



**ASX/MEDIA RELEASE
FOR IMMEDIATE RELEASE
9 September 2021**

2021 ANNUAL REPORT

MELBOURNE: Crown Resorts Limited (ASX:CWN) (Crown) attaches the 2021 Annual Report.

ENDS

This announcement was authorised for release by the Crown Board.

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COPIES OF RELEASES

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ANNUAL REPORT 2021



CROWN
RESORTS







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Acknowledgment of Country



Crown acknowledges the Traditional Custodians of the land on which its Australian Resorts are located; where we gather as employees, as friends and as the Crown family. Crown acknowledges and thanks all of the Aboriginal and Torres Strait Islander people and communities who have contributed and continue to contribute to enrich our workplace. Crown acknowledges the Traditional Custodians' kinship lines, their ongoing cultures and connection to the land and waters and we pay respects to Elders past and present, the Wurundjeri and Bunurong of the Kulin Nation (Melbourne), Noongar on Whadjuk Country (Perth), and Gadigal of the Eora Nation (Sydney).

Letter from the Board



Jane Halton AO PSM
Interim Chairman



Toni Korsanos
Non-executive Director



Nigel Morrison
Non-executive Director



Bruce Carter
Non-executive Director

The 2021 financial year stands out as one of the most challenging in our history with unprecedented impacts on business operations from the COVID-19 pandemic and intense public and regulatory scrutiny.

With COVID-19 restrictions continuing, the past 12 months have been extremely testing for our employees, customers, suppliers, and society more generally, and have forced changes to most aspects of our work and lives.

Extended lockdowns to reduce community transmission of COVID-19 have curtailed activity in many parts of the economy, with the hospitality sector among those industries most heavily affected. 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.

Our priority is the health, safety and wellbeing of our employees, customers and the community, so Crown is supportive of the measures taken by the State and Federal Governments.

Recognising the impact COVID-19 has had not only on Crown's business operations, but directly on Crown's employees, 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.

Crown has also supported the communities in which we operate through this challenging period, including through the ongoing work of the Crown Resorts Foundation and its program partners.

Against the backdrop of a global pandemic, Crown continues to face additional uncertainty from ongoing regulatory investigations.

Crown has apologised for the failings identified through these various regulatory processes and we are committed to doing everything in our power to redress them and earn back confidence and trust.

We have, and will continue, to fully cooperate with each of these regulatory processes and we recognise the need to demonstrate that we can deliver and sustain market leading responsible gaming, governance, risk management and compliance, and a strong values based culture.

Renewed Leadership

With significant change at both the Board and senior executive level over the last 12 months, there is now an almost entirely new leadership team in place at Crown.

We have undertaken significant Board renewal. Of those directors present at the 2020 Annual General Meeting, only two remain on the Board today. We would like to thank all outgoing directors for their contribution to Crown and wish them well for the future.

In particular, we would like to recognise outgoing Chairman Helen Coonan for her leadership and stability during an extremely challenging period for the company. Helen played an important role at Crown over a long period of time, particularly since stepping up as Executive Chairman where she has made a major contribution to Crown's reform program and navigated the company during a time of significant change and disruption.

Dr Ziggy Switkowski will join the Board as Chairman following receipt of all necessary regulatory approvals as part of the planned succession process. The Board welcomes Dr Switkowski to Crown and has confidence in his experience and capabilities to lead the Board during what is a critical time for the organisation.

We also welcomed Nigel Morrison and Bruce Carter to the Board this year as independent non-executive directors, who both bring extensive experience and expertise, particularly in relation to the casino industry.

There has also been considerable change at the senior management level, with a number of departures.

We are pleased to have Steve McCann on board as CEO pending regulatory approval. He has the experience, capacity and integrity to lead Crown through the extensive reformation already underway.

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

Steve McCann is supported by new senior executive appointments, including the addition of 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.

Transformation and Remediation

As part of Crown's response to matters raised throughout various regulatory processes, Crown has taken action and has focussed on driving transformation and remediation to ensure Crown is a more transparent and respected public company. As part of this process, Crown has developed a comprehensive Remediation Plan which is the cornerstone of many of the significant changes to the way Crown conducts business.

Successful implementation of these reforms is intended to position Crown as a leader in the industry in its approach to governance, compliance, responsible gaming and the management of financial crime risk, supported by an organisational culture reflecting the importance and significance of these areas.

We have already made significant progress in implementing reforms.

We have revised organisational structures, enhanced capability and increased resourcing across a number of key areas, including Crown's Financial Crime, Compliance and Responsible Gaming functions. In addition, we have implemented other changes to Crown's business practices, such as the introduction of the Significant Player Review process, which has resulted in the exit of a number of customer relationships, ceased dealing with all junket operations, restructured the VIP international business (including closing all offshore offices) and terminated the information sharing agreements that were

in place with CPH. There is also a substantial culture reform program underway.

The significantly renewed Board and leadership team are committed to setting the standard expected across the organisation, and Crown's employees have embraced the change with engagement, energy and commitment.

We will continue to work hard to implement these reforms as we seek to repair Crown's reputation and build the trust of our communities, regulators and governments, and investors as a responsible operator of outstanding quality integrated resorts.

2021 Performance

Our financial results for the year ended 30 June 2021 reflect the severe impact on operations from the COVID-19 pandemic.

Revenue of approximately \$1.5 billion was down over 30%, whilst Crown recorded a consolidated net loss after tax of over \$260 million. No dividends were declared or paid in respect of the 2021 financial year.

The protracted lockdown in Victoria meant that Crown Melbourne was closed for much of the first half, with gaming operations closed for a total of 160 days during the financial year. When open, gaming facilities were subject to ongoing restrictions, including overall capacity and density limits, restrictions on available product and physical distancing requirements, which adversely impacted performance.

Crown Perth delivered strong performance during the financial year. Crown Perth re-opened with restrictions towards the end of June 2020 and remained open for the entirety of the first half, exceeding expectations. Several short-term closures occurred during the second half, with Crown Perth's gaming operations closed for a total of 27 days. Whilst trading performance rebounded quickly following each shutdown, overall performance moderated throughout the course of the year.

Letter from the Board *continued*

After four years of construction, select non-gaming operations at Crown Sydney opened to the public for the first time in a restricted capacity in late December 2020. Non-gaming operations commenced progressively throughout the year, with all areas of the hotel resort now complete. Crown Sydney experienced encouraging property visitation, with the food and beverage offering extremely well received, despite gaming operations yet to commence as Crown continues its consultation process with the NSW Independent Liquor & Gaming Authority on suitability.

The residential component of the project, “Crown Residences”, is also complete with residents commencing move-ins from April 2021. Apartment sales are progressing well with approximately \$650 million of sale proceeds received during the year.

Financial Position and Dividends

Crown has maintained a sound financial position with a well-invested asset base, significant tangible asset backing and a low level of gearing.

However, with the ongoing impacts of the COVID-19 pandemic on Crown’s operations and the uncertainty associated with various regulatory processes, Crown has taken the prudent step of engaging with its lenders to ensure we have the necessary financial flexibility to manage through this period. We were pleased to receive the support of our lenders for a package of amendments to Crown’s financing arrangements following year-end.

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.

With further deleveraging expected from the remaining Crown Sydney apartment sales, we are as confident as we can be that we are well placed to navigate through this challenging period.

Looking Ahead

COVID-19 continues to create uncertainty, with ongoing operating restrictions likely to continue to materially influence business performance over the near term.

We also await the outcomes of various regulatory processes, with final reports expected from the Victorian Royal Commission by 15 October 2021 and the Perth Casino Royal Commission by 4 March 2022.

Despite the current uncertainty facing the business, we remain focussed on transformation and remediation efforts to address the shortcomings of the past. We believe that Crown has a truly 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 6-star resort, Crown Sydney.

There is still much work to do. While we continue to re-focus our organisation structure and strengthen our Board and management team, we have made real progress in reforming the company, and believe we are on the right path to address our challenges, leading to longer-term sustainable shareholder value.

Finally, we would like to thank all of our employees for their dedication, resilience and patience throughout an extremely challenging year. We look forward to welcoming all employees back to our world-class properties soon so that they can continue to deliver exceptional experiences to our many thousands of customers.

Jane Halton AO PSM
Interim Chairman

Toni Korsanos
Non-executive Director

Nigel Morrison
Non-executive Director

Bruce Carter
Non-executive Director

Crown Resorts Limited



About Crown

Crown Resorts (Crown) is one of Australia's largest entertainment groups and makes a major contribution to the Australian economy through its role in tourism, employment and training, and its corporate responsibility programs.

AUSTRALIAN RESORTS

In Australia, Crown owns and operates two of Australia's leading integrated resorts, Crown Melbourne and Crown Perth, as well as Sydney's latest premium hotel resort and dining precinct at Crown Sydney.

INTERNATIONAL INTERESTS

Overseas, Crown owns and operates Crown Aspinalls in London. Crown also holds a 50% equity interest in the UK-based Aspers Group and a 20% interest in Nobu.

CROWN DIGITAL

Crown has interests in various digital businesses, including Betfair Australasia (100%), DGN Games (100%) and Chill Gaming (50%).



Crown's Resort Portfolio

Crown Melbourne

Crown Melbourne is Australia's leading integrated resort and one of the most visited tourist destinations in Australia with its dynamic and diverse facilities.

Crown Melbourne is licensed to operate 2,628 gaming machines and 540 gaming tables.

The resort currently features three hotels:

- Crown Towers Melbourne (481 guest rooms);
- Crown Metropol Melbourne (658 guest rooms); and
- Crown Promenade Melbourne (465 guest rooms).

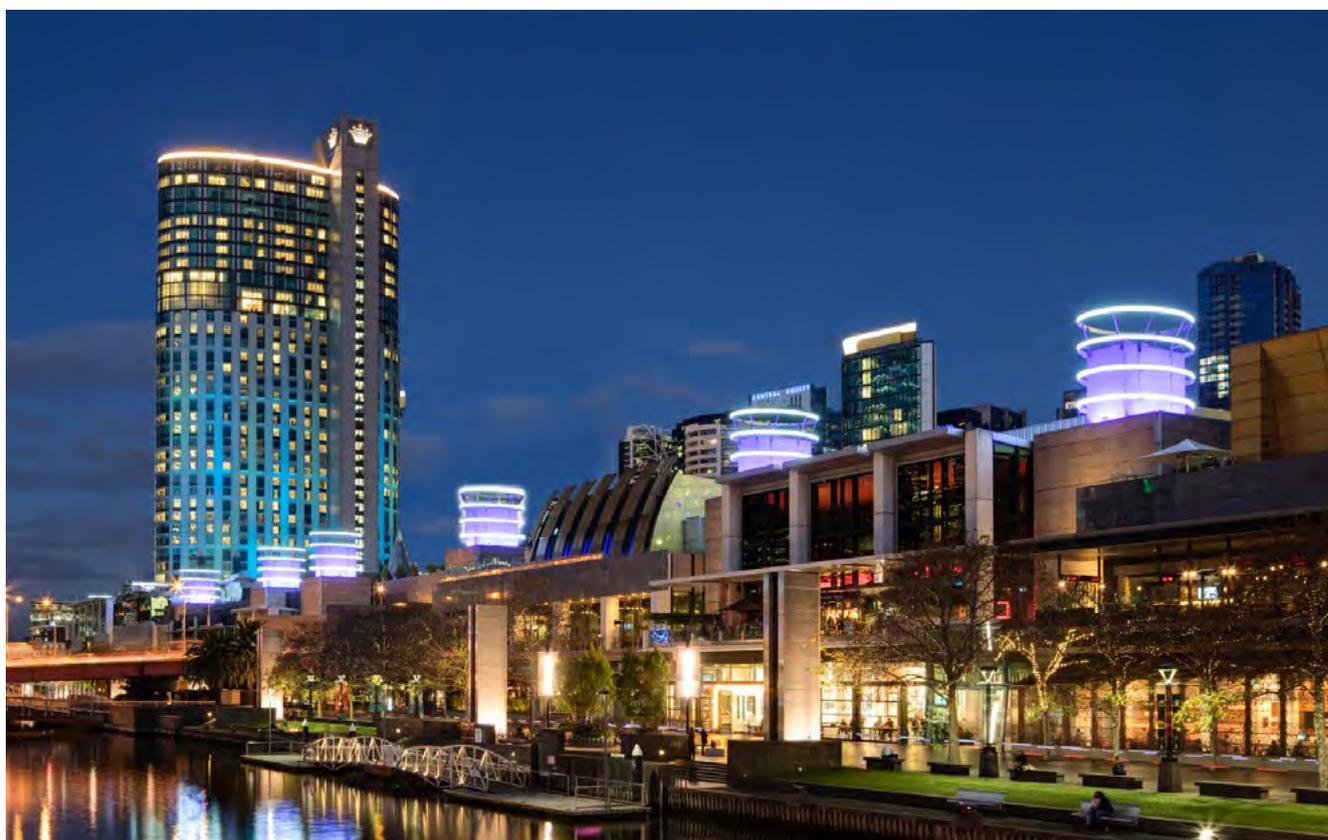
Crown also wholly owns the One Queensbridge development site which could accommodate a fourth Crown hotel.

The Crown Conference Centre has 7,350 square metres of conference and meeting facilities across three floors.

Banqueting facilities include the Palladium's 1,500-seat ballroom and The Palms' 900-seat cabaret venue.

A broad selection of restaurants and bars are located in the resort, including many of Melbourne's finest.

Crown Melbourne's retail precinct features prestigious designer brands and luxury retail outlets.



Crown's Resort Portfolio *continued*

Crown Perth

Crown Perth is one of Western Australia's largest tourist destinations, with an exceptional range of entertainment and tourism experiences.

