refer note 4(d) for further details.

(4) Closure Costs reflect costs incurred at Crown Melbourne and Crown Aspinalls whilst the properties were closed due to Government direction, excluding hotel quarantine services at Crown Melbourne. Refer note 3 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 4D *Continued*

Dividends	Amount per security	Franked amount per security
Interim dividend	Nil	Nil
Previous corresponding period	30.0 cents	0.0 cents
Record date for determining entitlements to the dividend	Not applicable	
Interim dividend payment date	Not applicable	
Net Tangible Asset Backing	31 December 2020	31 December 2019
Net tangible asset backing per ordinary security on issue at period end	\$4.72	\$5.36

For additional Appendix 4D disclosures, refer to the accompanying Financial Report for the half-year ended 31 December 2020, which includes the Directors' Report. Crown Resorts Limited's announcement made to the ASX on the same date as this Appendix 4D provides further analysis of the results.

Directors' Report

For the half year ended 31 December 2020

The directors of Crown Resorts Limited ("Crown" or the "Company") submit their report for the half year ended 31 December 2020.

Directors

The directors of Crown in office during the half-year, and until the date of this Report are as below. Directors were in office for this entire period unless otherwise stated.

The Hon. Helen A Coonan (appointed as Executive Chairman on 15 February 2021)
Professor John S Horvath AO (Deputy Chairman)
Kenneth M Barton (Managing Director and Chief Executive Officer) (ceased 15 February 2021)
John H Alexander (retired 22 October 2020)
Andrew Demetriou (resigned 12 February 2021)
Jane Halton AO PSM
Guy Jalland (resigned 10 February 2021)
Michael R Johnston (resigned 10 February 2021)
Antonia Korsanos
Harold C Mitchell AC
John Poynton AO

On 22 October 2020, Professor John Horvath announced his intention to retire as a director of Crown. Given his role on the Crown Melbourne Limited Board, Professor Horvath will remain a director of Crown until alternative arrangements are put in place.

On 28 January 2021, Crown announced that the Board has approved the appointment of Mr Nigel Morrison as a director, subject to the receipt of all necessary regulatory approvals. Mr Morrison's appointment will only become effective once the necessary regulatory approvals have been received.

Review of Operations

For the half year ended 31 December 2020 Crown reported a net loss of \$120.6 million, compared to a net profit of \$218.7 million in the prior comparable period ("pcp"). The net loss attributable to members of the Parent was \$120.9 million. Total revenue of \$581.0 million decreased by 62.1% on the pcp. Crown's results for the first half reflect the severe impact on operations from the COVID-19 pandemic. In particular, Crown Melbourne was closed for most of the half due to Government imposed restrictions.

This review of operations includes certain non-IFRS measures, including theoretical results¹, EBITDA, Significant Items and Closure Costs, which are used internally by management to assess the performance of the business. Non-IFRS measures have not been subject to audit or review.

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 to the public 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.

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 3 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.

Directors' Report

For the half year ended 31 December 2020

- 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 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.

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. From 18 February 2021, Crown Melbourne recommenced operations 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.

Financial Performance

Theoretical revenue of \$97.1 million was down 90.5% on the pcp.

Main floor gaming revenue was \$53.7 million, down 91.5% on the pcp, which comprises table games (non-program play) revenue of \$30.3 million (down 92.2% on the pcp) and gaming machine revenue of \$23.4 million (down 90.4% on the pcp).

Theoretical VIP program play revenue, comprising entirely of interstate play, was \$3.7 million, down 97.3% on the pcp, with turnover of \$0.3 billion. Actual VIP program play revenue was -\$1.9 million, with a negative win rate on VIP program play turnover during the period.

Non-gaming revenue was \$39.7 million, down 84.4% on the pcp.

Theoretical EBITDA before Closure Costs and Significant Items was \$5.8 million, down 97.8% on the pcp, which includes \$15.7 million in payroll subsidies under the Commonwealth Government's JobKeeper scheme. Costs incurred during the mandated closure of Crown Melbourne were \$80.4 million for the period, which are net of \$11.4 million in JobKeeper payroll subsidies.

Reported EBITDA for the period was a loss of \$87.8 million, which compared to a profit of \$333.5 million in the pcp. The reported EBITDA result takes into account the variance from the theoretical VIP program play result which had a negative EBITDA impact of \$5.1 million. This compares to a positive EBITDA impact of \$64.8 million in the pcp.

The overall theoretical operating margin before Closure Costs and Significant Items decreased from 26.2% to 6.0%. The decline in margin was largely due to the impact of the operating restrictions on Crown Melbourne's business upon re-opening.

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.

Directors' Report

For the half year ended 31 December 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 paid in their entirety to Crown's employees who were stood down.

On 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 due to COVID-19. Non-gaming operations recommenced on 6 February 2021 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.

Financial Performance

Theoretical revenue of \$409.0 million was down 5.3% on the pcp.

Main floor gaming revenue was \$275.1 million, up 13.6% on the pcp, which comprises table games (non-program play) revenue of \$103.5 million (up 5.7% on the pcp) and gaming machine revenue of \$171.6 million (up 19.0% on the pcp).

Theoretical VIP program play revenue, comprising entirely of interstate play, was \$0.4 million, down 99.0% on the pcp, with international and interstate travel restrictions severely limiting activity.

Non-gaming revenue was \$133.5 million, down 13.5% on the pcp.

Theoretical EBITDA before Significant Items was \$162.7 million, up 33.7% on the pcp, which includes \$24.7 million in payroll subsidies under the Commonwealth Government's JobKeeper scheme. Excluding these payroll subsidies, Theoretical EBITDA before Significant Items of \$138.0 million was up 13.4% on the pcp.

Reported EBITDA for the period was \$162.2 million, up 34.8% on the pcp. The reported EBITDA result takes into account the variance from the theoretical VIP program play result which had a positive EBITDA impact of \$0.2 million. This compares to a negative EBITDA impact of \$1.3 million in the pcp.

The overall theoretical operating margin increased from 28.2% to 39.8%. The increase in margin was driven by a favourable mix of business, lower marketing costs and promotional costs and the receipt of JobKeeper payroll subsidies during the period. Excluding the JobKeeper payroll subsidies, the theoretical operating margin increased to 33.7%.

