



**ASX/MEDIA RELEASE
FOR IMMEDIATE RELEASE
21 October 2021**

2021 AGM – CHAIRMAN AND CEO ADDRESSES

MELBOURNE: Crown Resorts Limited (ASX:CWN) (Crown): In accordance with ASX Listing Rule 3.13.3, Crown attaches the Chairman and Chief Executive Officer addresses for the 2021 Annual General Meeting.

The 2021 Annual General Meeting, which is being held as a virtual meeting, will be webcast live at <https://web.lumiagm.com> (Meeting ID: 339 372 678) from 10:00am (AEDT) today. The webcast will subsequently be made available on Crown's website.

For information on how to access the live webcast, please refer to the Crown AGM User Guide which is available at <https://www.crownresorts.com.au/Investors-Media/Annual-General-Meetings>.

ENDS

This announcement was authorised for release by the Crown Board.

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COPIES OF RELEASES

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

Crown Resorts Limited
2021 Annual General Meeting
Chairman and CEO Addresses
10:00am, Thursday, 21 October 2021

ADDRESS BY JANE HALTON AO PSM, INTERIM CHAIRMAN

The 2021 financial year ranks as one of the most challenging in Crown's history, with extensive impacts on our operations from the pandemic and unprecedented levels of public and regulatory scrutiny.

During the year, a repeat of 2020's extended lockdowns to reduce community transmission of COVID-19 stymied economic activity across the nation and particularly in Victoria and New South Wales, with the hospitality sector one of the hardest hit industries.

Restrictions on travel between states and territories – and the continuing closure of the Australian border to international visitors – have also had a devastating impact on the tourism industry.

With my background in public health, I appreciate the pandemic presents complex issues for the community, both globally and within Australia, forcing changes to many aspects of our work and daily lives.

From Crown's perspective, the health, safety and wellbeing of our employees, customers and the community remains paramount in our considerations.

Crown's financial results for the year ended 30 June 2021 reflect the severe impact on operations of the COVID-19 pandemic.

Annual revenues were down by about a third, with Crown recording a consolidated net loss after tax of approximately \$260 million. No dividends were declared or paid in respect of the 2021 financial year.

With the COVID pandemic now extending into a third financial year, the impacts for our employees, customers and suppliers have been significant.

We have been proactive in seeking ways to support our people through these challenging times. This has included financial support to employees who have been stood down and those suffering serious financial hardship, as well as other forms of support, such as ongoing access to Crown's assistance and wellness programs.

I would like to take this opportunity to thank all of our employees for their dedication, resilience and patience throughout an extremely challenging period.

We have also provided support for the communities in which we operate, including through the ongoing work of the Crown Resorts Foundation and its program partners in supporting Indigenous education, arts, culture, community welfare and medical research programs. In a very difficult year for both fundraising and program delivery, the Foundation has worked with our partners to overcome the challenges with remote learning and delivery that would otherwise exacerbate existing disadvantages. The Foundation's community partnerships included the National Centre of Indigenous Excellence, Peter MacCallum Cancer Centre, National Gallery of Victoria and the Clontarf Foundation.

We are also incredibly proud of our employees who continued to volunteer, and mobilised to do what they could to support their own local communities through the Community Champions program.

In addition to the impact of the pandemic, Crown continues to face additional uncertainty from ongoing regulatory investigations.

Crown has acknowledged that the various regulatory processes to which it is subject have identified numerous failings and we have apologised for these. As a Board and as a Company, we are committed to doing everything in our power to redress these failings and restore public and regulatory confidence in our operations

We continue with a cooperative and constructive approach to the inquiries and regulatory processes still underway.

Transformation and Remediation

In response to matters raised throughout the various inquiries and in engagement with our regulators, we have taken action to reform our organisation from the Board down.

Implementation of elements of this reform program began ahead of the findings of the Bergin Inquiry in NSW.

The Bergin Report – handed down in February this year – commented on the many reforms that had already been undertaken, but recommended additional changes in key areas before we could be considered suitable to operate gaming in Sydney.

Our reform program has picked up pace across all areas of the organisation since the release of the Bergin Report.

These reforms, which are detailed in our comprehensive remediation plan, are changing the way we conduct our business as we work to demonstrate that we can deliver and sustain best practice responsible gaming, governance, compliance, risk management and culture.

To illustrate the meaningful change that has already been implemented at Crown, I would now like to briefly highlight some aspects of the reform program.