Crown Perth has approval to operate 2,500 gaming machines and 350 gaming tables.

The resort features three hotels:

- Crown Towers Perth (500 guest rooms);
- Crown Metropal Perth (397 guest rooms); and
- Crown Promenade Perth (291 guest rooms).

Large-scale entertainment facilities include the 1,500-seat Crown Ballroom and 2,300-seat Crown Theatre Perth, along with world-class convention facilities.

A premium selection of restaurants and bars are located across the resort in addition to casual dining options.



Crown Sydney

Crown Sydney is located at One Barangaroo Avenue on the foreshore of Sydney Harbour and is Sydney's first six-star hotel and a landmark building with views of some of Australia's most celebrated icons, the Sydney Harbour Bridge and Sydney Opera House.

The Crown Towers Sydney hotel contains 349 guest rooms.

Crown Sydney also features the "Crown Residences" luxury apartments, luxury retail outlets, pool and spa facilities, conference rooms and VIP gaming facilities (commencement of which is subject to receipt of necessary approvals).

A premium selection of restaurants and bars are located across the resort in addition to casual dining options.



International Interests



Crown Aspinalls

Crown Aspinalls is a high-end casino in London's prime West End entertainment district. Nestled in the heart of Mayfair, Crown Aspinalls offers members and guests an exciting and opulent world of international VIP gaming, in an environment that only London can provide.



Aspers Group

Crown holds a 50% interest in the Aspers Group, which operates four regional casinos in the United Kingdom – Newcastle, Stratford (London), Milton Keynes and Northampton.

Crown equity accounts its investment in Aspers Group.



Nobu

Crown holds a 20% interest in Nobu, one of the world's most recognised lifestyle hotel and restaurant brands. The other investors in Nobu are Nobu Matsuhisa, Robert De Niro and Meir Teper.

Crown equity accounts its investment in Nobu.

Crown Digital

Crown Digital includes Crown's wagering and online social gaming operations comprising Betfair Australasia and DGN Games and Crown's investment in Chill Gaming.



Betfair Australasia

Betfair Australasia is 100% owned by Crown and provides access for Australian and New Zealand customers to the world's leading betting exchange.



DGN Games

DGN Games is 100% owned by Crown and is a developer of online social and casual games. DGN's game titles include "Old Vegas Slots", a classic 3-reel game, and "Lucky Time Slots", a 5-reel game, with two new casual game titles in development.



Chill Gaming

Chill Gaming is a 50/50 joint venture between Crown and New Gaming Pty Ltd, which is owned by the founders of Wymac Gaming Solutions. Chill Gaming is focussed on innovation and developing new entertaining products.

Crown equity accounts its investment in Chill Gaming.

Financial Summary

- Crown's results reflect the severe impact on operations from the COVID-19 pandemic, with a net loss after tax of \$261.6 million for the year ended 30 June 2021
- Given the challenging operating performance, no dividends were declared for the 2021 financial year

Summary of performance for the year ended 30 June 2021

	F21 \$m	F20 \$m	% change
Theoretical¹ revenue			
Crown Melbourne	582.5	1,477.8	(60.6%)
Crown Perth	742.8	613.3	21.1%
Crown Sydney	68.6	-	N/A
Crown Aspinalls	2.3	33.1	(93.1%)
Crown Digital	147.0	135.5	8.5%
Intersegment & unallocated	(1.2)	(1.1)	
Theoretical¹ operating revenue	1,542.0	2,258.6	(31.7%)
Win rate variance ¹	(3.4)	133.4	
Commission adjustment	(2.8)	(165.0)	
Interest revenue	1.0	10.2	
Statutory revenue	1,536.8	2,237.2	(31.3%)
Theoretical¹ EBITDA before Closure Costs² and Significant Items³			
Crown Melbourne	94.1	354.3	(73.4%)
Crown Perth	254.2	161.8	57.1%
Crown Sydney	(22.8)	-	N/A
Crown Aspinalls	(6.3)	(2.7)	(133.1%)
Crown Digital	34.1	34.7	(2.0%)
Corporate Costs	(111.6)	(44.3)	(151.7%)
Theoretical¹ EBITDA before Closure Costs² and Significant Items³	241.7	503.8	(52.0%)
Win rate variance ¹	(3.2)	111.6	
Closure Costs ²	(171.4)	(107.3)	
Significant Items ^{3,4}	47.0	(3.5)	
Reported EBITDA	114.1	504.6	(77.4%)
Theoretical¹ NPAT attributable to the parent before Closure Costs² and Significant Items³	(84.2)	161.0	(152.3%)
Win rate variance (net of tax) ¹	(2.2)	78.8	
Closure Costs ² (net of tax)	(120.6)	(81.6)	
Significant Items ³ (net of tax)	(54.6)	(78.7)	
NPAT attributable to the parent	(261.6)	79.5	(429.1%)

1. Theoretical results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play (at Crown Melbourne, Crown Perth (until 24 February 2021) 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. 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. Theoretical results are a non-IFRS measure.

2. Costs incurred by Crown's properties whilst gaming activities were closed due to government orders, excluding net contribution in relation to hotel quarantine services (Closure Costs). Closure Costs are a non-IFRS measure.

3. Significant items are transactions that are not in the ordinary course of business or are material and unexpected due to their size and nature. Refer note 3(e) of the Financial Statements for further details. Significant Items are a non-IFRS measure.

4. Includes EBITDA related Significant Items only.



Crown Melbourne

- Crown Melbourne faced significant disruption during the year as a result of the COVID-19 pandemic, with gaming operations closed for 160 days of the financial year
- When the property could open and operate, various operating restrictions were imposed such as capacity limits and physical distancing protocols



Crown Perth

- Crown Perth re-opened with restrictions towards the end of June 2020 and delivered strong performance during the first half of the 2021 financial year
- Crown Perth faced several short-term closures throughout the second half, and whilst trading performance rebounded quickly following each shutdown, overall performance moderated throughout the course of the year



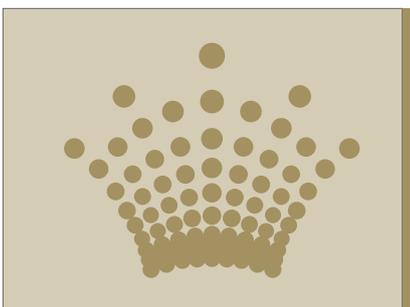
Crown Sydney

- Crown Sydney opened non-gaming operations progressively from late December 2020
- Despite the encouraging property visitation, Crown Sydney delivered an operating loss given the impact of COVID-19 related restrictions including border closures, and the limited scale of operations
- Settlement of apartment sales commenced in April 2021, with approximately \$650 million in proceeds received during the period



Other Businesses

- Crown Aspinalls was closed for the majority of the financial year. While trading, performance was subdued given the constraints on international travel, social distancing restrictions and reduced operating hours
- Crown's wagering and online social gaming operations delivered mixed performance. Improved revenue from Betfair was offset by increased expenses, particularly in the second half. Conversely, lower revenues from DGN were offset by lower marketing costs



Corporate

- Corporate costs were higher during the year driven by legal, consulting and other costs associated with various regulatory inquiries, and higher insurance costs
- At 30 June 2021, Crown's net debt was \$893 million¹, consisting of total debt of \$1,283 million and cash of \$390 million¹

1. Excluding working capital cash of \$86 million. Working capital cash refers to cash held on the Company's premises and cash held in bank accounts for day-to-day operations of the businesses.

Regulatory Update and Remediation Plan

Regulatory Update

During the year, Crown was the subject of a number of inquiries, Royal Commissions and regulatory investigations.

Bergin Inquiry

Hearings of the inquiry established under section 143 of the *Casino Control Act 1992* (NSW) (Bergin Inquiry) concluded in November 2020, with the Commissioner's report publicly released on 9 February 2021 (Bergin Report). Having regard to the contents of the Bergin Report, the gaming regulator in New South Wales, ILGA, wrote to Crown stating, amongst other matters, that it presently considered that Crown Sydney Gaming was no longer a suitable person to give effect to the Restricted Gaming Licence in New South Wales.

Crown is continuing to work with ILGA on a path to suitability to give effect to the Crown Sydney Restricted Gaming Licence as part of the consultation process contemplated within Crown's regulatory agreements in New South Wales.

Victorian Royal Commission

In February 2021, a Royal Commission was established into the suitability of Crown Melbourne to hold a casino licence, as well as the suitability of its associates, including Crown Resorts Limited (Victorian Royal Commission). Hearings commenced in March 2021 and concluded with closing submissions from parties with leave to appear in August 2021.

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

Perth Casino Royal Commission

In March 2021, a Royal Commission was established to inquire into the suitability of Crown Perth to continue holding a casino gaming licence in Western Australia, and related casino regulation (Perth Casino Royal Commission). Hearings commenced in April 2021 and are continuing.

The final report of the Perth Casino Royal Commission is expected to be delivered by 4 March 2022.

AUSTRAC Enforcement Investigation

Crown Melbourne and Crown Perth are currently the subject of formal enforcement investigations by AUSTRAC's Enforcement Team into potential non-compliance with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and *Anti-Money Laundering and Counter-Terrorism Financing Rules 2007* (Cth).

Other regulatory matters

Crown has also been subject to a number of other regulatory investigations during the period.

Crown is fully cooperating in relation to the above matters.

Remediation Plan

As part of Crown's response to matters raised throughout various regulatory processes and through its engagement with regulators, Crown has developed a comprehensive Remediation Plan.

Successful implementation of the Remediation Plan is intended to position Crown as a leader in the industry in its approach to governance, compliance, responsible gaming and the management of financial crime risk, underpinned by an uplifted organisational culture.

With significant change at both the Board and senior executive level over the last 12 months, there is now an almost entirely new leadership team in place leading this reform process:

- Board renewal:
 - Departure of nine directors since October 2020, including all nominees of the major shareholder
 - Dr Ziggy Switkowski AO appointed as Chairman (subject to regulatory approvals)
 - Nigel Morrison and Bruce Carter appointed as new Non-executive Directors
- Senior management change:
 - A number of senior executives have departed
 - Steve McCann appointed as Chief Executive Officer and Managing Director (subject to regulatory approvals)
 - New senior executives who have commenced at Crown (subject to necessary regulatory approvals, to the extent outstanding) include:
 - Group General Counsel;
 - Chief Compliance and Financial Crime Officer;
 - Executive General Manager – Transformation & Regulatory Response; and
 - Chief People and Culture Officer

Crown has already made significant progress in implementing the changes outlined in the Remediation Plan.

Detail on the key achievements to date is outlined on the following page.

Remediation Plan - Key achievements to date

Corporate governance and organisation structure

- Board renewal
 - Of the 11 directors listed in the 2020 Annual Report, only two remain
- Implementation of a revised organisational structure
- Wholesale senior management changes
 - Of the four Senior Executives listed as Key Management Personnel in the 2020 Annual Report, none remain

Anti-money laundering / Counter-terrorism financing (AML / CTF) Change Program

- Comprehensive Financial Crime & Compliance Change Program developed by the newly appointed Chief Compliance and Financial Crime Officer
- Enhanced controls to manage the risk of financial crime have been implemented, including a revised Joint AML/CTF Program, improved controls to prevent and detect money laundering through Crown's bank accounts and enhanced controls and reduced limits relating to cash deposits at the casino
- Increased resourcing & capability, with an additional 55 roles approved under the new Financial Crime and Compliance operating model and additional training for Crown employees, Board members and senior management
- Investment in automation, with a new automated transaction monitoring system (Sentinel) and digitised tool to allow electronic submission and investigation of Unusual Activity Reports
- Forensic audit and controls assessment of Crown's patron bank accounts by an independent expert consultant

Culture review and transformation program

- Completion of a comprehensive organisational culture review undertaken with the support of an independent expert
- Development of a comprehensive culture transformation program which is intended to uplift Crown's organisational culture
- New organisational purpose and values ready to be implemented through the organisation

Enhanced responsible gaming program

- Majority of the recommendations by the VCGLR in its Sixth Review that related to responsible gaming and the recommendations received from the independent Responsible Gaming Advisory Panel in August 2020 have been implemented
- Approval by the Board of further enhancements to Crown's responsible gaming program, including an additional 14 FTEs, a reduction in time limits, the cessation of certain marketing programs and support for a move to cashless gaming

Risk management

- Separation of Risk and Internal Audit teams, with elevation of reporting lines and increased resourcing
- Adoption of a formal risk appetite statement and revised Risk Management Strategy
- Development of a new Risk and Compliance Culture Framework

Changes to Crown's approach to junkets, VIPs and significant players

- Ceased dealing with all junket operators
- VIP business restructured, with all remaining offshore offices closed, the departure of senior executives and remaining functions integrated into the broader business
- Implementation of a new process to assist with customer due diligence involving a review of customers once certain actual or prospective gaming activity thresholds are triggered (Significant Player Review)

Relationship with major shareholder

- All CPH nominee directors have resigned from the Board
- Information sharing arrangements that were previously in place have been terminated

Australian Resorts Business Update

Crown Melbourne

Overview

Crown Melbourne is one of Australia's leading integrated resorts and tourist destinations.

During the 2021 financial year, Crown Melbourne faced significant disruption as a result of the COVID-19 pandemic and was required to close for a large part of the financial year.

Property Update

Crown Melbourne used the closure periods to deliver a program of refurbishment, repair and improvements across the property.

These improvements included the introduction of a Changing Places facility at Crown Metropol, in support of the CROWNability action plan and providing more inclusive and accessible facilities.

Refurbishment and expansion of a premium gaming machine area was completed in October 2020 and included the introduction of the uniquely luxurious private salon for patrons.