Crown Sydney

Operating Conditions

Crown Sydney's non-gaming operations commenced on 28 December 2020, under COVID-19 restrictions imposed by the NSW Government, which included capacity limits at each venue based on a prescribed maximum density of one person per four square metres.

Crown Aspinalls

Operating Conditions

Gaming activities re-commenced at Crown Aspinalls on 15 August 2020, but ceased again with effect from 5 November 2020 following the introduction of new Government restrictions in the United Kingdom and remain suspended.

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

Financial Performance

Theoretical EBITDA before Closure Costs and Significant Items was a loss of \$5.3 million, which includes \$0.9 million in Coronavirus Job Retention Scheme payments under the employee retention scheme in operation in the UK, and compares to a profit of \$3.6 million in the pcp. Costs incurred during the mandated closure of Crown Aspinalls were \$2.2 million for the period, which are net of \$1.7 million in Coronavirus Job Retention Scheme payments.

Directors' Report

For the half year ended 31 December 2020

Reported EBITDA for the period was a loss of \$23.0 million, which compared to a profit of \$5.6 million in the pcp. The reported EBITDA result takes into account the variance from the theoretical VIP program play result which had a positive EBITDA impact of \$0.6 million. This compares to a positive EBITDA impact of \$2.0 million in the pcp.

Crown Digital

Crown's wagering and online social gaming operations comprise Betfair Australasia (a 100% owned, online betting exchange) and DGN Games (an 85% owned, online social gaming business). These businesses continued to operate during the half.

EBITDA from Crown's wagering and online social gaming operations was \$23.2 million, up 64.8% on the pcp. The improved EBITDA result was driven by improved performances from both Betfair and DGN.

Corporate Costs

During the period, corporate costs were \$44.2 million, \$17.4 million above the pcp. The increase in corporate costs was driven by an increase in insurance costs and costs associated with regulatory inquiries.

Cash flow

Net operating cash flow for the period was \$72.3 million, which compared to net operating cash flow of \$419.1 million in the pcp. Other material cash flow items incurred during the period included capital expenditure of \$330.8 million which primarily relates to the continued construction of Crown Sydney.

In August 2020, Crown entered into a \$450 million project finance facility to support the construction of Crown Sydney.

At 31 December 2020, Crown's net debt position (net of hedges) was \$1,240.0 million (excluding working capital cash of \$114.6 million). This consisted of total debt of \$1,719.1 million and cash (excluding working capital cash) of \$479.1 million.

At 31 December 2020, total liquidity, excluding working capital cash, was \$667.5 million, represented by \$479.1 million in available cash and \$188.4 million in committed undrawn facilities.

Junket Relationships

Crown announced on 17 November 2020, that 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.

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 \$24.9 million one-off adjustment to the allowance for expected credit losses, which has been separately classified as a Significant Item.

Dividend

Having regard to the impact of the COVID-19 pandemic on Crown's businesses, the Board has determined not to declare an interim dividend on ordinary shares. Future dividends will be subject to the Board's assessment of Crown's financial position at the appropriate time.

Regulatory Matters

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) 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.

On 17 February 2021, Crown announced that the Gaming and Wagering Commission of Western Australia 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.

Directors' Report

For the half year ended 31 December 2020

Crown has also been subject to a number of other regulatory investigations, including by AUSTRAC and the VCGLR. Crown is fully co-operating in relation to these investigations.

Additionally, on 17 December 2020, Crown announced that the VCGLR will bring forward the seventh review of the Casino Operator and Licence, with the last review having concluded in 2018. The review will assess the suitability of Crown Melbourne Limited (Crown Melbourne) to hold the casino licence in Victoria. The VCGLR will report its findings to the Minister for Consumer Affairs, Gaming and Liquor Regulation (Minister) in 2021.

Auditor's Independence Declaration

Attached is a copy of the auditor's independence declaration in relation to the review for the half year ended 31 December 2020. This auditor's independence declaration forms part of this Directors' report.

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest hundred thousand dollars unless otherwise stated under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Crown is an entity to which this Instrument applies.

Signed in accordance with a resolution of the directors.



Helen Coonan
Executive Chairman

18th February 2021.



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Crown Resorts Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Crown Resorts Limited for the half-year ended 31 December 2020 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Rachel Milum

Rachel Milum
Partner

Sydney
18 February 2021

Statement of Profit or Loss

For the half year ended 31 December 2020

	Note	31 December 2020 \$m	31 December 2019 \$m
Revenues	4	581.0	1,531.5
Expenses	4	(716.1)	(1,219.4)
Share of profits/(losses) of associates and joint venture entities		(7.3)	6.1
Profit/(loss) before income tax and finance costs		(142.4)	318.2
Finance costs	4	(7.8)	(6.6)
Profit/(loss) before income tax		(150.2)	311.6
Income tax benefit/(expense)		29.6	(92.9)
Net profit/(loss) after tax		(120.6)	218.7
Attributable to:			
Equity holders of the Parent		(120.9)	218.2
Non-controlling interests		0.3	0.5
		(120.6)	218.7

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

	31 December 2020 Cents per share	31 December 2019 Cents per share
Earnings/(loss) per share (EPS)		
Basic EPS attributable to ordinary equity holders of the Parent	(17.85)	32.22
Diluted EPS attributable to ordinary equity holders of the Parent	(17.85)	32.20
EPS calculation is based on the weighted average number of shares on issue throughout the period		
Dividends per share		
Current year interim dividend declared	-	30.00
Prior year final dividend paid	-	30.00

Statement of Comprehensive Income

For the half year ended 31 December 2020

	31 December 2020	31 December 2019
	\$m	\$m
Net profit/(loss) after tax	(120.6)	218.7
Other Comprehensive Income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation	(24.0)	9.3
Movement in cash flow hedge reserve	(25.7)	(7.4)
Other comprehensive income/(loss) for the period, net of income tax	(49.7)	1.9
Total comprehensive income/(loss) for the period	(170.3)	220.6
Attributable to:		
Equity holders of the Parent	(169.7)	220.1
Non-controlling interests	(0.6)	0.5
	(170.3)	220.6