Renewed Leadership

There has been significant change at both the Board and senior executive level over the past 12 months, and there is now almost entirely new leadership in place at Crown.

As promised, we accelerated the process of Board renewal during 2021. At the conclusion of today's Annual General Meeting, 10 of the 11 directors present at Crown's 2020 AGM will have left Crown.

Ziggy Switkowski will join the Board as Chairman following receipt of all necessary regulatory approvals. The Board welcomes Dr Switkowski to Crown. He is a highly respected Melbourne-based businessman and academic who the Board is confident has the necessary capability and experience to lead the Board at what is a critical time.

During the year we also welcomed new independent non-executive directors, Nigel Morrison and Bruce Carter, and recently announced the appointment of Anne Ward to the Board, pending regulatory approval. All four new directors bring extensive experience and complementary expertise to strengthen the Board.

Given the appointments of both Dr Switkowski and Ms Ward remain subject to regulatory approval, their election will be put to shareholders at Crown's next Annual General Meeting in 2022.

On behalf of the Board, I would like to acknowledge the directors who departed during the year for their contribution to Crown.

In particular, I would like to recognise former Chairman Helen Coonan for her leadership during an extremely challenging period for the company. Helen played an important role, particularly when stepping up as Executive Chairman during the 2021 financial year.

Along with Toni Korsanos, who retires as a director at the conclusion of today's meeting, Helen made a major contribution to Crown's reform program and steered the company during a time of significant change and disruption.

There has also been considerable change at the senior management level, in particular the appointment of Steve McCann as CEO and Managing Director. After more than a decade as the CEO of Lendlease, Steve has the experience, capacity and integrity to lead Crown through the extensive reformation already underway.

Recognising the importance of Crown Melbourne to Crown, Steve will move to Melbourne as soon as practicable, following his recent additional appointment to the role of Chief Executive Officer of Crown Melbourne.

Steve is supported by an experienced and refreshed management team operating under a revised organisational structure.

This revised structure has seen key compliance functions separated from operations, with greater transparency and reporting lines to the Board and Board committees. This has resulted in the creation of new senior positions, including a Chief Compliance & Financial Crime Officer and Chief Risk Officer. In addition, in support of the significant work on cultural reform, we have introduced a new group HR function to drive cultural consistency across the organisation, with the creation of a Chief People & Culture Officer role.

Culture Reforms

Recognising the importance of 'tone from the top', Crown's renewed leadership is accelerating the cultural reform that is underway as part of Crown's Culture Transformation Program.

With the assistance of external experts in the field, this program has involved a detailed analysis of Crown's current culture, including organisation wide surveys, focus groups, targeted sessions with employees and leadership forums, and the development of a detailed cultural reform roadmap to move Crown to its target organisational culture, which is now in the process of being implemented.

To guide the transformation of our culture, we need a clear vision, a clear purpose and a clear set of values that our people understand and embrace as they go about their work. These are designed to be consistent with our legal obligations and with our social licence to operate. The community expect us to operate with the highest standards of integrity, to be a good employer and to play our role as a member of the communities in which we operate.

This is why Crown has reviewed and refreshed its purpose statement and values, which I am pleased to be able to share with you today.

At Crown, we have always been about creating exceptional, world-class experiences for our customers. But we acknowledge that to act consistently with our social licence to operate, we need to create exceptional experiences with the utmost respect and care for our customers, for each other and for our broader communities.

Our revised purpose statement, *'Together, we create exceptional experiences with respect and care for our communities'*, reflects this renewed focus on how we deliver those exceptional experiences.

Our purpose is underpinned by our four core values:

- *We act with integrity;*
- *We work together;*
- *We care; and*
- *We strive for excellence.*

Our leaders will be assessed on delivery against these values, as will everyone in the organisation. Our policies and procedures will reflect them and reward and recognition will be linked directly to them.

Other Reforms

I will now briefly touch on some other very important reforms which are outlined in today's slides.

Significant progress has been made on uplifting Crown's Financial Crime Program. Crown's new Chief Compliance and Financial Crime Officer, Steven Blackburn, has developed a comprehensive AML/CTF Change Program, and good progress has been made on its implementation.

We have sought to reduce the risk of criminal elements utilising Crown's facilities through other reforms, including our decision to cease dealing with all junket operators and the implementation of the Significant Player Review process, which has resulted in the exit of a number of historical customer relationships.