Concept design works have commenced in support of Crown's commitment to phase out indoor smoking at all Crown-owned Australian properties by December 2022. The first of these projects, located in the Teak Room, was completed in June 2021.

The upgrade of Crown Towers hotel rooms continued with the soft refurbishment of the Deluxe and Executive Suites, along with the Lift Lobby decor. A program of refurbishment and repair works has also been undertaken across the Melbourne complex, including enclosure of the Crystal Club external terrace to allow guests to enjoy the area all year round.

The ground floor Food Court offerings were enhanced by the refurbishment and introduction of six new

separate outlets, richly detailed to recall a typical Hong Kong streetscape and featuring a wide selection of popular Chinese street foods.

Gradi expanded their Crown offering into the Food Court with Zero Gradi Gelateria and Dessert Bar focussing on house-made Italian coffee, desserts, patisserie, crepes and hand-churned gelato.

Further retail updates included the establishment of Mr & Mrs by Dr Tass in the former Isika Spa at Crown Metropol.

Gaming

During the year, Crown Melbourne's gaming operations were closed for 160 days as a result of COVID-19 restrictions.

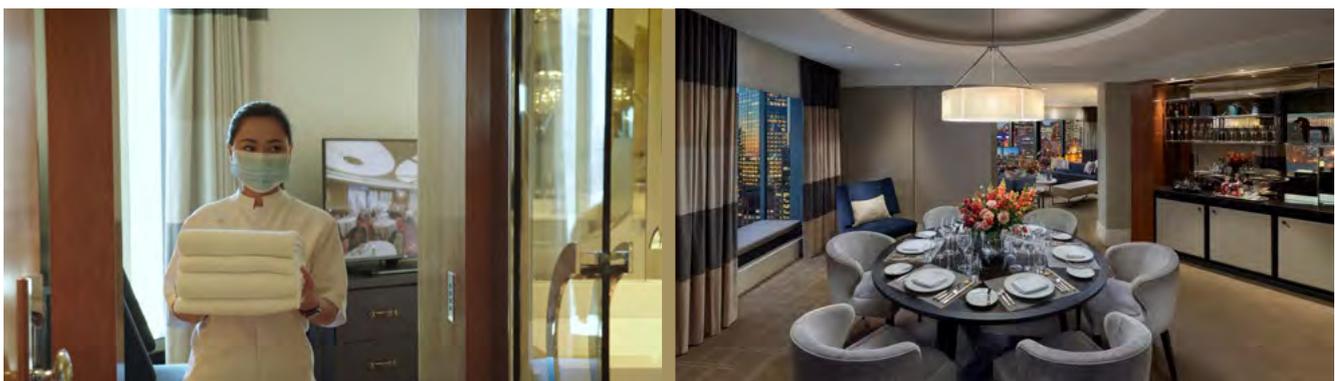
When the property could open and operate, various operating restrictions were imposed such as capacity limits for the overall gaming floor or each indoor space, density limits, restrictions on available gaming product and physical distancing protocols, including the deactivation of every second electronic gaming machine and electronic table game, limits on the number of players at a traditional table game and minimum separation between tables.

VIP program play activity was severely impacted by ongoing international and interstate travel restrictions.

Hotels

Crown Melbourne features more than 1,600 guest rooms across three luxury hotel brands: Crown Towers, Crown Metropol and Crown Promenade.

Following the easing of restrictions in place at the start of the financial year, Crown Towers opened more broadly on 9 November 2020, followed by Crown Metropol on 1 December 2020, and finally Crown Promenade on 11 January 2021. Unfortunately further closures occurred in February 2021 and May-June 2021 in accordance with Government directions in response to COVID-19 outbreaks.



Overall hotel occupancy across the three hotels was approximately 39%, with Crown Towers hotel occupancy 39%, Crown Metropol hotel occupancy 42% and Crown Promenade hotel occupancy 33%. While leisure market demand was strong, particularly on weekends (restrictions permitting), interstate and international border closures have severely impacted corporate and group bookings.

During the year, Crown continued to provide safe accommodation, at no cost, to those experiencing family violence. The program included the provision of hotel rooms, food and other amenities such as meeting facilities for the provision of counselling services in a safe environment. In total, Crown provided over 1,230 nights under this program.

Hotel rooms were also made available to the Victorian Government for the purpose of quarantining returned travellers early in the financial year.

Crown Towers was again awarded with a Forbes Five-Star rating, and Crown Spa was awarded with a Forbes Four-Star rating. This year saw both Crown Towers and Crown Spa receive these prestigious awards for the fifth consecutive year.

Food and Beverage

Once re-opened, Crown Melbourne's premium restaurant offerings continue to lead the way in Melbourne, with a wide range of new experiences for guests.

The reputation of Crown's premium restaurants and culinary credentials has been renewed by media coverage from food, travel and lifestyle media globally, who have celebrated Crown Melbourne's venues, world-renowned chefs and vast menu offerings.

Crown Riverside hosted additional outdoor dining spaces for venues including Nobu, Bistro Guillaume, Rockpool and Gradi. A reopening highlight was the launch of Petanque Social, an open-air Riverside lounge bar.

Launched in December 2020, Crown Cellar & Co is a wine store that has a retail shop front and an online platform, offering customers premium and bespoke wines from Australia and around the world.

Events, Conferencing and Entertainment

Crown's Las Vegas style showroom The Palms at Crown concentrated on some of Australia's most iconic entertainers including James Reyne, Anthony Callea, illusionist Cosentino, plus a successful season with Australian comedian Jimeoin during the Melbourne International Comedy Festival. Crown also played host to the first Australian tour of Dracula's theatre restaurant.

Crown hosted a series of events and conferences during the year, led by key industry events from corporates, charities and various associations. Major events included the AHA State Awards for Excellence, Ritchies 150th Gala Ball and a number of events for major sporting clubs.

Evergreen opened its doors in November 2020 and has hosted a number of weddings and bespoke private events, as well as the International Women's Day events in March 2021 celebrating the role of female chefs in the industry, headed by Sarah Briegel (Culinary Director Crown Sydney) and On Saengyojanr (Ging Thai).



Australian Resorts Business Update *continued*

Crown Perth

Overview

Crown Perth is the only fully-integrated entertainment resort in Western Australia and continues to set the highest standard of experience with its vast range of high-quality assets. It remains Western Australia's leading tourist destination by volume, and the largest single-site private sector employer in the State.

Property Update

Crown Perth has progressed improvements to the property's existing facilities and employee amenities over the 2021 financial year. The main gaming floor has been enhanced with additional seamless LED screens to provide a more interactive digital media experience for guests. Concept design works are progressing for the Pearl Room refurbishment in support of Crown's commitment to phase out indoor smoking at all Australian resorts by the end of December 2022.

These improvements also included the introduction of the first Adult Accessible Change facility, commonly known as Changing Places, on the property. Crown Perth has also installed an accessible toilet within the Atrium restaurant. In support of the CROWN*Ability* Action Plan these facilities were introduced to provide an accessible and inclusive environment for patrons and staff.

Gaming

Crown Perth delivered a strong performance during the financial year, despite 27 days of mandated closure of gaming operations related to COVID-19.

Crown Perth's Main Gaming Floor re-opened with restrictions towards the end of June 2020 and remained open for the entirety of the first half of the financial year. COVID-19 related operating restrictions which applied throughout the first half included prescribed maximum density limit of one person per

two square metres, the deactivation of every second electronic gaming machine and electronic table game terminal and restricting the number of players at table games.

Unfortunately, Crown Perth was disrupted at various times throughout the second half and was required to close gaming operations in line with government restrictions imposed in response to COVID-19. Whilst trading performance rebounded quickly following each shutdown, overall performance moderated throughout the course of the financial year.

Hotels

Crown Perth features approximately 1,200 guest rooms across three luxury hotel brands – Crown Towers, Crown Metropol and Crown Promenade.

Combined, the three hotels accommodated over 573,000 guests during the 2021 financial year and achieved occupancy of approximately 67% despite a number of COVID-19 state-wide and property lockdowns, together with interstate and international border restrictions. Crown Promenade remained closed to the public until September 2020, initially being used to exclusively house AFL players and staff as part of the AFL's quarantine hub.

However, during the year the hotels benefited from significant demand from leisure travellers within Western Australia seeking resort style, local based "staycations".

Crown Towers successfully maintained the Forbes Travel Guide Five-Star rating for 2021, remaining the only hotel in Perth to hold this rating. Crown Spa Perth was again awarded the Forbes Travel Guide Four-Star rating for 2021.



Food and Beverage

Crown Perth continues to be one of Perth's leading food and entertainment destinations for Western Australians and visitors alike.

Crown Perth's food and beverage portfolio continued to evolve and innovate, delivering an array of unique offerings and customer experiences with our key food and beverage partners. This included Gordon's Pink Gin High Tea, Pink Floss Martini, the Dude Tea at Merrywell, the World Comes Alive, as well as the Grey Goose High Tea and Cocktails which featured a grand scale fountain located in the Metropal Lobby.

With COVID-19 travel restrictions in place, the Crown Towers portfolio reached new heights of popularity during the year as customers chose to holiday in their own state and enjoy Crown's facilities, food and drink and the beautiful views of the pool and Perth city skyline. The casual dining restaurants and bars also continued to draw strong foot traffic.

Some of our extraordinary Crown employees were recognised and profiled during the year including newly appointed head chef of Nobu, Ping Ping Poh, who is the first female appointed to this role after starting at Crown as an apprentice chef in 2009. In addition, Nobu Perth received the highest review score since opening in Western Australia, from the highly regarded Food Editor for The West Australian and restaurant critic, Rob Broadfield.

A new point of sale system and a new table management system were introduced during the year, providing an enhanced guest experience and improved customer engagement.

Events, Conferencing and Entertainment

Crown attracted over 670 events with over 150,000 meals served at Crown Perth's convention facilities this year. However, due to COVID-19 restrictions, there were no conventions or events until August 2020.

Crown worked with the AFL as part of the official 'AFL Hub' in Western Australia, with Conventions catering for all the teams' 7,902 meals.

Other key events included hosting the Department of Fire & Emergency Services, Grain Industry Association of Western Australia, WA Education Corporate Services Staff Association Inc. and key charitable events such as the Boobalicious Ball (Breast Cancer Care WA), Heartkids WA, Path of Hope, and Op Shop Ball (Anglicare).

Crown Perth was excited to host its first Telethon Ball at the Crown Towers Ballroom during the year. This iconic event included Telethon weekend in the Crown Theatre, along with the Telethon call centre in the Conventions space and was a great success.

Crown Theatre opened in 2020 at 50% capacity for the highly anticipated and world-renowned production of 'We Will Rock You'. Restrictions progressively eased, with 100% capacity returning by March 2021. Other shows in Crown Theatre included 'The Boy From Oz', 'Legally Blonde', and 'Priscilla Queen of the Desert' with one-off shows also featuring Human Nature, Urzila Carlson and multiple performances of the popular children's show 'Bluey'.



Australian Resorts Business Update *continued*

Crown Sydney

Overview

Crown Sydney, located at Barangaroo on the foreshore of Sydney Harbour, is the city's first six-star hotel and features 349 hotel rooms and suites, luxury residences, signature restaurants, bars, luxury retail outlets, pool and spa facilities, and conference rooms.

After four years of construction, select non-gaming operations at Crown Sydney opened to the public for the first time in a restricted capacity from 28 December 2020, with further non-gaming operations opening progressively throughout the financial year.

Crown is pleased to have welcomed over 3,000 employees and contractors to Crown Sydney at a time when the hospitality industry has been severely impacted by COVID-19.

Property Update

Construction of the Crown Sydney Hotel Resort was completed on schedule, with an Occupation Certificate granted for the hotel resort component in December 2020 and the residential component in April 2021.

These milestones were successfully achieved despite the unprecedented weather conditions and extraordinary logistical difficulties experienced during the COVID-19 pandemic. Over 7.8 million construction hours were worked on the project by more than 9,500 personnel.

Crown Sydney is a remarkable building taking a sculptural form of three petals that twists as it rises. Soaring 275 metres above the Sydney skyline, the highly recognisable building is clad in a light silvery veil of glass with differing levels of transparency.

All areas of the hotel resort, including the food and beverage and function areas, are now complete and operating. The opening of gaming areas remains subject to the receipt of all regulatory approvals.

Construction of the residential component of the project, "Crown Residences", is also complete and residents have been progressively moving in since April 2021.

Crown Sydney contributes to making Barangaroo South a vibrant, mixed-use destination which offers round-the-clock activities and inspiration for tourists, visitors, and Sydneysiders including workers from the nearby Barangaroo commercial buildings and Sydney CBD.

Gaming

The opening of Crown Sydney's gaming operation was postponed in late 2020, pending a determination of suitability by the casino's regulator, the Independent Liquor and Gaming Authority (ILGA).

Crown has invested significant effort to achieve suitability to commence gaming at Crown Sydney. In the interim, Crown is ensuring that the employees recruited for the gaming areas were prepared for when gaming is permitted to commence and have provided support to the non-gaming areas of the operation.

In addition, Crown has also been able to more comprehensively test and develop a number of systems that are new to Crown and that will likely have application across the broader group following a successful operational deployment in Sydney.

Hotels

Exquisitely appointed and offering stunning views of Sydney's harbour and icons, Crown Towers Sydney has welcomed almost 40,000 guests since opening in late December 2020.

Whilst COVID-19 restrictions, including interstate and international border closures, had a devastating impact on the hospitality industry, the arrival of Crown Towers into the Sydney market has been warmly received.



Occupancy has remained low, consistent with conditions across the luxury hotel market in Sydney, with overall occupancy of approximately 31% since opening.