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

Statement of Financial Position

As at 31 December 2020

		31 December 2020	30 June 2020
	Note	\$m	\$m
Current assets			
Cash and cash equivalents	6	593.7	286.9
Trade and other receivables		58.8	111.2
Inventories		18.0	17.2
Prepayments		46.3	41.6
Income tax receivable		8.9	-
Total current assets		725.7	456.9
Non-current assets			
Other financial assets		4.5	29.3
Investments in associates	7	166.5	186.0
Property, plant and equipment		5,115.8	4,871.2
Intangible assets - licences		1,039.0	1,047.3
Other intangible assets		348.4	355.6
Deferred tax assets		198.1	170.7
Other assets		46.9	48.8
Total non-current assets		6,919.2	6,708.9
Total assets		7,644.9	7,165.8
Current liabilities			
Trade and other payables		489.6	426.5
Interest-bearing loans and borrowings	8	441.4	8.2
Income tax payable		-	32.5
Provisions		224.8	200.3
Other financial liabilities		0.2	2.4
Total current liabilities		1,156.0	669.9
Non-current liabilities			
Other payables		174.8	172.3
Interest-bearing loans and borrowings	8	1,291.9	1,121.8
Deferred tax liabilities		410.0	420.5
Provisions		27.3	27.0
Total non-current liabilities		1,904.0	1,741.6
Total liabilities		3,060.0	2,411.5
Net assets		4,584.9	4,754.3
Equity			
Contributed equity	9	(203.3)	(203.3)
Reserves		(45.4)	3.1
Retained earnings		4,833.6	4,954.5
Total equity		4,584.9	4,754.3

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

Cash Flow Statement

For the half year ended 31 December 2020

	31 December 2020	31 December 2019
Note	\$m	\$m
Cash flows from operating activities		
Receipts from customers	577.8	1,588.4
Payments to suppliers and employees	(426.5)	(1,098.6)
Dividends received	-	4.3
Interest received	0.6	9.7
Borrowing costs paid	(40.0)	(33.8)
Income tax paid	(39.6)	(50.9)
Net cash flows from/(used in) operating activities	72.3	419.1
Cash flows from investing activities		
Purchase of property, plant and equipment	(330.8)	(426.3)
Investment in equity accounted associates	(0.8)	(2.7)
Net cash flows from/(used in) investing activities	(331.6)	(429.0)
Cash flows from financing activities		
Proceeds from borrowings	571.8	10.4
Repayment of borrowings	(4.3)	(275.1)
Dividends paid	-	(203.1)
Net cash flows from/(used in) financing activities	567.5	(467.8)
Net increase/(decrease) in cash and cash equivalents	308.2	(477.7)
Cash and cash equivalents at the beginning of the period	286.9	1,126.0
Effect of exchange rate changes on cash	(1.4)	3.7
Cash and cash equivalents at the end of the period	593.7	652.0

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

Statement of Changes in Equity

For the half year ended 31 December 2020

	Ordinary Shares	Retained Earnings	Reserves	Total	Non- Controlling Interest	Total Equity
	\$m	\$m	\$m	\$m	\$m	\$m
31 December 2020						
Balance at 1 July 2020	(203.3)	4,954.5	3.1	4,754.3	-	4,754.3
Profit/(loss) for the period	-	(120.9)	-	(120.9)	0.3	(120.6)
Other comprehensive income/(loss)	-	-	(48.8)	(48.8)	(0.9)	(49.7)
Total comprehensive income/(loss) for the period	-	(120.9)	(48.8)	(169.7)	(0.6)	(170.3)
Movement in non-controlling put option	-	-	(1.4)	(1.4)	0.6	(0.8)
Share based payments	-	-	1.7	1.7	-	1.7
Balance at 31 December 2020	(203.3)	4,833.6	(45.4)	4,584.9	-	4,584.9
31 December 2019						
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 for the period	-	218.2	-	218.2	0.5	218.7
Other comprehensive income	-	-	1.9	1.9	-	1.9
Total comprehensive income for the period	-	218.2	1.9	220.1	0.5	220.6
Dividends paid	-	(203.1)	-	(203.1)	-	(203.1)
Movement in non-controlling put option	-	-	0.4	0.4	(0.5)	(0.1)
Share based payments	-	-	1.7	1.7	-	1.7
Balance at 31 December 2019	(203.3)	5,296.3	5.4	5,098.4	-	5,098.4

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

Notes to the Financial Statements

For the half year ended 31 December 2020

1. Corporate Information

The consolidated interim financial report of Crown Resorts Limited (Crown or the Company) and its controlled entities (the Group) for the half year ended 31 December 2020 was authorised for issue, subject to final approval by the Executive Chairman, in accordance with a resolution of the directors on 17 February 2021. Crown is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

2. Basis of preparation and changes to the Group's accounting policies

Basis of preparation

The half year financial report for the six months ended 31 December 2020 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001 (Cth).

The half year financial report does not include all the information and disclosures required in the annual financial report and should be read in conjunction with the annual financial report of Crown as at 30 June 2020. It is also recommended that the half year financial report be considered together with any public announcements made by Crown during the half year ended 31 December 2020 and up to the date of this report in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 (Cth) and the ASX Listing Rules.

The half year financial report is presented in Australian dollars and all values have been rounded to the nearest hundred thousand dollars unless otherwise stated under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Crown is an entity to which this Instrument applies. For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period. In order to conform with the current period's presentation, certain comparatives have been re-presented. Refer note 4 for further information.

Going concern

At 31 December 2020, the Group is in a net current liability position of \$430.3 million (June 2020: \$213.0 million). The financial statements have been prepared on a going concern basis. In determining the appropriateness of the basis of preparation, the Group have considered the impact of the COVID-19 pandemic on the Group's financial position at 31 December 2020 and its operations in future periods.

During the period, Crown was directed by relevant State and Federal Governments to suspend its gaming activities and other non-essential services at Crown Melbourne and Crown Aspinalls in response to the COVID-19 pandemic. The Government mandated closure was effective until 12 November 2020 for Crown Melbourne. Gaming activities re-commenced at Crown Aspinalls on 15 August 2020, but ceased again with effect from 5 November 2020 following the introduction of new Government restrictions in the United Kingdom and remains closed. At Crown Melbourne and Crown Perth, physical distancing restrictions and strict hygiene protocols remain in place, including capacity limits. It remains uncertain for how long these restrictions will remain in place. Gaming activities at Crown Aspinalls remained closed at the date of this report. Subsequent to 31 December 2020, Crown Perth suspended gaming activities from the evening of 31 January 2021 until 14 February 2021 and Crown Melbourne suspended gaming activities from the evening of 12 February 2021 until 18 February 2021 due to Government imposed COVID-19 restrictions.