We have also implemented a series of enhancements to our approach to responsible gaming, and are continuing to work with experts in the field on further improvements, particularly on those aspects of our program that were the subject of criticism during the Victorian Royal Commission.

The Crown Board is committed to working with Steve and his new management team on behalf of shareholders to ensure our remediation plan is implemented, and that the new reforms are embedded and will be sustained across the organisation.

Before turning to the priorities for the year ahead, I would like to acknowledge concerns raised by shareholders and proxy advisers in respect of the Remuneration Report, and note the number of votes that have been cast against the Remuneration Report based on the proxy positions received before the meeting.

In conversations in the lead up to today's meeting, particular concerns have been expressed in relation to the end of employment arrangements with former executives, and aspects of the new remuneration package agreed for Steve McCann.

I would like to thank all those shareholders who have provided their feedback.

As I have just detailed, we have seen very significant and almost unprecedented change in our senior management, many of whom were long-standing executives. The changes to our organisational structure and leadership were required to accelerate and progress the implementation of Crown's transformation and remediation programs.

The Board carefully reviewed each executive's termination arrangements, our legal obligations and the surrounding circumstances at the time these decisions were made, including obtaining advice. In this context, the Board considers its decisions on the termination payments to former senior executives were made in the best interests of shareholders having regard to the circumstances facing the Company.

Following a thorough search process, Steve was identified as an experienced CEO who had the necessary experience, knowledge, skills and character to lead Crown moving forward. Through this process, the Board took steps to ensure that his total remuneration package was benchmarked against the market, whilst

ensuring it was sufficiently competitive to attract, motivate and retain a highly credentialed CEO at what was, and continues to be, a challenging and uncertain time for the business.

As part of our transformation and remediation, Crown continues to review and adjust its remuneration strategy and framework to ensure remuneration outcomes are aligned with market practice, and community, regulatory and shareholder expectations. The details of this revised remuneration framework are currently being developed by the Board, and further details will be provided in the 2022 Annual Report.

As you would expect, the Board and the new executive leadership team are now firmly focused on what they need to do to deliver a successful future for Crown and for the benefit of all stakeholders.

Looking Ahead

Looking ahead, the Crown Board accepts the organisation will continue to face near-term uncertainty.

The ongoing impact of COVID-19 will mean operating restrictions are likely to continue to materially influence business performance.

We also await the outcomes of various inquiries and regulatory processes, with the final report from the Victorian Royal Commission expected to be publicly released imminently and the Perth Casino Royal Commission scheduled to report by early March next year.

We continue to work closely with ILGA on our remediation program for New South Wales.

Despite the uncertainty facing the business, we remain focused on transformation and remediation efforts to address the shortcomings of the past. We will not be distracted from this task.

We believe successful implementation of our remediation plan will position Crown as an industry leader in our approach to governance, compliance, responsible gaming and the management of risk – in particular the risk of financial crime. All underpinned by a revamped organisational culture.

Under the leadership of our significantly renewed Board and senior management team, Crown is well placed to continue the momentum of change as we implement these reforms.

Crown has a special portfolio of premium integrated resorts, which are well positioned to make a strong recovery once Australia emerges from the current challenges of the pandemic. Crown Melbourne and Crown Perth are world-class entertainment precincts, and we are excited about the prospects of Crown's new six-star resort, Crown Sydney.

Shareholders, your Board remains determined to restore the trust of Governments, our regulators and communities as a responsible operator of outstanding quality integrated resorts.

While we accept there is still much work to do, I can assure you we have made real progress in reforming the company.

I firmly believe we are on the right path to address our challenges, leading to long-term sustainable shareholder value.

I will now hand over to Steve McCann, for his address.

ADDRESS BY STEVE MCCANN, CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR

Thank you, Jane and good morning ladies and gentlemen.

I too would like to acknowledge the Traditional Custodians of the land on which our resorts are located and pay my respects to Elders past, present and emerging.

This is my first opportunity to address shareholders directly at a Crown Annual General Meeting. Leading a company like Crown comes with significant responsibility and scrutiny – never more so than now. In the nearly five months since joining Crown, I have come to understand in greater detail the challenges confronting the organisation. While we have a lot of hard work ahead of us, the Board and management of Crown are committed to restoring the reputation of the organisation and driving an appropriate return for shareholders in a responsible manner.