Crown Spa Sydney has also opened successfully having welcomed over 6,500 guests.

Food and Beverage

Crown Sydney commenced food and beverage offerings in late December 2020, showcasing a variety of experiences across a range of restaurants and bars. Crown Sydney's premium venues are leading the way in providing guests with memorable experiences in a truly unique setting with 7,500 reservations received within 24 hours of release.

Venues are already receiving recognition, with The Waiting Room awarded 2021 NSW Sommelier's Wine List of the Year and 2021 Best NSW Wine List in a Sydney accommodation venue at the NSW Sommelier's Wine List Awards. Woodcut and a'Mare were both recently reviewed by food critics for the Chef's Hat Good Food Guide, with both receiving positive reviews with 16 out of 20 points, in line with two chef's hats.

SevenRooms is Crown's new table management system, which has been instrumental in providing guests with a truly crafted and unique experience whilst also assisting with operational efficiencies.

Unfortunately the opening of the final restaurant to commence operation, Oncore by Clare Smyth, which was scheduled to open in July 2021, has been delayed due to the current COVID-19 restrictions in place across Sydney.

Events, Conferencing and Entertainment

The Pearl Ballroom and Opal Suite commenced operation in March 2021 and have attracted many events and future enquiries. The current challenge for the venues is being able to confirm events beyond the expiry of the current interim liquor licences, which are in place through to the end of October 2021.

Despite COVID-19 restrictions and the uncertainty caused by a temporary liquor licence, Opal Suite is already popular for small corporate events, and the Pearl Ballroom is attracting weddings and celebrations. Over 30 private events have also been hosted within Crown Sydney's restaurants and bars and have proven to be popular for corporates.

Crown partnered with Sydney's Gold Charity Dinner as the presenting partner in June 2021 at Sydney International Airport. The event was an opportunity to launch the Crown Sydney Events brand and showcase its capabilities.



Corporate Responsibility

Commitment to Responsible Gaming

Crown is committed to harm minimisation and the responsible service of gaming.

Crown's responsible gaming and harm minimisation strategy incorporates a three pillars approach of:

- Awareness – supporting harm minimisation by building awareness of responsible gaming programs and services for staff and customers;
- Assistance – contributing to harm minimisation by providing assistance to customers in managing their gaming behaviours; and
- Support – delivering a supportive environment where the potential for harm is minimised and a culture of responsible gaming support is embedded in the organisation.

Awareness

Crown continued to raise awareness in relation to responsible gaming and harm minimisation via customer communication and collaboration with external stakeholders including delivering the Responsible Gambling Awareness Week in Crown Perth and the Gambling Harm Awareness Week in Crown Melbourne. The Victorian lockdown and resultant Melbourne casino closure saw the campaign being delivered to Melbourne employees in an entirely digital way. These weeks are an important commitment between government, community and industry in delivering on harm minimisation principles, and each resort is represented on each State's planning committees.

Raising awareness in relation to Crown and community responsible gaming services and programs is constant across each property's workforce and customers. Involvement in various State committees is an important part of sharing knowledge and ideas, and refreshing awareness opportunities. In Victoria, Crown is a member of the Responsible Gambling Ministerial Advisory Council and relevant Working Groups, and the Victorian

Responsible Gambling Foundation (VRGF) Industry Forum. In Western Australia, Crown is a member of the Problem Gambling Support Services Committee and the Gaming Community Trust Committee. The Responsible Gaming team delivers training and information sessions on a regular basis, increasing awareness and depth of knowledge.

Assistance

Responsible Gaming Centres at each property are fully funded by Crown and are unique in the volume and breadth of the responsible gaming programs and services they offer. A wide range of assistance information materials and contact details for problem gambling and other support service providers is stocked at each Responsible Gaming Centre, many of which are available in languages other than English.

Dedicated Responsible Gaming Advisers at each resort focus on customer welfare and minimising harm. Advisers are specially trained to provide assistance, proactively and reactively, 24 hours a day, seven days a week. Interactions are provided in a sensitive, confidential and informed way, assisting with information about, and referral to, the diverse range of services and programs available at Crown and in the community.

Support

In order to deliver support for Crown customers, employees participate in ongoing training and information sessions, and support from the 24/7 Responsible Gaming team.

Across the properties, Crown's dedicated teams of Responsible Gaming Advisers work with customers, utilising the facilities and resources of each Responsible Gaming Centre, to deliver responsible gaming programs and services for customers to support them in managing their gaming behaviours.



All three pillars of Awareness / Assistance / Support are encapsulated at every level within Crown, with the responsible gaming framework overseen by Crown's Responsible Gaming Board Committee.

Crown is committed to ensuring continuous improvement in the area of harm minimisation. The Crown Board has recently approved a series of enhancements to Crown's Responsible Gaming program, whilst a more detailed 'transformation program' is currently in development under the direction of the new Chief Compliance and Financial Crime Officer.

Current areas of further development include expanding Crown's Responsible Gaming Centres, increasing staffing levels of Responsible Gaming Advisors and continuing to invest in technological capability to provide new and improved harm minimisation measures.

To assist Crown in its efforts of continuous improvement, Crown is committed to ongoing engagement with relevant stakeholders including government, regulators, gambling help service providers and other welfare organisations, together with Crown's membership of the National Association for Gambling Studies.

Crown has also established an independent Responsible Gaming Advisory Panel (the Panel), comprising three leading Professors in the field of problem gambling, to provide independent advice in relation to Crown's approach to responsible gaming and harm minimisation. In August 2020, the Panel delivered a review of Crown's Responsible Gaming Framework, which included recommendations for enhancement. These recommendations are in the process of being implemented.

People and Culture

Our Culture

Crown recognises the importance of maintaining the right corporate culture. A culture that our employees identify with, are proud to be a part of and is respected and trusted by our customers, stakeholders and the communities within which we operate. Importantly, a comprehensive review of Crown's culture has been undertaken with a renewed target culture and a well-charted roadmap for change which will commence implementation in the first half of the 2022 financial year. This roadmap for change will include a wholesale reset of the 'tone from the top' under the leadership of Crown's new Board and Executive Team.

The culture transformation program comprises three key elements and has been supported by external experts in the field:

- Understanding the current state culture;
- Defining the target state, including a review of Crown's existing purpose and values; and
- Building a roadmap to move Crown from the current state culture to the target state culture.

Leaders from across the business have come together to develop and deliver on this program of work. Whilst there is much work that is still to be done, Crown has made great progress on this important program and the roadmap for change will be launched in September 2021.

Crown's leaders have emphasised that this is an opportunity to recognise Crown's strengths, repair areas that need improvement, reimagine Crown's strategy, and put in place processes and structures to ensure Crown lives its purpose and values. It is an opportunity to invest in Crown's people, particularly in relation to the care that we show for our customers and the experiences they enjoy within our properties. Our aim is to build a genuine learning organisation and one that is continually looking to improve. In doing so, we will curate Crown's culture for the next generation at Crown.



Corporate Responsibility *continued*

By enacting initiatives to help align the behaviours and mindsets of Crown's employees to its purpose and values, Crown can become what it aspires to be – an organisation that has the trust of the community.

Our People

As the COVID-19 situation unfolded during the 2021 financial year, Crown was forced through the numerous government-mandated closures to stand down a significant proportion of its workforce for varying periods of time.

During this highly disruptive time, Crown focussed on the overall wellbeing of employees and has provided various forms of assistance to employees impacted by the pandemic.

Crown has also adapted to operating in a virtual environment using a range of media to both initiate opportunities for employees to interact with colleagues and managers directly, as well as creating greater focus, visibility and access on the range of support services available for employees.

Employees have been provided ongoing support via Crown's HR Support Centre and Staff Support Contact Centre, assisting employees with access to advice about employment related options as well as practical support. Crown continued its program to assist employees who were stood down to access alternate temporary employment with other organisations.

Thousands of employees were also financially supported by the Australian Government's JobKeeper Payment scheme, with Crown Perth qualifying for the program through to the end of September 2020 and Crown Melbourne continuing to qualify through to the end of the program in March 2021.

More recently, Crown's practice has been to pay full rostered shifts in week one of a lockdown followed by discretionary payments from Crown to employees, which is considered on a case-by-case basis depending

on their eligibility for government assistance. Crown is also providing employees with information about the Australian Government's enhanced assistance for individuals whose ability to work has been impacted by the extended lockdown.

Another important initiative for many employees was the continuation of the Crown Resorts Hardship Fund. The purpose of the fund is to provide short-term emergency financial assistance to current Crown employees who are experiencing genuine short-time financial hardship as a consequence of either having been stood down or not offered shifts due to COVID-19. To date, close to 1,000 employees have accessed this fund to alleviate financial hardship caused by not being able to work in lockdown.

Recognising the importance of reconnecting and engaging with team members, upon re-opening, team members attended face to face re-onboarding programs to develop the knowledge and skills required to operate in a COVID-19 safe way, and enable a comfortable transition back into the workplace.

Health, Safety and Employee Wellbeing

Keeping everyone safe including Crown's employees, contractors, guests and the broader community continued to be a key priority for Crown during the year.

The health and safety impacts of the COVID-19 pandemic required an agile response strategy as Crown's operations were frequently restricted and modified to meet Government advice and expert medical guidelines provided by local health authorities. Conditions frequently changed following a number of State-based circuit breaker lockdowns including revised social distancing and hygiene requirements, face mask provision and compliance and the imposition of capacity restrictions on gaming and restaurant facilities.

COVID-19 Response Teams were established at each property, with specialised managers and COVID-19



safety officers, to inform COVID safety practices for customers and team members and to ensure compliance with government directions. The COVID-19 Response Teams performed their roles admirably and were a constant reminder of the vigilance required in meeting these requirements.

COVIDSafe plans were developed and implemented in consultation with Health and Safety Representatives across all business functions.

Crown recognises that the pandemic had a significant impact on the mental health and wellbeing of our employees. As a key focus for Crown's Board and Executive this led to the introduction and expansion of various employee support programs.

A review was undertaken of the health and safety control measures within Crown's declared smoking areas following the announcement that indoor smoking would be phased out by December 2022. Ongoing air quality and health monitoring will continue during this period.

Industrial Relations

Crown is committed to promoting and managing industrial relations through open and effective relationships with our employees, employee associations and regulatory bodies, and acts in good faith in all of our dealings with these parties.

Crown currently has six enterprise agreements in place, including the establishment of the inaugural agreement for Crown Sydney in the past year. These agreements cover most of Crown's frontline operational staff and some employees at management level.

Crown College

Crown College provides accessible, industry-ready and high-quality education and training for those aspiring to forge a career in hospitality, leisure and tourism industries. Crown College aims to maintain and strengthen its position as a leader in the design, development and delivery of training and education, in

order to address the employment needs of the hospitality and tourism industries.

This year, Crown College is celebrating 25 years as one of Australia's largest and longest running private Registered Training Organisations, a significant milestone that Crown is proud to celebrate. Since inception over 11,225 employees have graduated and completed a qualification from Crown College; including over 8,500 trainees and apprentices. Crown's aim is to create career pathways for its employees and, in the 2021 financial year, over 600 employees and students are enrolled in Certificates III, IV, Diploma and Advanced Diploma level qualifications.

Crown College Sydney was opened in July 2020, adding another purpose-built training facility to the Crown College brand. Crown College now comprises three purpose-built training facilities located across Melbourne (including a training restaurant in Melbourne with 2 kitchens, known as Culinarium), Perth and now Sydney, that provide ongoing professional development to thousands of hospitality professionals each year.

Crown College's ongoing commitment to delivering education that leads to employment is evident through the established 500 Training Places Program. This Program was established to deliver qualifications with Certificates II and III for retrenched Victorian workers affected by industry restructuring. The program has since been expanded to Indigenous Australians, people who have been affected by family violence and those who are disadvantaged in the workforce. The initiative has received over 1,459 enquiries since its inception. To date, there are over 352 participants in the program and 184 program graduates have gained employment within the hospitality and security industries.

Crown College International

Crown's commitment to education and training is evident through the establishment of Crown College International (CCI) in Melbourne. While the year was challenging due to



Corporate Responsibility *continued*

COVID restrictions, since conception CCI has received over 680 applications, converting 356 enrolments from 25 countries.

CCI continues to increase student enrolments onshore and build a social media presence to raise awareness of its programs. As the team navigates through this challenging time, the welfare of our students remains our priority. The CCI team has been supporting our students through several different initiatives such as producing 500 meal care packs. The team also provided 1,200 lunch vouchers so students could dine in the employee restaurant, and care packs and vouchers were given free to our international students.

Crown Community

Overview

Crown is committed to developing a diverse and inclusive workforce which values people's individuality and enables all employees to achieve their best, while contributing to the communities in which Crown operates.

Crown provides a range of diversity and inclusion programs, including the Indigenous Employment Program, CROWNability, Family Support Network, Gender Equity, Crown Pride and the Cultural and Linguistically Diverse Employee Network (CALDEN).

Each year, Crown's commitment to Crown Community is celebrated in a week-long festival of who we are as a community and the purpose and values that bind us together. The week includes many employee events which celebrate the diversity of Crown's people and reinforce the way in which they are united with a shared passion and purpose.

For 2021, the theme was *Celebrating diversity – be memorably you*; focussing on recognising the diversity of each member of the Crown Community.

CROWNability

CROWNability is Crown's strategy to provide an employment pathway for people with disability into our workforce. Launched in 2014, CROWNability continues to work closely with industry partners and stakeholders, and has successfully placed and supported over 650 candidates in employment. Crown is proud that Kurt Fearnley AO, an Australian Paralympic gold medallist, continues to represent Crown as the CROWNability ambassador and has been a valuable support to CROWNability employees during COVID.