COVID-19 has had a significant impact on the financial results and financial position and has created significant uncertainty in relation to the Group's cash flow forecasts. The matters which the Group have taken into consideration in forming a view that the Group is a going concern, include but are not limited to, the following:

- At 31 December 2020, the Group has \$479.1 million in available cash and cash equivalents (excluding working capital cash) and \$188.4 million in committed un-drawn facilities.
- Crown expects to commence settlement of the Crown Sydney apartments in the second half of the financial year, with proceeds from committed sales to be used to retire the \$450 million project finance facility.
- The Group has undertaken cash flow modelling reflecting the impact on the Group's operations of continued operating restrictions and border restrictions.

Based on the above, the Group is satisfied that it will be able to continue to meet its liabilities as and when they fall due, over the next twelve months.

New standards, interpretations and amendments thereof, adopted by the Group

The accounting policies adopted in the preparation of the half year financial report are consistent with those followed in the preparation of the annual financial report of Crown for the year ended 30 June 2020, except for the adoption of new or amended standards effective as of 1 July 2020. The adoption of the new or amended standards did not have a material impact on the financial position or performance of the Group during the period.

Notes to the Financial Statements

For the half year ended 31 December 2020

3. 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. The Group 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. Crown Sydney commenced non-gaming operations during the period.

Closure of Crown's Operations

During the period, Crown was directed by relevant State and Federal Governments to suspend its gaming activities and other non-essential services at Crown Melbourne and Crown Aspinalls in response to the COVID-19 pandemic. The Government mandated closure was effective until 12 November 2020 for Crown Melbourne. Gaming activities re-commenced at Crown Aspinalls on 15 August 2020, but ceased operations again with effect from 5 November 2020 following the introduction of new Government restrictions in the United Kingdom and remains closed. During July and August 2020, Crown Melbourne hotels remained open largely to provide the State Government with hotel quarantine services. All other operations at Crown Melbourne were closed or severely limited during this period in accordance with the 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 Melbourne and Crown Aspinalls 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 by the respective properties during the mandated closure period. Consistent with the 2020 financial statements, the closure costs exclude costs in relation to hotel quarantine services provided but include the impact of the JobKeeper program and other similar reimbursements applicable to the closure period. There were no closure costs associated with Crown Perth and Crown's Wagering and Online businesses as their operations were not suspended during the reporting period. When operations were not suspended during the reporting period, the net effect of JobKeeper and the UK Coronavirus Job Retention Scheme are reflected in 'EBITDA before Closure Costs & Significant Items' (\$15.7 million for Crown Melbourne, \$24.7 million for Crown Perth and \$0.9 million for Crown Aspinalls).

Notes to the Financial Statements

For the half year ended 31 December 2020

3. Segment Information *continued***31 December 2020**

	Theoretical Result ^{(1) (6)}							VIP Win Rate & Commission Adjustment ^{(1) (2)}	Actual Crown Group
	Crown Melbourne	Crown Perth	Crown Sydney	Crown Aspinalls	Wagering & Online	Unallocated	Crown Group		
	\$m	\$m	\$m	\$m	\$m	\$m	\$m		
Operating revenue									
Main floor tables	30.3	103.5	-	-	-	-	133.8	-	133.8
Main floor machines	23.4	171.6	-	-	-	-	195.0	-	195.0
VIP program play	3.7	0.4	-	1.2	-	-	5.3	(4.6)	0.7
Wagering & Non gaming	39.7	133.5	0.9	0.1	79.5	-	253.7	-	253.7
Commission adjustment							-	(2.0)	(2.0)
Intersegment							(0.7)	-	(0.7)
Operating revenue	97.1	409.0	0.9	1.3	79.5	-	587.1	(6.6)	580.5
Interest revenue							0.5	-	0.5
Total revenue	97.1	409.0	0.9	1.3	79.5	-	587.6	(6.6)	581.0
EBITDA before Closure Costs ⁽³⁾ & Significant items ⁽⁶⁾	5.8	162.7	(0.7)	(5.3)	23.2	(44.2)	141.5	(4.3)	137.2
Costs incurred during mandated closure ⁽³⁾	(80.4)	-	-	(2.2)	-	-	(82.6)	-	(82.6)
One off allowance for expected credit losses ⁽⁴⁾	(8.1)	(0.7)	-	(16.1)	-	-	(24.9)	-	(24.9)
Crown Sydney pre-opening costs ⁽⁴⁾	-	-	(25.3)	-	-	-	(25.3)	-	(25.3)
EBITDA after Closure Costs ⁽³⁾ & Significant items ⁽⁵⁾⁽⁶⁾	(82.7)	162.0	(26.0)	(23.6)	23.2	(44.2)	8.7	(4.3)	4.4
Depreciation and amortisation	(88.2)	(38.8)	(1.9)	(2.3)	(5.4)	(1.4)	(138.0)	-	(138.0)
Reassessment of contingent consideration - DGN ⁽⁴⁾	-	-	-	-	(2.0)	-	(2.0)	-	(2.0)
Earnings before interest and tax "EBIT" ⁽⁶⁾	(170.9)	123.2	(27.9)	(25.9)	15.8	(45.6)	(131.3)	(4.3)	(135.6)
Equity accounted share of associates' net profit/(loss)									(7.3)
Net interest income/(expense)									(7.3)
Profit/(loss) before tax									(150.2)
Income tax benefit/(expense)									29.6
Profit/(loss) after tax									(120.6)
Non-controlling interest									(0.3)
Profit/(loss) attributable to equity holders of the Parent									(120.9)

(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 period Crown incurred \$2.0 million of actual interstate 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 and Crown Aspinalls whilst the properties were closed due to Government direction (refer commentary above), excluding costs in relation to hotel quarantine services at Crown Melbourne.