Crown remains a strong and resilient brand. The integrated resorts in Melbourne, Perth and Sydney are world-class. Our dedicated and talented people underpin our premium service and strive to provide exceptional experiences.

We need to build the right culture and provide the direction and support for our people to enable them to set the business on the right path for growth and to maximise the value of our outstanding assets.

We must do things differently to how they have been done in the past.

A substantial culture reform program is underway across the business. We have refreshed our Purpose and Values and are embedding a new way of working.

We are substantially upgrading our processes and systems to make it easy for our people to perform at their best, to manage risk appropriately, and to provide transparent and accurate information. We are creating an environment which will help our people to act with integrity and care, and to speak up around any issues that do not align with our values.

Complementing structural and cultural change, we are moving quickly in installing experienced executive leadership to help drive the transformation of the business.

We have appointed Betty Ivanoff as Group General Counsel, Tony Weston as Chief People and Culture Officer, Nick Weeks as Executive General Manager - Transformation & Regulatory Response, and Steven Blackburn as Chief Compliance and Financial Crime Officer. We have also recently announced the appointment of Craig Durham as Group Company Secretary and Legal Counsel and recently welcomed Jeannie Mok as Chief of Staff, subject to regulatory approvals.

In addition to my position of Crown Resorts CEO, my responsibilities were recently expanded with my appointment as the Crown Melbourne CEO. This streamlined structure properly recognises the importance of our flagship business, Crown Melbourne.

As part of our reforms, we have clarified organisational responsibilities and materially enhanced capabilities and resourcing in our Financial Crime, Compliance, Risk Management and Responsible Gaming functions.

In addition, we have implemented other important changes, including the introduction of the Significant Player Review process, which has resulted in the exit of a number of customer relationships, we have ceased dealing with all junket operators and restructured the VIP international business, introduced a number of further responsible gaming reforms, ended political donations and announced plans to phase out indoor smoking at our Australian resorts by the end of next year.

There is no question these reforms represent fundamental changes that will strengthen our business. We will continue to work hard to implement these reforms as we seek to restore Crown's reputation and build the trust of our communities, regulators, governments and investors.

2021 Financial Performance

Turning now to our operating performance.

In the 2021 financial year, Crown's full year results reflected the severe impact on operations from the pandemic. We reported revenue of around \$1.5 billion, down over 30 per cent, and a net loss after tax of over \$260 million.

Crown Melbourne faced significant disruption. Gaming operations were closed for 160 days of the financial year and, when open, facilities were subject to ongoing operating restrictions.

In contrast, Crown Perth delivered a relatively strong performance. Crown Perth re-opened with restrictions towards the end of June 2020 and remained open for the entirety of the first half, trading above expectations.

Crown Perth faced several short-term closures throughout the second half, with gaming operations closed for a total of 27 days. Whilst trading performance has rebounded quickly following each shutdown, overall performance moderated throughout the course of the year.

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

The residential component of the project, "Crown Residences", is also complete with residents moving into the building from April 2021.

The completion of Crown Sydney stands out as a significant milestone for the company, which we believe will deliver long term benefits to shareholders and the broader business.

Already Crown Sydney has been recognised with global awards for its luxury hospitality and quality architectural design.

While gaming operations are yet to commence as we continue our consultation process with the NSW Independent Liquor and Gaming Authority on suitability, the non-gaming operations observed encouraging property visitation. Crown Sydney delivered an overall operating loss for the financial year given the impact of COVID-19 related restrictions, border closures and the limited scale of operations.

We recently secured an extension of the interim liquor licences at Crown Sydney, which will allow for the continued service of alcohol in non-gaming areas through to 30 June 2022.

Although COVID-19 restrictions have made it a more challenging environment to sell luxury apartments in Sydney, we remain encouraged by our continued momentum in Crown Sydney apartment sales, with approximately \$1.1 billion in gross sales and pre-sale commitments achieved to date. We are hoping to have settled on all apartments by 30 June next year.

Recent Trading

Unfortunately, COVID-19 related restrictions are continuing to impact performance in the new financial year.

Crown Melbourne has been closed for the majority of this financial year. We welcome the Victorian Government's roadmap for the easing of COVID-19 restrictions, which provides the pathway for staff to get back to work and for patrons to return to Crown Melbourne to enjoy the world-class facilities on offer.