In the 2021 financial year, the CROWNability program was expanded to include Crown Sydney with the appointment of a Program Manager and the placement of 35 people with disability within the first six months. In line with the CROWNability Action Plan to improve access for patrons and staff across all Crown properties, Crown has introduced a Changing Places facility at all three properties which will be nationally accredited. The nationally accredited facility at Crown Perth became the first registered hotel complex in Australia to provide an adult accessible change facility for people with disability.

Development of the next CROWNability Action Plan is well underway and is centred on the theme "The Future is Accessible". The new action plan will continue to focus on building a disability confident organisation for employees, patrons and the wider community with particular emphasis on premises, suppliers and partners, information communication technology, learning and development, communication and marketing, and recruitment.

Indigenous Employment Program

Crown has an unwavering commitment to the Traditional Owners of the lands on which it operates, through respect for culture, lore and closing the gap on Indigenous disadvantage.



Since its inception in November 2009, Crown's award-winning Indigenous Employment Program has provided over 1,000 employment opportunities for First Nations people representing a direct investment back into Indigenous communities.

Crown's Indigenous Employment Program continues to build relationships with communities including National Centre of Indigenous Excellence (NCIE) and Souths Cares, both located in Sydney, and the ongoing partnership with the Department of Justice – Western Australia through which we have provided career pathways for previously incarcerated Indigenous men and women at Crown Perth.

Crown's commitment to the learning and development of our Indigenous employees has seen another participant completing the coveted Emerging Indigenous Executive Leadership Program (EIELP) in partnership with Elevate RAP organisations and the University of New South Wales.

Crown remains a member of the select 'Elevate' group with Reconciliation Australia, which is the highest level of endorsement granted by Reconciliation Australia, and is in the process of developing Crown's next Reconciliation Action Plan.

Crown Pride

Crown's commitment to an inclusive community has continued to progress. The Crown Pride network offers information and support, networking events and the opportunity to connect with others across Crown and the wider community. Despite the operational disruptions, Crown acknowledged and celebrated Wear it Purple Day and IDAHOBIT day with team member events and inclusion videos recounting the stories of LGBTIQ members of its community. In addition, over the past 12 months, Crown has been actively involved in both internal and external LGBTIQ+ safe events.

In Melbourne, the Crown Pride committee hosted its first onsite employee event for 2021 – a social Drag

Bingo event. This was a great success and lots of fun and much-needed laughter was enjoyed by all in attendance. In addition, Crown Pride community partner GLOBE provides value to the Victorian LGBTIQ+ community through a Focus on Women and Transgender diverse or non-binary (TDGNB) program. Crown Pride hosted the Focus on Women event as a business style event with three panel speakers – Jennifer Gray, CEO Zoos Victoria, Virginia Lovett, CEO Melbourne Theatre Company and Moana Hope, an AFLW football player. This featured different topics of discussion and aimed to provide a platform for different people within our community. All events sold out and received overwhelmingly positive feedback, which is a testament to the Crown Pride network.

In Sydney, Crown signed on as a major sponsor of the 2021 Queer Screen Mardi Gras Film Festival. The film festival ran over 15 days and featured three world premieres, 94 Australian and international premieres, and was shown in 26 languages showcasing LGBTIQ+ storytelling from 30 different countries. Employees across all properties had access to discount movie tickets and were able to attend as guests at the screening of the sponsored movies. Crown also filmed employees showcasing their diversity and created a video which was screened to over 18,000 people at the cinemas or online over the festival and shared in social media channels.

In Perth, Crown hosted the second PrideFest luncheon in November 2020, which saw over 500 people attend from across the corporate community in Perth. Throughout the year Crown Perth continued to engage in the LGBTIQ inclusion discourse by supporting Pride in Diversity events including attending the quarterly roundtables, annual AWEI awards and participating in other events, such as the Diversity Sapphire event, "Gender Equity: Beyond the gender binary", at which Chile Hune, a Crown Perth employee, featured as a speaker detailing her journey of inclusion experienced at Crown Perth.



Corporate Responsibility *continued*

Finally, Crown Perth resolved to fly the LGBTIQ flag permanently at the entrance of its resort, light up the complex in rainbow colours during the days of LGBTIQ significance and change its logo on social media channels during pride month in support of the LGBTIQ community.

Collectively, these programs and events represent significant steps in developing a workplace where Crown employees can confidently and comfortably bring their whole selves to work and in developing a corporate community that respects and enhances their commitment to broaden the Pride Network.

Gender Equity

Crown's first Gender Action Plan (GAP) was published at the end of 2019. Crown's GAP focusses on five key themes of Attraction & Retention, Promotion, Development, Flexibility and Cultural Change & Communication. These focus areas were developed through consultation with the business and by assessing what changes will make a positive impact on employees. The actions outlined in Crown's GAP will continue Crown's push towards gender equity.

Crown partnered with Circle In to launch a Parents Platform across the Group in March 2021 that allows employees to plan and map out their journey as parents and to guide managers to support their employees through each stage – from planning parental leave to returning to work.

Crown is still an active corporate partner of Women in Gaming and Hospitality Australasia (WGHA). Recent programs with WGHA include leadership courses and also a focus on procurement and how this impacts gender equity.

Crown recently was a sponsor for the Not In My Workplace (NIMWP) Respect@Work Summit and will continue to participate in NIMWP initiatives to prevent sexual harassment in the workplace.

The next 12 months will see a continued focus on further implementing and embedding the initiatives in our GAP, working towards gender equity at Crown, as well as continuing our partnerships with Champions of Change Coalition, CEO's for Gender Equity, WGHA and NIMWP to contribute to gender equity more broadly in the industry.

Crown's work in Gender Equity also presented an opportunity to expand its program to support employees in their personal lives. As such, in 2018 the Family Support (FSN) and Cultural and Linguistic Diversity Employee Networks (CALDEN) launched at Crown Melbourne. During the second half of 2020 both networks were moved onto the Crown Resorts Workplace platform to further engage employees during the period of stand down. CALDEN has celebrated a range of cultural days such as International Mother Language Day and a sub network has been created in which employees can assist one another in remotely conversing in new languages they are learning. The FSN has built resources with information on further support for employees who may be experiencing hardship in their personal lives.

Over the next 12 months Crown will continue to grow these networks and subgroups into new areas based on feedback from employees.



Environmental

Crown's approach to environmental sustainability encompasses every aspect of the group. This year, despite the ongoing challenges posed by the COVID-19 lockdowns, Crown has continued to seek to improve energy, water and waste management efficiencies. Developing more sustainable business practices and aligning property approaches allows the business to continue to improve its programs.

At the start of each lockdown, Crown sought to minimise its food wastage by donating tonnes of food to community groups servicing some of the city's most vulnerable. The recipient organisations across Melbourne, Perth and Sydney have included the Victorian Parliament House Kitchens, The Salvation Army Project 614, Ronald McDonald House, and many others.

Crown recognises that employees need to understand and be aligned to the environmental sustainability objectives, otherwise change is difficult to achieve and short-lived. The 2021 financial year saw a continued focus on staff engagement with regular events, training and communications to ensure staff and contractors are kept informed of Crown's environmental performance and progress; and to continue to embed sustainability as part of Crown's culture.

Supporting Our Communities

Crown takes its responsibility to community seriously, proactively identifying ways to support the communities in which it operates. Together with its employees, Crown supports many community causes and organisations through targeted partnerships, property prizes, employee volunteering opportunities and fundraising support.

It is a credit to the generosity of spirit and commitment of Crown's employees that so much community support was able to be provided through such a challenging period. As well as supporting colleagues through extended lockdowns, Crown has continued to support communities in need.

COVID-19 restrictions provided significant challenges for charity fundraising over the course of the year but wherever possible, Crown has provided alternative support, including prizes for online auctions and assisting with virtual fundraisers. For example, when the Children's Cancer Foundation's Million Dollar Lunch was unable to physically proceed, with the support of Crown Melbourne and other donors, it still managed to raise \$580,000 through an online fundraiser.

Crown is very proud of its employees who actively organise team specific volunteering and fundraising events. Team fundraising events raised funds for organisations like Children's Cancer Foundation, SIDS and Kids, Oxfam and Jeans for Genes.

Raffle prizes were still provided to many community groups and charitable organisations such as local kindergartens, CFA units, and Surf Life Saving Clubs. Additionally, for the 26th year, Crown provided 500 Christmas food hampers to be distributed to Melbourne's vulnerable and homeless, this year through The Salvation Army Project 614.



Corporate Responsibility *continued*

During the year, in conjunction with the Victorian Government and service providers, Crown Melbourne continued to provide safe accommodation, at no cost, to those experiencing family violence. The program included the provision of hotel rooms, food and other amenities such as meeting facilities for the provision of counselling services in a safe environment. In total, Crown provided over 1,230 room nights under this program.

With snap lockdowns a recurring feature throughout the year, Crown sought to donate as much of its food as possible to support community members who were struggling. Tonnes of food was donated to OzHarvest, the Victorian Parliament House Kitchens, The Salvation Army Project 614 and Bright Sparq who then provided the food to the homeless and vulnerable.

In February 2021 during the WA and Peel region lockdown, Perth's north-east faced a devastating bushfire. To provide support and relief, Crown Perth offered accommodation to impacted colleagues and their immediate families at Crown Towers Perth.

Along with many people and organisations within Australia and internationally, Crown Perth donated \$150,000 to the Lord Mayor's Distress Fund to help support the rebuilding of Kalbarri. In July 2021, Crown Perth together with the Shire of Northampton hosted a dinner in the coastal town of Kalbarri for 130 emergency service workers who were tasked with the clean-up of Kalbarri and Northampton in the devastating aftermath of Cyclone Seroja. The successful evening was planned to give thanks and provide the guests a well-deserved break.

In collaboration with Victoria Park Council and Burswood Parks Board, Crown Perth employees supported initiatives including collecting rubbish for Clean Up Australia Day and contributing to the planting of 5,000 trees in support of the local park's rejuvenation program. Crown Perth employees also

supported Foodbank, with our apprentice chefs preparing and donating soup each week, with approximately 133 tonnes of soup being made for the homeless and needy over the past 21 years.

In October 2020, the Telethon Ball, Live Telecast and phone room was hosted at Crown Perth for the first time. Crown donated \$2.5 million to Perth's biggest charity drive, which raised a total of \$46.3 million that was distributed to 65 deserving Perth charities.

Other community campaigns included the Merrywell 'Dude Tea' which raised over \$30,000 in support of Movember, an organisation working to change the face of men's health. Crown Perth also collaborated with the Perth Wildcats to raise over \$60,000 for Breast Cancer Care WA, with Crown contributing \$27,000.

Crown Perth CEO Lonnie Bossi took part in the 2021 Vinnies CEO Sleepout and was the highest fundraiser involved in the Western Australian event. Lonnie raised \$79,000 for the charity as he slept outside on a concrete floor during one of the coldest nights of the year to raise funds and awareness of the realities of homelessness.

Crown Resorts Foundation

The conclusion of the 2021 financial year marks the seventh year of the Crown Resorts Foundation's commitment to allocating \$100 million to not-for-profit organisations, focussing on Indigenous education, arts, culture, community welfare and medical research programs. Over this period, the Foundation has allocated nearly \$60 million and this year has provided support to over 100 grant recipient organisations across Australia, ranging from 10-year multi-million-dollar commitments to one-off employee nominated grants.

The 2021 financial year has continued to be difficult for the not-for-profit sector as both fundraising and program delivery continued to be impacted by COVID-19 restrictions. The Foundation has worked with its



program partners to ensure that the impact to program recipients has been minimised, recognising that continuity and consistency is critical when engaging with marginalised communities.

Feedback from participants, teachers, principals, program facilitators and community members has remained positive and the Foundation would like to acknowledge the tireless work these organisations undertake in providing community support.

Indigenous education is a priority of the Foundation which continues to identify opportunities to address the imbalance in funding and fragmentation of Indigenous girls' education programs across Australia.

Community Champions

The Crown Resorts Foundation Community Champions was established to deliver a creative employee-focused program aimed at recognising the work employees undertake in the community and providing opportunities for them to engage with Foundation partners and other charities with which they are involved. The program has been operating in Crown Melbourne for several years and was introduced in Crown Perth in 2019 and launched in Crown Sydney earlier this year.

Managed entirely by employees who volunteer their time, Community Champions considers employee engagement with their communities to be exceptionally important, as it provides an opportunity to better understand some of the challenges affecting the community.

The Foundation provides funds to a number of community welfare organisations which support inner-city communities. These partnerships are strongly supported by the Community Champions.

The Community Champions programs include CROWNversations – a series of presentations where employees have the rare opportunity to meet some extraordinary Australians who are making a difference in

the community, CROWNverteering – a service open to all Crown employees interested in volunteering, enabling employees to be linked to charities in their area of interest, and a Community Grants Program – focussing on providing monetary support to charities and not-for-profit organisations nominated by employees.

This group has led a number of exceptionally popular Crown employee activations including book drives in support of the Australian Literacy and Numeracy Foundation where, to date, over 5,000 books have been donated for distribution to Indigenous and newly-arrived migrant communities across Australia. Over \$350,000 has been donated to organisations across Melbourne and Perth under the Community Grants Program.





RECEPTION

2021 Corporate Governance Statement

The Board of Crown Resorts Limited (Crown or the Company) is committed to the implementation and maintenance of good corporate governance practices. This Statement sets out the extent to which Crown has followed the ASX Corporate Governance Council's Fourth Edition of the Corporate Governance Principles and Recommendations (the Principles and Recommendations). This Statement is current as at 9 September 2021 and has been approved by the Board.