(4) These items have been classified as Significant items. Refer note 4(d) for further details.

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

(6) Non-IFRS measures.

Notes to the Financial Statements

For the half year ended 31 December 2020

3. Segment Information *continued*

31 December 2019

	Theoretical Result ⁽¹⁾⁽⁴⁾						VIP Win Rate & Commission Adjustment ⁽¹⁾⁽²⁾ \$m	Actual
	Crown Melbourne	Crown Perth	Crown Aspinalls	Wagering & Online	Unallocated	Crown Group		Crown Group
	\$m	\$m	\$m	\$m	\$m	\$m		\$m
Operating revenue								
Main floor tables	387.5	97.9	-	-	-	485.4	-	485.4
Main floor machines	243.3	144.2	-	-	-	387.5	-	387.5
VIP program play	140.9	35.5	28.4	-	-	204.8	82.9	287.7
Wagering & Non gaming	253.9	154.3	0.6	62.8	0.3	471.9	-	471.9
Commission adjustment						-	(108.4)	(108.4)
Intersegment						(0.8)	-	(0.8)
Operating revenue	1,025.6	431.9	29.0	62.8	0.3	1,548.8	(25.5)	1,523.3
Interest revenue						8.2	-	8.2
Total revenue	1,025.6	431.9	29.0	62.8	0.3	1,557.0	(25.5)	1,531.5
EBITDA before Significant items ⁽⁴⁾	268.7	121.7	3.6	14.1	(26.8)	381.3	65.5	446.8
Crown Sydney pre-opening costs ⁽³⁾					(0.8)	(0.8)	-	(0.8)
EBITDA after & Significant items ⁽⁴⁾	268.7	121.7	3.6	14.1	(27.6)	380.5	65.5	446.0
Depreciation and amortisation	(89.7)	(42.1)	(2.3)	(4.5)	(3.5)	(142.1)	-	(142.1)
Earnings before interest and tax "EBIT" ⁽⁴⁾	179.0	79.6	1.3	9.6	(31.1)	238.4	65.5	303.9
Equity accounted share of associates' net profit/(loss)								6.1
Net interest income/(expense)								1.6
Income tax benefit/(expense)								(92.9)
Profit/(loss) after tax								218.7
Non-controlling interest								(0.5)
Profit/(loss) attributable to equity holders of the Parent								218.2

(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 period Crown incurred \$108.4 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) This item has been classified as Significant items. Refer note 4(d) for further details.

(4) Non-IFRS measures.

Notes to the Financial Statements

For the half year ended 31 December 2020

4. Revenue and Expenses

	31 December 2020 \$m	31 December 2019 \$m
Profit before income tax expense includes the following revenues and expenses:		
(a) Revenue		
Crown Melbourne	90.3	1,106.8
Crown Perth	408.3	409.6
Crown Sydney	0.9	-
Crown Aspinalls	2.0	34.2
Wagering & Online	79.0	62.3
Other	-	0.2
Less Commissions	(2.0)	(108.4)
Total Revenue from Contracts with Customers	578.5	1,504.7
Tenancy revenue	2.0	18.6
Interest	0.5	8.2
Total Revenue	581.0	1,531.5
(b) Expenses ⁽¹⁾		
Employment costs	263.8	495.4
Depreciation and amortisation (refer below)	138.0	142.1
Taxes & levies	105.3	287.9
Cost of sales	38.8	87.4
Property costs	41.2	52.3
One off allowance for expected credit losses	24.9	-
Other expenses ⁽²⁾	104.1	154.3
Total Expenses	716.1	1,219.4
Depreciation of non-current assets (included in expenses above)		
Buildings	46.2	48.2
Plant and equipment	76.8	77.0
Right-of-use assets	4.1	2.6
	127.1	127.8
Amortisation of non-current assets (included in expenses above)		
Casino licence fee and management agreement	10.2	10.2
Other assets	0.7	4.1
	10.9	14.3
Total depreciation and amortisation expense	138.0	142.1
(c) Other income and expense disclosures		
Finance costs expensed:		
Debt facilities	43.2	35.2
Lease liabilities	1.5	1.2
Capitalised interest	(36.9)	(29.8)
	7.8	6.6
(d) Significant items - income / (expense)		
Crown Sydney pre-opening costs	(25.3)	(0.8)
One off allowance for expected credit losses	(24.9)	-
Reassessment of contingent consideration - DGN	(2.0)	-
Tax amounts in significant items	10.2	0.2
	(42.0)	(0.6)

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

Notes to the Financial Statements

For the half year ended 31 December 2020

5. Dividends Paid and Declared

	31 December 2020 \$m	31 December 2019 \$m
(a) Dividends declared and paid during the half year		
<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
(b) Dividends declared and not recognised as a liability		
<i>Current year interim dividend</i>		
No current year interim declared (2019: 30.0 cents per share unfranked)	-	203.1

No shareholder dividend plans are in operation.

6. Cash and Cash Equivalents

For the purpose of the half year cash flow statement, cash and cash equivalents are comprised of the following:

	31 December 2020 \$m	30 June 2020 \$m
Cash on hand and at bank	589.1	158.3
Deposits on call	4.6	128.6
	593.7	286.9

The above closing cash balances includes \$114.6 million (June 2020: \$48.4 million) of cash on the company's premises and cash held in bank accounts needed to run the day to day operations of the businesses and cash (including deposits on call) of \$479.1 million (June 2020: \$238.5 million) for other purposes, including finalising the construction of Crown Sydney.

Notes to the Financial Statements

For the half year ended 31 December 2020

7. Investment in Associates

	31 December 2020	30 June 2020
	\$m	\$m
Investment details		
Associated entities - unlisted shares	166.5	186.0
Total investments in associates	166.5	186.0

Impairment testing

At each reporting date, the Group assesses for each associate whether there is any objective evidence of impairment as a result of one or more events that occurred after initial recognition of the net investment, and the event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. Based on impairment testing undertaken at 30 June 2020, the Group impaired the carrying amount of its investment in Nobu by \$21.7 million.