Under the roadmap, restrictions will be progressively eased as vaccination targets are met. Non-gaming operations will be permitted to re-open this week under restriction for vaccinated employees and guests. Once over 80% of over 16s have been fully vaccinated, which is expected in the next couple of weeks, gaming operations will be able to re-open under restriction, including capacity limits and density quotients.

In Sydney, we commenced welcoming back fully vaccinated employees and our guests to Crown Sydney last Monday in line with the NSW Government's roadmap for reopening, with the property having been closed since the end of June.

Monitoring compliance of mandatory vaccination policies for guests is expected to result in higher security costs in the near term – particularly in Melbourne given the multiple entry points across the complex.

In Western Australia, Crown Perth recommenced operations in early July following a short-term closure, with the removal of remaining restrictions from 12 July.

Over the period 12 July to 17 October, main floor gaming revenue is down 9% on last year, but up 6% on the equivalent period in the 2020 financial year, reflecting the strong early performance upon reopening last financial year.

Over the same period, non-gaming revenue is up 34% on last year, reflecting the restrictions which remained in place upon re-opening to start the 2021 financial year, as well as the continued closure of the Crown Promenade hotel at the time. On the equivalent period in to start the 2020 financial year, non-gaming revenue is up 7%.

Revenue to start this financial year from Crown's online wagering and social gaming operations, Betfair and DGN, is down 10% on last year.

We are continuing to see elevated legal, consulting and other costs associated with the multiple concurrent inquiries and regulatory processes. We now expect corporate costs for the 2022 financial year to come in higher than last year at around \$130 million.

Balance Sheet Management

Despite the significant impacts on operating performance, Crown has maintained a sound financial position with a well-invested asset base, significant tangible asset backing and a low level of gearing.

Crown has also taken the prudent step of proactively engaging with its lenders to ensure we have the necessary financial flexibility at this important time for the company given the ongoing impacts of the COVID-19 pandemic and the uncertainty associated with various regulatory processes.

We were pleased to report in August a package of amendments to Crown's financing arrangements, including an extension of near-term maturities, a waiver of financial covenants in relation to the 31 December 2021 testing date and modifications to the consequences of various casino licence events. We thank our lenders for this support.

As part of these arrangements, Crown has agreed not to declare or pay dividends in respect of the half year ending 31 December 2021 or where certain triggers occur as a consequence of various casino licence events.

We also announced in August that we had received a commitment for an additional \$250 million debt facility from one of our major bank lenders, which we are pleased to announce today has now been fully documented.

In addition, we have received a commitment from a domestic industry superannuation fund for an additional \$150 million unsecured debt facility. This facility remains subject to long form documentation.

With a low level of gearing and further deleveraging expected from approximately \$500 million in Crown Sydney apartment sale proceeds we are targeting to be received in the 12 months to 30 June next year, we are well placed to navigate the testing period ahead.

Outlook

While I remain optimistic about Crown's future given the substantial reforms either completed or underway, I am realistic about the pressures we are facing in the short term.

As with much of the Australian economy, Crown continues to operate in an uncertain external environment. We are delighted to see the pathway to reopening in Melbourne and Sydney, although COVID-19 related closures, operating limitations and state and international border restrictions are expected to continue to affect our business in the short term.

Crown supports measures to increase COVID-19 vaccination rates to help protect employees, customers and the wider community. As a nation, we need to be doing what we can to encourage travel and tourism. There is clearly pent-up demand for travel, so it would be a missed opportunity if Australia is not set up and ready to go when tourists are starting to make travel plans.

As the economy opens up, the Australian community will want to have confidence that the right systems are in place to protect public health and wellbeing. Our people have told us they are strongly supportive of vaccination, and we want to provide our employees and our customers with the necessary assurances.

On the regulatory front, there is no complacency about the task before us. We are and will continue cooperating with the various regulatory processes and are committed to delivering on our reforms.

We also continue to work closely with the independent monitor in New South Wales, who is overseeing the implementation of our remediation plan. We will shortly know the outcome of the Victorian Royal Commission and will work collaboratively with the Victorian Government to implement the required changes.

With our significant investment in resourcing and capability, we are building a stronger, more transparent and better company.

Crown has a truly special portfolio of assets. Crown Melbourne and Crown Perth are world-class entertainment precincts and having watched the project grow over many years I am genuinely excited about the prospects for Crown Sydney.

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

I will now pass you back to the Chair.