Principle 1: Lay Solid Foundations for Management and Oversight

Functions Reserved for the Board and Senior Management

Functions Reserved for the Board

The Board is responsible for guiding and monitoring Crown on behalf of its shareholders. In addition, the Board (in conjunction with management) is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The Board has adopted a formal Board Charter which sets out a list of specific functions that are reserved for the Board.

Board appointments are made pursuant to formal terms of appointment.



More information

The Crown Board Charter is available at: www.crownresorts.com.au under the heading Corporate Governance – Charters.

Functions Delegated to Senior Executives

Crown's senior executives have responsibility for matters which are not specifically reserved for the Board (such as the day-to-day management of the operations and administration of Crown).

Crown Board Committees

To assist in carrying out its responsibilities, the Crown Board has established the following standing Committees:

- Audit and Corporate Governance Committee
- People, Remuneration and Nomination Committee
- Safety & Sustainability Committee
- Responsible Gaming Committee
- Risk Management Committee

Each standing Committee includes at least three independent directors, the majority of whom are independent. The composition and membership of the standing Committees will change as the composition of the Board is renewed.

Each standing Committee has adopted a formal Charter that outlines its duties and responsibilities.

From time to time, the Board establishes special purpose committees as appropriate.



More information

The Crown Committee Charters are available at: www.crownresorts.com.au under the heading Corporate Governance – Charters.

Director Probity Reviews and Elections

Every appointment of a Crown Director is subject to the receipt of necessary gaming regulatory approvals.

The gaming industry is highly regulated and each of the casinos and gaming operations in which Crown has an interest is subject to extensive regulation under the laws, rules and regulations of the jurisdiction where it is located.

Officers, Directors and certain key employees and senior executives of Crown and its licensed subsidiaries must file applications with relevant gaming authorities and may be required to be licensed in certain jurisdictions. These probity reviews generally concern the responsibility, financial stability and character of the owners, managers and persons with financial interests in gaming operations and generally include requirements to obtain police checks and credit checks.

A Director will only be formally appointed once all necessary gaming regulatory approvals have been obtained. As a separate exercise, Crown undertakes its own internal investigations on the suitability of nominated Directors as a pre-condition to a recommendation to the Board to appoint a Director.

The Company's Constitution requires that an election of Directors must take place each year. In addition, Directors, with the exception of the Managing Director, appointed to fill casual vacancies during the year must retire from office at the next annual general meeting following his or her appointment but are eligible for re-election by shareholders at that time. The Notice of Meeting for an annual general meeting sets out all the material information in the Company's possession relevant to the qualifications, skills and experience of the relevant Director, details of any other material directorships currently held, the term of office served and the independence status of that director, and provides a recommendation of the Board in relation to the proposed election or re-election.



More information

Crown's past and present Notices of Meeting are available at: www.crownresorts.com.au under the heading Investors & Media – Annual General Meetings.

Director and Senior Executive Agreements

Crown Directors are provided with an induction pack upon appointment which, among other things, includes a letter agreement setting out the terms of that Director's appointment. The letter agreement, which each Director must countersign, describes when the appointment commences and when it ends, sets out the Director's powers and duties and the agreed remuneration arrangements and obliges the Director to comply with all Crown Policies, Procedures and the Code of Conduct. In addition, the letter agreement requires the Director to enter into a separate undertaking to inform Crown of any interests that Director may have in Crown securities (and contracts relevant to Crown securities) so that Crown is able to comply with its disclosure requirements under Listing Rule 3.19A to provide the ASX with completed Appendices 3X, 3Y and 3Z within the time period allowed by the ASX Listing Rules. In addition, the letter agreement requires the Director to consult and advise the Chairman of any proposed new role which may give rise to a conflict of interest.

Each senior executive of Crown has an employment contract setting out the terms of that senior executive's appointment.

Company Secretary Accountability

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The decision to appoint or remove a Company Secretary must be made or approved by the Board.

The role of the Company Secretary is set out in the Crown Board Charter and includes:

- advising the Board and its committees on governance matters;
- monitoring that Board and committee policy and procedures are followed;
- coordinating the timely completion and despatch of Board and committee papers;
- ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
- helping to organise and facilitate the induction and professional development of Directors.

Each Director is able to communicate directly with the Company Secretary as the need arises.



More information

The Crown Board Charter is available at:
www.crownresorts.com.au under the heading Corporate Governance – Charters.

Diversity and Inclusion Policy

Crown has established a Diversity & Inclusion Policy which is available on its website. The policy includes requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and the progress in achieving them.

The Board adopted a Gender Equity Action Plan (GAP) for F20 to F23 which sets out Crown's commitment to diversity and inclusion in the workplace.

Each focus area in the GAP, other than Intersectionality, includes a number of measurable objectives which are identified as mid-term and long-term targets. A report on the progress against the five focus areas in the GAP and the Board diversity objective is as follows:

Objective	Crown's Progress
<p>Recruitment and Promotion – To achieve 40:40:20 representation across the Group, with each Executive accountable for achieving this target within their business unit.</p>	<p>The over-arching aim of the GAP is to strive for representation of 40:40:20 (40% women, 40% men and 20% flexible) across all levels rather than 50:50 representation. In setting this target, consideration was given to gender representation at Crown at the time, what would be a realistic target that would factor in future appointments, promotions and retention.</p>

The tables below outline our progress:

Total percentage of female representation in each category

Category	2021
Other executives/general managers	34%
Senior manager	41%
Other manager	39%
Non managers	43%

The following initiatives have also been implemented to support female representation across the business:

- Crown became a WORK180 Endorsed employer. WORK180 pre-screens employers to ensure they have policies and benefits in place to support women's careers.
- Reporting dashboards created to monitor Crown's progress against its 40:40:20 target.
- Gender diverse recruitment pools and selection panels at each stage of the recruitment process.
- Custom reporting designed and built to track gender trends at each level of the recruitment process (including drop off rates and stages).
- Recruitment policy updated to strengthen diversity practices within the recruitment process.

Objective	Crown's Progress										
<p>Retention and Development – To ensure Crown retains women at a level equitable or better than the retention of their male colleagues and that women at Crown receive appropriate opportunities and encouragement so that they benefit from all that Crown has to offer.</p>	<p>Female representation</p> <p>The below shows female representation across key employee lifecycle stages:</p> <table border="1" data-bbox="564 465 1217 667"> <tr> <td>Hires</td> <td>45%</td> </tr> <tr> <td>Transfers</td> <td>43%</td> </tr> <tr> <td>Promotions</td> <td>42%</td> </tr> <tr> <td>Terminations</td> <td>43%</td> </tr> <tr> <td>Headcount</td> <td>43%</td> </tr> </table> <p>As part of the focus on retention, Crown partnered with Circle In and launched an online parental leave platform in early 2021 to assist employees on their parental leave journey and how to navigate the return to work.</p>	Hires	45%	Transfers	43%	Promotions	42%	Terminations	43%	Headcount	43%
Hires	45%										
Transfers	43%										
Promotions	42%										
Terminations	43%										
Headcount	43%										
<p>Cultural Change and Communication – To ensure that all employees work in a safe and respectful environment where their contributions are welcomed and valued.</p>	<p>To progress and further promote diversity and inclusion across the business the following has been implemented:</p> <p>Communication</p> <p>A social communications platform launched across Melbourne, Perth and Sydney which has provided a greater reach to directly communicate with employees.</p> <ul style="list-style-type: none"> • This platform includes dedicated groups for diversity programs to communicate and promote key initiatives. • The platform provides greater connection between employees, their managers and what is going on across the business. • Enhancements were made to Crown's Chatbot to provide employees with more information in their hands at the times that suit them. • The platform allowed for communication and connection during COVID-19 related shut down periods. <p>Cultural Change</p> <ul style="list-style-type: none"> • A sexual harassment initiative aligned to the national inquiry into Sexual Harassment in the Workplace was launched in October 2020. • Diversity KPIs included in performance plans across the business. • Unconscious bias included in management training programs. • Increased female participation at key company presentations. 										
<p>Flexibility – To have flexibility for every role at Crown.</p>	<p>Flexibility has increased substantially over the last 12 months, especially due to the response to COVID-19 and the need to work remotely. To facilitate, support and promote flexibility the following initiatives have been implanted:</p> <ul style="list-style-type: none"> • Policy updated to include flex principles that link to Crown's values. • Creation of a flex matrix to show the forms of flexibility available for every role. • Extended purchase leave options implemented across the business. • Technology rolled out and embraced by business as tools to improve flexible work and communications. • Integration of social communications platform with rostering system to provide ease and access of rostering provisions (such as shift swaps that can be completed from personal devices). 										

Objective	Crown's Progress
Intersectionality – To partner with Crown's Indigenous Program, CROWNability program and Crown Pride Committee to address specific areas for women participating in those programs.	<p>There has been a continued focus on intersectionality with the following taking place:</p> <ul style="list-style-type: none"> • Further awareness of Crown's diversity programs promoted through Crown Community and employee networks. • During COVID-19, employee support/sharing groups set up on social communications platform for employees to share information about their background, including a group to support employees learning different languages. • Continued partnership with Crown's Indigenous Program, including the support of Ochre Ribbon. • Continued partnership with Crown Pride on key events and initiatives. • Crown became a member of Diversity Council Australia.

In addition to adopting the GAP, the Crown Board set the objective of having not less than 30% of directors on the Crown Board of each gender by 30 June 2022. At 30 June 2021, the Crown Board consisted of 75% female representation. The Crown Board experienced significant turnover during the year. As the Board continues to pursue its renewal strategy, it is likely that the percentage of female representation will change. The Crown Board however remains committed to its objective of having not less than 30% of directors on the Board of each gender.

The proportion of women employees in the Group, women in senior executive positions and women on the Board as at 30 June 2021 was as follows:

Measure	Result
Proportion of women employees in the Group	There were 5,370 women in the Group. This represents 43% of the total workforce of 12,489 employees. This is a slight decrease (0.19%) on FY20.
Proportion of women in senior executive positions in the Group	There were 30 women in senior executive positions in the Group. This represents 30% of senior executive positions in the Group. This is a 1% increase on FY20 (29%).
Proportion of women on the Board	As at 30 June 2021, there were three female Directors out of a total of four Directors, or 75%.

For the purpose of these statistics, the term "senior executive position" refers to Executive Team and Business Operations Team members of Crown Resorts Limited, Crown Melbourne, Crown Sydney and Crown Perth as well as the most senior leaders from each operational unit therein. The Executive Team is comprised of persons with titles in the nature of, or similar to, Executive General Manager, General Manager, Chief Information Officer, Chief Risk Officer, Chief People & Culture Officer, Chief Marketing Officer and Group General Counsel together with the Chief Executive Officers, Chief Operating Officers and Chief Financial Officers within the Group.

Crown's Audit and Corporate Governance Committee has been delegated responsibility for developing and monitoring the application of Crown's Diversity & Inclusion Policy.

As noted above, Crown's Diversity & Inclusion Policy requires that Crown reviews its Gender Objectives annually to ensure that they remain relevant and appropriate for Crown.

Crown is a "relevant employer" under the Workplace Gender Equality Act 2012 (Cth) and, in accordance with the requirements of the Act, Crown lodged its annual Public Report with the Workplace Gender Equality Agency for the 2020-2021 period which reports on the most recent "Gender Equality Indicators".

More information



Crown's Diversity & Inclusion Policy is available at:
www.crownresorts.com.au under the heading Corporate Governance – Policies.

Crown's Workplace Gender Equality Report is available at: www.crownresorts.com.au under the heading Corporate Governance – Gender Equality.

Process for Evaluating Performance of the Board, its Committees and its Directors

A performance evaluation of the Board and of its Committees is generally undertaken annually, following completion of each financial year, by way of a questionnaire sent to each Director.

The questionnaire covers the role, composition, procedures and practices of the Board and of its Committees. The individual responses to the questionnaire are confidential to each Director, with questionnaire responses provided to the Chair of the People, Remuneration and Nomination Committee for consideration and provision of a report to the Board.

Crown's People, Remuneration and Nomination Committee is also responsible for reviewing Crown's procedure for the evaluation of the performance of the Board, its Committees and its Directors.

While there was substantial turnover in Directors during the 2021 financial year, the Board intends to undertake an evaluation of its performance by way of an internal questionnaire issued to the current Directors.

It is the intention of the Board to undertake a more detailed evaluation of the performance of the Board and Committee in the 2022 financial year following the completion of the Board renewal process and management transition. The evaluation will be undertaken with the assistance of an external and independent third party.

Process for Evaluating Performance of Senior Executives

Crown has established processes for evaluating the performance of its senior executives. In summary, each senior executive is evaluated against the achievement of pre-agreed key performance objectives. The evaluation process is conducted annually and is followed by the determination of appropriate remuneration for the relevant senior executive.

Detailed information regarding Crown's remuneration practices is provided in the Remuneration Report. An evaluation of senior executives took place following the end of the 2021 financial year and in accordance with the processes described in the Remuneration Report.

Principle 2: Structure the Board to Be Effective and Add Value

People, Remuneration and Nomination Committee

Crown has established a People, Remuneration and Nomination Committee. The Committee has adopted a formal Charter that outlines its duties and responsibilities which is available at www.crownresorts.com.au under the heading Corporate Governance – Charters.

At the time of writing, the current members of the People, Remuneration and Nomination Committee are Antonia Korsanos (Chair), Jane Halton AO PSM and Nigel Morrison. The Committee is comprised of independent, Non-executive Directors. Information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

The role of the Committee is to assist the Board to develop, maintain and implement policies in relation to:

1. the selection and appointment practices for Directors; and
2. the remuneration of Directors and relevant executives.