The Nobu and Aspers Group's continue to be adversely impacted by COVID-19, given the ongoing closure or partial closure of the restaurants/hotels and casino operations, respectively. In addition, Aspers is in communication with its financiers regarding the extension of a syndicated debt facility that matures on 31 March 2021. As a result, the Group determined that this could be considered as objective evidence of impairment and the carrying amount of its investment in each associate was tested for impairment at 31 December 2020.

The recoverable amount of the Group's investment in each associate has been determined based on a value in use calculation using a discounted cash flow methodology covering a four and a half year period, with an appropriate terminal value at the end of that period. The methodology utilises cash flow and dividend forecasts that are based on the latest business plans and financial forecasts prepared, reflecting current market conditions.

Based on the valuation techniques performed, there was no impairment charge recorded against the Group's investment in Nobu or Aspers. An adverse change in any of the assumptions utilised to determine the recoverable amount of Nobu may lead to an impairment charge for the Group's investment in Nobu. The assessment of no impairment charge for Aspers has been determined based on the forecast extension of the syndicated debt facility, either with the current financiers or a refinance with new lenders. To the extent that Aspers is unable to secure an extension or refinance of the debt maturing on 31 March 2021, the Group's investment in Aspers could be considered impaired and an impairment charge recognised. The Group will continue to monitor the performance of all associates going forward and consider the impact on the carrying value.

8. Interest-Bearing Loans and Borrowings

	31 December 2020	30 June 2020
	\$m	\$m
Current		
Bank Loans	431.7	-
Lease Liabilities	8.7	7.2
Other loans	1.0	1.0
	441.4	8.2
Non-current		
Bank Loans	420.0	280.0
Capital Markets Debt ⁽¹⁾	804.5	790.3
Lease Liabilities	67.4	51.5
	1,291.9	1,121.8

(1) Includes Euro Medium Term Notes of \$188.8 million based on the prevailing exchange rate at 31 December 2020. Crown has in place a hedging arrangement whereby the ultimate amount payable at maturity for the notes is \$174.6 million.

Notes to the Financial Statements

For the half year ended 31 December 2020

8. Interest-Bearing Loans and Borrowings *continued*

At 31 December 2020, Crown had total credit facilities (net of hedging arrangements) of \$1,996.8 million (June 2020: \$1,636.6 million), with \$1,643.1 million drawn (June 2020: \$1,071.3 million), letters of credit issued of \$165.3 million (June 2020: \$164.0 million) and \$188.4 million undrawn (June 2020: \$401.3 million).

During the period, Crown executed a \$450 million project finance facility to support the construction of Crown Sydney. The project finance facility is secured by certain Property, Plant and Equipment and will mature in December 2021. This facility is expected to be fully retired by the proceeds of the Crown Sydney apartment sales.

9. Contributed Equity

	31 December 2020 \$m	30 June 2020 \$m
Issued share capital		
Ordinary shares fully paid	(203.3)	(203.3)

	31 December 2020 No.	30 June 2020 No.
Issued share capital		
Ordinary shares fully paid	677,158,271	677,158,271

Due to share buy-backs in prior periods being undertaken at higher prices than the original subscription prices, the balance of contributed equity is reflected as a negative balance, which shows the excess value of shares bought over the original amount of subscribed capital.

10. Commitments

Capital expenditure commitments

	31 December 2020 \$m	30 June 2020 \$m
Estimated capital expenditure contracted for at balance date, but not provided for:		
Payable within one year	157.7	447.7
	157.7	447.7

Crown Sydney gaming tax guarantees

Crown has provided two gaming tax guarantees to the NSW Government relating to Crown Sydney. Firstly, Crown has guaranteed that over the three consecutive financial years, beginning with the financial year in which Crown Sydney commences gaming operations, the aggregate of normalised gaming taxes generated by Crown and The Star is at least equal to three times the normalised gaming taxes generated by The Star in the financial year prior to commencement of gaming at Crown Sydney. Secondly, that over the first 15 years of Crown Sydney's full operations, the NSW Government will receive from Crown at least \$1 billion in normalised gaming taxes, including the licence fee of \$100 million previously paid.

Notes to the Financial Statements

For the half year ended 31 December 2020

11. Government Grants

During the period, Crown was entitled to government payments relating to employee retention schemes in Australia and the UK as a result of COVID-19 totalling \$146.3 million, the accounting for which is detailed below. 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, are expensed.

Crown Melbourne was closed for the majority of the half, and qualified for JobKeeper throughout this period. Crown Perth was open and operated in a restricted capacity from the commencement of the reporting period, and qualified for JobKeeper through to the end of the first phase on 27 September 2020.

Under the JobKeeper program, Crown recorded \$51.8 million in payroll subsidies which related to the period from 1 July 2020 through to 31 December 2020 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 4(b).

Crown has recorded a further \$91.9 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 \$2.6 million in Coronavirus Job Retention Scheme (UK) payments relating to employees that were stood down at Crown Aspinalls.

At 31 December 2020, the amount receivable to Crown was \$22.9 million.

12. Impairment Testing of CGU's

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 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. At 31 December 2020, potential indicators of impairment existed for the Crown Melbourne, Crown Perth and Crown Sydney CGUs, and updated impairment testing was undertaken for these CGUs. No potential indicators of impairment were identified for the DGN and Betfair CGUs at 31 December 2020 and therefore an updated impairment analysis was not undertaken.

Potential indicators of impairment also existed for the Crown Aspinalls CGU, where an impairment loss of \$52.8 million against the goodwill was recorded at 30 June 2020. As a result, the fixed assets of Crown Aspinalls were tested for impairment at 31 December 2020.

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. The recoverable amount of the Crown Melbourne and Crown Perth CGUs has been determined based on a value in use calculation using a discounted cash flow methodology covering a four and a half year period, with an appropriate terminal value at the end of that period. The methodology utilises cash flow forecasts that are based on the latest business plans and financial forecasts prepared, reflecting current market conditions.

The recoverable amount of the Crown Aspinalls and Crown Sydney CGUs have been determined based on fair value less costs of disposal, utilising a combination of independent valuations undertaken by third parties, forecast earnings for the CGU as well as trading multiples of entities of a similar nature to each CGU.

Value in use assessment

The following describes each key assumption on which the Group has based its cash flow projections to undertake impairment testing under the value in use method.