Selection, Appointment and Development of Directors

The People, Remuneration and Nomination Committee is required to:

- review Crown's procedure for the selection and appointment of new Directors (Selection Procedure) and make appropriate recommendations to the Board in relation to the Selection Procedure;
- implement the Selection Procedure and make nomination recommendations to the Board;
- develop succession plans in order for the Board to maintain appropriate experience, expertise and diversity;
- review Crown's procedure for the evaluation of the performance of the Board, its Committees and its Directors and be primarily responsible for the implementation of the evaluation process; and
- oversee the induction process is in place for new Directors.

The Selection Procedure requires that, in the event that a new Director appointment is required, the People, Remuneration and Nomination Committee (on behalf of the Board) must adhere to procedures including the following:

- the experience and skills appropriate for an appointee, the skills of the existing Board and any likely changes to the Board will be considered;
- upon identifying a potential appointee, specific consideration will be given to that candidate's:
 - competencies and qualifications;
 - independence;
 - diversity;
 - other directorships and time availability; and
 - the effect that the appointment would have on the overall balance and composition of the Board, including by reference to the Crown Board Skills Matrix adopted from time to time; and
- finally, all existing Board members must approve the proposed appointment.

The People, Remuneration and Nomination Committee also has responsibility for reviewing the Board Skills Matrix on an annual basis to ensure it remains consistent with the objectives of Crown and existing regulatory requirements and recommendations.

Remuneration of Directors and Relevant Executives

The role of the People, Remuneration and Nomination Committee also includes:

1. the review and recommendation of appropriate fees to be paid to Non-executive Directors;
2. the review and recommendation of appropriate remuneration arrangements for Executive Directors and relevant senior management including the level of remuneration and relevant contracted term; and
3. the review of succession plans for Executive Directors and relevant senior management.

Following the end of the financial year, the Committee reviewed and approved:

- the remuneration for senior executives which will apply during the financial year ending 30 June 2022; and
- the short-term incentive arrangements applicable to senior executives referable to the financial year ended 30 June 2021.

A summary of the current remuneration arrangements is set out in more detail in the Remuneration Report. The objective of Crown's remuneration policy is to ensure that:

- senior executives are motivated to pursue the long-term growth and success of Crown; and
- there is a clear relationship between the performance of senior executives and their remuneration.

Board Skills Matrix

As noted above, the Selection Procedure for a Director nomination requires that the People, Remuneration and Nomination Committee (on behalf of the Board) consider the effect that any proposed Director candidate would have on the overall balance and composition of the Board including by reference to the Crown Board Skills Matrix adopted from time to time.

The Crown Board has adopted the following Board Skills Matrix which sets out the mix of skills and diversity that the Board is looking to achieve in its membership. The Board Skills Matrix highlights the key skills and experience of the Board and the extent to which those skills are currently represented on the Board.

Skill/Competency	Board ¹
Total Number of Directors	5
Executive leadership CEO or senior executive experience in a large complex organisation.	5
Listed company experience Experience as a non-executive director of ASX listed entities or international listed entities.	5
Strategy and innovation Experience developing and directing the strategy of a large organisation to assist with the Board's oversight of strategy. Ability to think and act innovatively in a fast-moving environment with a focus on business growth and responding to disruption.	5

Skill/Competency	Board ¹
Risk management Experience in identifying, monitoring and overseeing material risks in complex organisations, including regulatory, financial and non-financial risks. Experience with high standards of risk management and governance, particularly in highly regulated sectors.	5
Financial acumen Senior executive or equivalent experience in financial accounting and reporting, capital management with long term investment horizons and substantial capital outlay, industry taxation, internal financial controls and corporate financing arrangements, including the ability to analyse and assess financial performance, controls and reporting.	5
Corporate governance and compliance Experience with ASX listed entities and other large organisations subject to robust corporate governance frameworks with an ability to assess the effectiveness of relevant governance processes. Commitment to high standards and systems of governance and compliance within ethical frameworks.	5
Workplace health and safety Experience in relation to workplace health and safety, particularly in industries with shift workers.	5
Sustainability, environment and corporate social responsibility Experience in relation to sustainability, environmental and social responsibility and community.	5
Legal and regulatory Experience in legal and regulatory matters including regulatory and contractual frameworks in highly regulated sectors. Experience with regulation and law governing gaming matters including but not limited to anti-money laundering and responsible conduct of gaming.	5
Technology Knowledge and experience in developing or overseeing the application of technology systems, critical infrastructure, digital technology, data management, cyber security, gaming systems and disruption and data security.	5
People, culture and conduct Experience in the management of human resources including engagement with organisational culture and change, talent development, incentivisation, remuneration, succession planning and the ability to consider and respond to matters relating to inclusion and diversity.	5
Customer focus Senior executive or equivalent experience in marketing including a detailed understanding of the Company's strategic direction, customer service and management strategies and the ability to understand the needs of customers and enhance their experience and outcomes.	4
Industry experience - gaming and entertainment Senior executive or equivalent experience in the gaming and entertainment industries.	4
Industry experience - hospitality and management Senior executive or equivalent experience in the hospitality and tourism industries.	2
Public policy and stakeholder engagement Professional experience working in a highly regulated organisation, regulatory body or government department/agency relevant to the Company with public policy and stakeholder engagement experience, particularly in relation to gaming.	4

1. Includes Non-executive Directors subject to regulatory approval.

The Board Skills Matrix, albeit important, is only part of the Selection Procedure that the Board is required to follow. As noted above, the People, Remuneration and Nomination Committee has responsibility for reviewing the appropriateness of the Board Skills Matrix on an annual basis.

The People, Remuneration and Nomination Committee is responsible for developing Crown's Board succession plan to ensure that the Board maintains appropriate experience, expertise and diversity.

An objective of Crown's reform agenda is to focus on rebuilding the Board with a full complement of independent Non-executive Directors. Board succession is a continual process. Crown operates in a highly regulated industry whereby it takes some time for each new Director to obtain the required probity and regulatory approval in all jurisdictions in which Crown

operates. The departure of five Directors during the month of February 2021 did not allow for orderly succession. The intention of the Board is to appoint further independent Non-executive Directors and the recruitment process is well underway in this regard. The current Board, including members-elect, is comprised of independent, Non-executive Directors.

Relationships Affecting Independence

The table below sets out the Crown Directors as at 9 September 2021 and indicates which of those Directors are considered to be independent Directors and notes the length of service of each Director from the date of their appointment to 9 September 2021.

Name of Director	Independence Status	Length of Tenure (By years and complete months)
Jane Halton AO PSM , BA (Hons) Psychology, FIML, FIPAA, Hon. FAAHMS, Hon. FACHSE, Hon. DLitt (UNSW) <i>Interim Chairman and Non-executive Director</i>	Independent	3 Years, 4 Months
Antonia Korsanos , BEc, CA, GAICD <i>Non-executive Director</i>	Independent	3 Years, 4 Months
Nigel Morrison B.Com, FCPA <i>Non-executive Director</i>	Independent	5 months
Bruce Carter ¹ B.Econ, MBA, FAICD, FICA <i>Non-executive Director</i>	Independent	
Ziggy Switkowski AO ² PhD (Melbourne), FAA, FTSE, FAICD <i>Chairman - Elect</i>	Independent	
Steve McCann ³ <i>Chief Executive Officer and Managing Director - Elect</i>	Non-independent	

1 Mr Carter was appointed to the Crown Resorts Board on 25 August 2021.

2 Crown announced the appointment of Dr Ziggy Switkowski AO as Chairman - Elect on 26 August 2021. Dr Switkowski's appointment will become effective upon receipt of regulatory approval.

3 Mr Steve McCann was appointed Chief Executive Officer and Managing Director on 1 June 2021, subject to receipt of regulatory approval. Mr McCann will formally commence as Chief Executive Officer and Managing Director following receipt of regulatory approval.

Independent Board Directors

The Crown Board is currently comprised of six Directors, five of whom will be independent following receipt of regulatory approval for Dr Switkowski. Mr McCann will be the only non-independent Director in his role as Chief Executive Officer and Managing Director, following receipt of regulatory approval. The independence of Directors is assessed against a list of criteria and materiality thresholds. Those criteria have been formally enshrined in the Crown Board Charter. Each Director who is listed as an independent Director complies with the relevant criteria for independence set out in the Crown Board Charter. The independence of Directors is assessed against a list of criteria and materiality thresholds. Those criteria have been formally enshrined in the Crown Board Charter. Each Director who is listed as an independent Director complies with the relevant criteria for independence set out in the Crown Board Charter.

Board Chair Independence

The roles of the Chairman and Chief Executive Officer are usually exercised by separate persons. In January 2020, the Crown Board appointed The Honourable Helen Coonan as Chairman. At the same time, Ken Barton was appointed as the Chief Executive Officer and Managing Director of Crown.

Following the departure of Mr Barton in February 2021, Ms Coonan was appointed Interim Executive Chairman while the Board oversaw a search for a new Chief Executive Officer. In May 2021, the Board appointed Mr Steve McCann as Chief Executive Officer and Managing Director of Crown, subject to the receipt of probity and regulatory approvals. Since 1 June 2021 when Mr McCann commenced, Ms Coonan continued to perform her executive responsibilities as Interim Executive Chairman until her departure on 27 August 2021.

On 26 August 2021, the Crown Board announced the retirement of Ms Coonan and the appointment of a new independent Non-executive Chairman, Dr Ziggy Switkowski, subject to regulatory approval.

The roles of the Chairman and Chief Executive Officer at Crown will revert to being exercised by separate persons.

Director Professional Development

The induction process for new Directors involves both formal and informal elements, tailored to their existing skills, knowledge and experience.

As noted above, new Directors are provided with a formal induction pack which includes important information that a Director must know about the Company and their appointment terms and includes copies of relevant Constitutions, Board Charters and Policies. In addition, new Directors are provided with tours of Crown’s main businesses and the opportunity to spend time with various members of senior management.

The professional development framework for Directors has recently been enhanced with the introduction of a three-year training calendar which captures a broad range of training and development areas specifically tailored to the role and responsibilities of Crown’s Directors. The calendar sets out the anticipated timeframe for completion of training together with any requirement for refresher training. The Board recognise that training and development is an ongoing process and as such, the calendar will be reviewed bi-annually by the People, Remuneration and Nomination Committee to ensure it remains up-to-date and relevant.

In addition, Directors are requested to complete certain of Crown’s online training modules, including Anti-money Laundering, Anti-bribery and Corruption, Cyber Security Awareness and Responsible Gaming.

To provide more structure to Director professional development, the People, Remuneration and Nomination Committee oversees the induction process which is in place for new Directors. This process involves, amongst other things, a review of the Crown Board Skills Matrix and consideration of the extent to which those skills are currently represented on the Board and on each of its Committees. Where skills, knowledge and experience are not currently adequately represented, appropriate professional development in this area will be considered.

Principle 3: Instil a Culture of Acting Lawfully, Ethically and Responsibly

Reinforcing Culture, Purpose and Values

The Crown Board have adopted values which reflect the Company’s purpose and culture and outline the behaviours expected of officers and employees. They reflect how Crown employees work, treat each other and interact with the people and communities around Crown. These values are:

			
We do the right thing	We act respectfully	We work together	We are passionate
<p>Doing the right thing... is doing right by your colleagues, customers, community and company.</p>	<p>Acting respectfully is... walking in each other's shoes and treating others as you wish to be treated.</p>	<p>Working together is... believing in "we before me" and that together we thrive.</p>	<p>Being passionate about what you do is... never giving anything less than your best and loving what you do.</p>

Culture reforms

Crown’s objective is to be one of the most responsible and respected operator of integrated resorts in the world – right across Crown’s stakeholder mix including the community, regulators and governments, customers, shareholders and our employees.

In 2021, the Crown Board instigated a culture reform transformation program. External experts were engaged to conduct an organisation-wide culture review in support of assessing the current state culture at Crown. A comprehensive survey was developed and rolled out to employees to provide a baseline and insights. The outcome of the survey has been used to address shortcomings and has formed the basis of the roadmap for our cultural change, which has been developed and will be launched in September 2021.

Whilst there is much work still to be done, progress has already been made through significant leadership renewal at the Board and senior management level and organisational restructures resulting in key governance and compliance functions such as financial crime, risk, internal audit and responsible gaming having direct reporting relationships to the Board.

As part of the culture reform program, a review of Crown's current purpose and values was undertaken to ensure they support Crown's aspirational culture and align with its overall strategic objectives. The outcome of this review will see Crown's current purpose and values evolve to focus on creating a collaborative workforce where integrity is paramount to decision making. Crown's focus will be on building relationships with stakeholders and our role within the community, while we strive to deliver quality exceptional experiences, pursue opportunities to exceed expectations and continuously grow and improve.

By reforming Crown's culture, Crown intends to regain trust from the community and support its social licence to operate. The Board will oversee the cultural change which will be driven by the new CEO and Chief People and Culture Officer.

Code of Conduct

The Crown Board has adopted a Code of Conduct which reflects the Company's values and outlines the standard of ethical behaviour that is expected of its Directors and of its employees at all times. Any person who performs work for or on behalf of Crown must comply with Crown's Code of Conduct, which contains the Standards of Conduct and procedure for reporting breaches of Code of Conduct as core requirements. All Directors and employees receive training on their obligations under the code and the Crown Board is advised of any material breaches of the Code of Conduct as soon as possible.

These values and requirements form the foundation of Crown's corporate governance framework.



More information

Crown's Code of Conduct is available at: www.crownresorts.com.au under the heading Corporate Governance – Codes.