- Cash flow forecasts are based on past performance and expectations for the future using a four and a half year cash flow period, risk adjusted where applicable. COVID-19 continues to have a major impact on Australian and international economies. A level of uncertainty previously unseen has resulted in increased difficulty in developing cash flow forecasts. Therefore the Group considered the uncertainty around the duration of the current restricted operating conditions and border restrictions in determining cash flow forecasts.
- For the purposes of impairment testing, allowances have been made in order to reflect the estimated impact of Crown's announcement regarding dealings with Junket operators, as well as the estimated impact of COVID-19 on Crown's businesses. The model assumes a gradual easing of restrictions over the plan period.
- Terminal value is calculated using a perpetuity growth formula based on cash flow forecasts using a weighted average cost of capital (after tax) and forecast growth rate.

Notes to the Financial Statements

For the half year ended 31 December 2020

12. Impairment Testing of CGU's *continued*

Value in use assessment *continued*

- Forecast growth rates are based on past performance and management's expectations of future performance as at 31 December 2020, based on the current circumstances, nature of the products and industries in which each business operates. The terminal growth rates for beyond the four and a half year period do not exceed the forecasted long term Australian inflation rate of 2.50% (June 2020: 2.50%).
- A weighted average cost of capital (before tax) of 9.7% (June 2020: between 9.1% and 14.7%) was used by the Group in impairment testing, risk adjusted where applicable.

Fair value less costs of disposal assessment

The following describes each key assumption on which management has based its recoverable amount calculations under the fair value less costs of disposal method. The below assumptions are in addition to those assumptions utilised in the independent valuations undertaken by third parties with respect to the CGUs.

For calculations using trading multiples of entities of a similar nature to each CGU the key assumptions are:

- Trading multiples of publicly listed companies and entities of a similar nature to the CGU of 10.5x applied to Crown Sydney's forecast FY24 EBITDA have been utilised.
- Cost of disposal of 1.0% has been utilised to discount the implied fair value.
- In determining the forecast EBITDA to which the trading multiples were applied, the Group considered earnings forecasts based on the latest business plans and financial forecasts prepared, reflecting current market conditions, risk adjusted where applicable. COVID-19 has had a major impact on Australian and international economies. A level of uncertainty previously unseen has resulted in increased difficulty in developing earnings forecasts. Therefore the Group considered the uncertainty around the duration of restricted operating conditions and border restrictions in determining earnings forecasts.

The fair value measurement for the Crown Aspinalls and Crown Sydney CGUs are considered to be level 3 in the fair value hierarchy, as it is based on using inputs that are not based on observable market data. Where available, applicable level 2 information has been taken into account (refer to note 13 for explanation of the valuation hierarchy).

Outcome of impairment tests

Based on the valuation techniques performed, no impairment loss has been recorded against the Group's assets at 31 December 2020. At 30 June 2020 there were indicators of impairment for the Crown Aspinalls CGU, and based on the impairment testing, an impairment loss of \$52.8 million was recorded against the goodwill of Crown Aspinalls in the prior year.

Sensitivity analysis

For the Crown Melbourne and Crown Perth CGUs where the recoverable amount was determined based on the value in use calculation, the key estimates and assumptions used to determine the value in use are based on management's current expectations based on past experience, prevailing regulatory and licence conditions, current circumstances surrounding COVID-19, Crown's announcement regarding dealings with Junket operators, future plans and external market information. They are considered to be reasonably achievable, however significant changes in any of the key estimates and assumptions or regulatory environments may result in a CGUs carrying value exceeding its recoverable value, resulting in an impairment charge.

It is not considered that any reasonable possible change in any of the above assumptions would cause the carrying value of the Crown Melbourne CGU to materially exceed its recoverable amount. With respect to Crown Perth, based on the cash flows adopted in the calculation of recoverable amount, an increase in the discount rate (weighted average cost of capital after tax) of 150 bps (June 2020: 100 bps) or a decrease in terminal growth rate of 150 bps (June 2020: 120 bps), in isolation and with all other assumptions held constant, could give rise to an impairment.

For the Crown Aspinalls and Crown Sydney CGUs where the recoverable amount was determined based on fair value less costs of disposal, the key assumptions used to determine the fair value include management's current expectations based on past experience, prevailing regulatory and licence conditions, current circumstances surrounding COVID-19, Crown's announcement regarding dealings with Junket operators, future plans and external market information, as well as trading multiples and assumptions used in the independent valuations undertaken (as applicable). They are considered to be reasonably achievable, however significant changes in any of the key estimates and assumptions or regulatory environments may result in a CGUs carrying value exceeding its recoverable value, resulting in an impairment charge.

The Group will continue to monitor the performance of all CGUs going forward, and consider the impact on the impairment testing assumptions and carrying value.

Notes to the Financial Statements

For the half year ended 31 December 2020

13. Financial Instruments

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the Group as at 31 December 2020:

	Loans and receivables at amortised cost \$m	Fair value profit or loss \$m	Fair value other comprehensive income \$m	Present value equity reserve \$m
31 December 2020				
Financial assets:				
Trade and other receivables	58.8	-	-	-
Total current	58.8	-	-	-
Cross currency swap contracts	-	-	4.5	-
Total non-current	-	-	4.5	-
Total	58.8	-	4.5	-
Financial liabilities:				
Trade and other payables	473.2	4.1	-	12.3
Interest bearing loans and borrowings	441.4	-	-	-
Interest rate swap contracts	-	-	0.2	-
Total current	914.6	4.1	0.2	12.3
Other long term payables	174.8	-	-	-
Interest bearing loans and borrowings	1,291.9	-	-	-
Total non-current	1,466.7	-	-	-
Total	2,381.3	4.1	0.2	12.3
30 June 2020				
Financial assets:				
Trade and other receivables	111.2	-	-	-
Total current	111.2	-	-	-
Cross currency swap contracts	-	-	29.3	-
Total non-current	-	-	29.3	-
Total	111.2	-	29.3	-
Financial liabilities:				
Trade and other payables	412.5	2.4	-	11.6
Interest bearing loans and borrowings	8.2	-	-	-
Interest rate swap contracts	-	-	2.4	-
Total current	420.7	2.4	2.4	11.6
Other long term payables	172.3	-	-	-
Interest bearing loans and borrowings	1,121.8	-	-	-
Total non-current	1,294.1	-	-	-
Total	1,714.8	2.4	2.4	11.6

Instruments allocated to the column 'fair value other comprehensive income' are derivative financial instruments designated as cash flow hedges.

Notes to the Financial Statements

For the half year ended 31 December 2020

13. Financial Instruments *continued***Risk management activities**

The Group's business activities expose it to the following risks; market risks (interest rate, share price and foreign exchange), credit risk and liquidity risk. For each of these risks, the Group considers the counterparties, geographical area, currency and markets as applicable to determine whether there are concentrations of risk.

During the period, the Group entered into and maintained interest rate swap contracts and cross currency swap contracts, which were designated in hedge accounting relationships. These hedges were assessed to be highly effective as at 31 December 2020.

For the period ended 31 December 2020, an unrealised loss of \$25.7 million in relation to the above interest rate swap and cross currency swap contracts was included in other comprehensive income.

Fair value of financial instruments

The fair value of the Group's financial assets and financial liabilities approximates the carrying value as at balance date.

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level One - the fair value is calculated using quoted prices in active markets;
- Level Two - the fair value is estimated using inputs other than quoted prices included in Level One that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level Three - the fair value is estimated using inputs for the asset or liability that are not based on observable market data, including cash flow forecasts, implied growth rates and implied discount rates.

As at 31 December 2020, the Group held the following classes of financial instruments measured at fair value:

	Valuation Technique			Total \$m
	Quoted market price	Observable inputs	Non market observable	
	Level One \$m	Level Two \$m	Level Three \$m	
31 December 2020				
Financial Assets				
Cross currency swap contracts	-	4.5	-	4.5
	-	4.5	-	4.5
Financial Liabilities				
Contingent consideration	-	-	4.1	4.1
Interest rate swap contracts	-	0.2	-	0.2
	-	0.2	4.1	4.3
30 June 2020				
Financial Assets				
Cross currency swap contracts	-	29.3	-	29.3
	-	29.3	-	29.3
Financial Liabilities				
Contingent consideration	-	-	2.4	2.4
Interest rate swap contracts	-	2.4	-	2.4
	-	2.4	2.4	4.8

Notes to the Financial Statements

For the half year ended 31 December 2020

13. Financial Instruments *continued*

Fair value of financial instruments *continued*

During the period ended 31 December 2020, there were no transfers between fair value measurement levels.

The contingent consideration as at 31 December 2020 is due in early 2021, based on the earnings for the year ended 31 December 2020 of the DGN Group.

Reconciliation of Level Three recurring fair value movements

	31 December 2020 \$m	30 June 2020 \$m
Financial Liabilities		
Opening balance	2.4	0.7
Profit and Loss	2.0	1.7
Other comprehensive income	(0.3)	-
Closing Balance - Financial Liabilities	4.1	2.4

The Profit and Loss and other comprehensive income amount in the prior comparative period represents a 12 month movement.

Notes to the Financial Statements

For the half year ended 31 December 2020

14. Contingent Liabilities and Related Matters

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. 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. Further detail in relation to this class action, including a copy of the Statement of Claim and Amended Statement of Claim, is available on Maurice Blackburn's website. Crown has announced that it intends to vigorously defend the proceeding.

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's disclosure says 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 has announced that it intends to vigorously defend 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.

Regulatory matters

As announced by Crown on 19 October 2020, Crown Melbourne Limited (Crown Melbourne) is the subject of a formal enforcement investigation by AUSTRAC's Enforcement Team into potential non-compliance with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (**AML/CTF Act**) and *Anti-Money Laundering and Counter-Terrorism Financing Rules 2007* (Cth). 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. Crown is cooperating with AUSTRAC in the course of its investigation.

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

Separately, Crown has also voluntarily provided to AUSTRAC information and documents relating to certain AML/CTF matters arising during the course of the ILGA inquiry, including potential money laundering through the bank accounts of Riverbank Investments Pty Ltd and Southbank Investments Pty Ltd. Crown is engaging with AUSTRAC in relation to these matters.

While there is a material prospect that AUSTRAC may take enforcement action, whether it does so is at this stage uncertain, as is the type of enforcement action it may take and the potential financial penalty that may result from any enforcement action.

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 its regulators regarding a wide variety of matters. As announced on 12 October 2020, Crown Melbourne received a Show Cause Notice from the Victorian Commission for Gambling and Liquor Regulation (VCGLR) relating to Crown Melbourne's compliance with its Internal Control Statement for junket operations (ICS) as required under the *Casino Control Act 1991* (Vic). The investigation has yet to be concluded and the potential outcome remains uncertain. Following the release of the Inquiry Report, ILGA has indicated that it may require a number of things to be addressed through the consultation process which may have a financial impact on Crown that cannot yet be quantified.

Notes to the Financial Statements

For the half year ended 31 December 2020

15. Events After the Reporting Period

On 9 February 2021, the Inquiry Report was released. 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.

On 17 February 2021, Crown announced that the Gaming and Wagering Commission of Western Australia 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.

On 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 due to COVID-19. Non-gaming operations recommenced on 6 February 2021 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.

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. From 18 February 2021, Crown Melbourne recommenced operations 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.

On 15 February 2021, Crown announced that Helen Coonan would assume the role of Executive Chairman on an interim basis and that Ken Barton stepped down from his role as Chief Executive Officer and Managing Director of Crown.

Subsequent to 31 December 2020, Andrew Demetriou, Guy Jalland and Michael Johnston resigned as directors of Crown.

Directors' Declaration

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001* (Cth), including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* (Cth); and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'Helen Coonan', with a long horizontal line extending to the right.

Helen Coonan
Executive Chairman

18th February 2021.



Independent Auditor's Review Report

To the shareholders of Crown Resorts Limited,

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Crown Resorts Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Crown Resorts Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2020 and of its performance for the **Half-year** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-year Financial Report** comprises:

- Statement of Financial Position as at 31 December 2020
- Statement of Profit or Loss, Statement of Comprehensive Income, Cash Flow Statement and the Statement of Changes in Equity for the Half-year ended on that date
- Notes 1 to 15 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Group** comprises Crown Resorts Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Rachel Milum

Partner

Sydney

18 February 2021