Whistleblower Policy

Crown's Whistleblower policy is designed to promote and support a culture of integrity and ethical behaviour and to encourage the reporting of misconduct and wrongdoing. The Board recognises the important role whistleblowing can play in the early detection of misconduct. Crown's Whistleblower Policy sets out:

- the disclosures which qualify for protection;
- how disclosures can be made and to whom;

- the process for investigating disclosures; and
- the importance of maintaining confidentiality and protection against victimisation.

The procedure for investigation and how disclosures may be made considering protection of identity and confidentiality are outlined in the policy. Eligible whistleblowers are encouraged to contact STOPLine to make a disclosure under this Policy. STOPLine is an independent and confidential service which is available 24 hours a day, seven days a week.

Whistleblower disclosures and periodic updates of matters under this Policy are reported to Crown's Risk Management Committee.

The Company's Whistleblower Policy was last reviewed and updated in February 2021. The Policy is reviewed by the Crown Board as required from time to time.



More information

Crown's Whistleblower Policy is available at: www.crownresorts.com.au under the heading Corporate Governance – Policies.

Anti-bribery and Corruption Policy

The Crown Board has zero tolerance for any fraudulent or corrupt business practices and has in place an Anti-bribery and Corruption Policy.

The Anti-bribery and Corruption Policy articulates the standards expected of Crown, its employees and associates and its commitment to operating with the highest levels of corporate integrity and preventing bribery and corruption in all forms wherever and with whomever Crown conducts business. Crown has undertaken a systematic process to identify bribery and corruption risks. Targeted compliance systems to prevent, detect and manage issues of bribery and corruption are monitored through Crown's corporate compliance program and operate within each business unit.

All Directors and employees receive training on their obligations under the policy as a part of their induction process. Periodic training is organised, as appropriate to the roles of the employees, following induction.

The Risk Management Committee is kept informed and receives periodical reports of any material breaches of the Anti-bribery and Corruption Policy.

The Company's Anti-bribery and Corruption Policy was last reviewed and updated in February 2020. The Policy will be reviewed by the Risk Management Committee and the Crown Board as required from time to time.

Principle 4: Safeguard the Integrity of Corporate Reports

Audit and Corporate Governance Committee

Crown has established a formal Audit and Corporate Governance Committee to review the integrity of Crown's financial reporting and to oversee the independence of Crown's external auditors.

At the time of writing, the current members of the Audit and Corporate Governance Committee are Antonia Korsanos (Chair), Jane Halton AO PSM and Nigel Morrison however this is subject to change given the current Board renewal process underway. The Committee is comprised of independent Non-executive Directors.

The Chair of the Audit and Corporate Governance Committee, Mrs Korsanos, is an independent Director who has extensive financial experience with over 25 years' experience in financial and general management.

Further information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

The Audit and Corporate Governance Committee has adopted a formal Charter that outlines its duties and responsibilities. The Charter includes information on the procedures for the selection and appointment of the external auditor of Crown and for the rotation of external audit engagement partners.



More information

The Audit and Corporate Governance Committee Charter is available at: www.crownresorts.com.au under the heading Corporate Governance – Charters.

CEO and CFO Declarations

Before approving the financial statements for each financial period, the Board receives the necessary confirmations required under section 295A of the Corporations Act from each person who performs a chief executive officer and the chief financial officer function stating that, in their opinion:

- the financial records of Crown have been properly maintained;
- the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of Crown; and
- the opinion has been formed on the basis of a sound system of risk management and internal controls which is operating effectively.

Any other announcements, including periodic corporate reports not reviewed or audited by an external auditor, are verified by the Disclosure Committee through the process described in the Continuous Disclosure Policy available at www.crownresorts.com.au under the heading Corporate Governance – Policies.

Auditor's Attendance at AGMs

Crown shareholders are provided with an opportunity at the AGM to ask questions and make comments on Crown's Annual Report and on the business and operations of the Company. Crown's Auditor is required to attend the AGM and shareholders are therefore also provided a reasonable opportunity to ask the Auditor questions about the Auditor's Report and the conduct of the audit of the Financial Report. Shareholders are informed of their opportunity to address the Auditor in the Notice of Meeting for the AGM.

Principle 5: Make Timely and Balanced Disclosure

Policy to Ensure Compliance with ASX Listing Rule Disclosure Requirements

Crown has a formal Continuous Disclosure Policy in place which is designed to ensure compliance with ASX Listing Rule requirements. The policy details processes for:

- ensuring that any information that could be market sensitive or could involve reputational or material regulatory issues or risks are communicated to the Disclosure Officer;
- the assessment of information by the Disclosure Committee and, where appropriate, the Board, and for the disclosure of material information to the market; and
- the broader publication and assessment of material information to the media, analysts and investors.

All new and substantive investor information, including investor or analyst presentations are released as an announcement on the ASX Market Announcements Platform ahead of the presentation.



More information

Crown's Continuous Disclosure Policy is available at: www.crownresorts.com.au under the heading Corporate Governance – Policies.

All ASX announcements, other than routine administrative announcements, which do not have prior approval by the Crown Board, are provided to the Crown Board promptly after the ASX has acknowledged that the information has been released to the market.

Principle 6: Respect the Rights of Security Holders

Providing Online Information to Investors

Crown has a dedicated corporate website which provides information about itself and its governance to investors. The website has a dedicated Corporate Governance tab which sets out Crown's Charters, Constitution, Policies and Codes, describes Crown's Board Committees and includes copies of current and historical Corporate Governance Statements and Remuneration Reports.



More information

More information is available at: www.crownresorts.com.au under the heading Corporate Governance.

Promotion of Effective Communication with Shareholders

The Board aims to ensure that shareholders and prospective investors are kept informed of all major developments affecting Crown.

Crown's investor relations program is designed to facilitate effective communication between shareholders, prospective investors and Crown.

Crown actively engages with shareholders and prospective investors through a program of scheduled interactions with institutional investors, sell-side and buy-side analysts and the financial media. In addition, meetings are held with shareholders and prospective investors on request and responses are provided to enquiries made from time to time.

Crown's investor relations program works in tandem with its obligations under its Continuous Disclosure Policy, a copy of which is available on Crown's website.

Crown's Chief Executive Officer and Chief Financial Officer regularly report to the Board on investor relations matters.

In addition, Crown has a Communications Policy which seeks to promote effective communication with all its shareholders, including smaller investors. The policy explains how information concerning Crown will be communicated to shareholders.

The communication channels include:

- Crown's Annual Report;
- disclosures made to the ASX; and
- Notices of Meeting and other Explanatory Memoranda.

Advance notification of results announcements dates is made via Crown's website.



More information

Crown's Continuous Disclosure Policy and Communications Policy is available at: www.crownresorts.com.au under the heading Corporate Governance – Policies.

Shareholder Participation at Meetings

Shareholders are encouraged to participate in all meetings of shareholders. The date of Crown's AGM is advertised well in advance on its website, is announced to the ASX and is separately communicated to investors.

Shareholders are informed in the formal Notice of Meeting for the AGM of their opportunity to participate in the meeting by asking questions of either Crown Directors or its Auditor. The AGM is also webcast live and an archive of the AGM webcast is subsequently available on Crown's website.

At the AGM, the Chairman encourages shareholders to ask questions on the items of business.

All substantive resolutions at a meeting of security holders are decided by poll rather than by a show of hands.



More information

Crown's Notices of Meeting and the webcast are available at: www.crownresorts.com.au under the heading Investors and Media – Annual General Meetings.

Shareholder Communications

Crown shareholders have the option to receive communications from Crown and to send communications to Crown electronically. Crown's share registry (on behalf of Crown) actively encourages shareholders to receive their shareholder communications electronically and provides online access to shareholder information.

Separately, the Crown website includes a "Contact Us" feature which can be used by both shareholders and others to ask questions of the Company.

Principle 7: Recognise and Manage Risk

Policy for Oversight and Management of Material Business Risks

Crown has established a formal Risk Management Committee to provide strategic risk management leadership, oversight and analysis to the Crown Board.

At the time of writing, the current members of the Risk Management Committee are Jane Halton AO PSM (Chair), Bruce Carter and Antonia Korsanos. All members of the Committee are independent Non-executive Directors.

The Chair of the Risk Management Committee, Ms Halton, is an independent Director who served a 34 year career in the public service.

Further information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

The Risk Management Committee has adopted a formal Charter that outlines its duties and responsibilities.

In December 2020, the Board implemented a new organisational structure that included the separation of Crown's risk and internal audit functions. A new Chief Risk Officer role was created with an elevated reporting line directly to the Chief Executive Officer, and a reporting line to the Risk Management Committee. The Chief Risk Officer is also a member of the Executive Team for each Crown property and attends the board meetings of each property and the Crown Board.



More information

The Risk Management Committee Charter is available at: www.crownresorts.com.au under the heading Corporate Governance – Charters.

Design and Implementation of Risk Management and Internal Control Systems

Crown has established a framework for the oversight and management of material business risks and has adopted a formal Risk Management Policy and articulated its Risk Appetite. Risk management is an integral part of the industry in which Crown operates.

Management is charged with monitoring the effectiveness of Crown's risk management systems and is required to report to the Board via the Risk Management Committee.

The Board convened Risk Management Committee administers Crown's Risk Management Policy and monitors management's performance against the risk management framework, including whether it is operating within the Risk Appetite set by the Board.

The Risk Management Policy sets out procedures which are designed to identify, assess, monitor and manage risk at each of Crown's controlled businesses and requires that the results of those procedures are reported in a Risk Profile to the Crown Board. The framework has been developed using the model outlined in AS/NZS ISO 31000:2018 Risk Management – Guidelines.

Crown's Risk Profile reflects major risks identified at an operational level and provides the framework for the reporting and monitoring of material risks across the Crown group on an ongoing basis.

Management is required to conduct an annual review of its Risk Profile to ensure that risk ratings and definitions remain appropriate for Crown, and that adequate controls are in place to manage them.

A review has been conducted during the reporting period and presented to the Risk Management Committee for approval. In the course of that review, the current Risk Profiles of Crown's major operating businesses were taken into account and the risk environment of its operations was also considered.

In addition, the Board has received, and will continue to receive, periodic reports through the Risk Management Committee, summarising the results of risk management initiatives at Crown.

Overarching Risk Appetite Statement

The Crown Resorts Board has articulated its risk appetite in the following manner:

In general, Crown's risk appetite is a balanced one that allows taking measured commercial risk as it pursues strategic objectives whilst aiming to manage and minimize risk in its operations. Crown's Risk Management Framework is designed to manage, rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against breaches of risk appetite. In this balanced stance, Crown is willing to accept, in some circumstances, material commercial risks that may result in impacts to our finances, services to our customers or infrastructure, but only within pre-defined limits and parameters.

There are a number of areas of the business where Crown does not have appetite to accept material risks.

Specifically:

- *Crown does not have appetite to accept material risk related to regulatory, legal or statutory requirements, including in respect of financial crime. Crown's relationships with its regulators and licensors are foundational and paramount to how it does business.*
- *Crown does not have appetite to accept material risk related to any association with or influence from criminal elements.*
- *Crown does not have appetite to accept material risk related to any activity that would be inconsistent with its social license to operate, which includes, in addition to meeting its regulatory obligations, material risk related to its reputation and brand. Crown takes very seriously its stance on 'doing the right thing' by all its stakeholders.*
- *Crown does not have appetite to accept material risks related to employee health and safety, the maintenance of appropriate security and surveillance*

across its properties or loss of, or otherwise unauthorised or accidental disclosure of, customer or other sensitive information or data.

This overarching statement is complemented by specific qualitative statements against Crown's major risk categories and quantitative metrics that trigger reporting to the Risk Management Committee.

Disclosure of Internal Audit Functions

An independent and objective internal audit function, with auditors located across Perth, Melbourne and Sydney, supports the Crown Board and its subsidiaries in assessing that risks are appropriately managed in line with the risk appetite, and that the internal controls are operating effectively.

Internal audit activities focus on controls and related activities (including policies, procedures, and systems) which are in place to ensure:

- the adequacy and effectiveness of mitigating controls;
- compliance with applicable policies, standards, procedures, regulations, and legislation;
- the economic acquisition, effective use and adequate protection of Crown's assets and resources;
- the accomplishment of Crown's objectives; and
- the accuracy, reliability and timeliness of information reviewed.

Internal audit may perform consulting and advisory services relating to governance, risk management and control as appropriate for Crown. It may also evaluate within the confines of independence requirements, specific operations at the request of the Board, Audit & Corporate Governance Committee, or management as appropriate.

The Boards of each major operating business and management receive regular reports from internal audit on the control environment, areas for improvement and progress in addressing those areas for improvement.

To further enhance the Three Lines of Defence at Crown, the internal audit function was separated from the risk function in the current year and a fully independent Group General Manager – Internal Audit was appointed. This role reports administratively to the Chief Financial Officer – Crown Resorts and functionally to the Crown Resorts Audit & Corporate Governance Committee.

The internal audit function was externally assessed for compliance with the Institute of Internal Auditor's International Professional Practices Framework in 2020 and was rated as generally conforms, which is the highest rating that can be achieved.

Disclosure of Environmental and Social Risks

The Crown Group is exposed to a number of environmental and social sustainability risks.

Crown's goal is to be a leader in the entertainment and tourism industry by creating long-term value for its stakeholders across economic and environmental dimensions. Crown aspires to be a model corporate citizen and recognises that a company is assessed not only on its financial performance, but also by its commitment to corporate responsibility, which includes consideration of, among others, the following factors:

- the quality of its workplace;
- its environmental footprint;
- its level of community engagement;
- the creation of a safe environment for its customers, employees and contractors; and
- the provision of employment opportunities.

Environmental risks

Crown's environmental sustainability program, CROWNEARTH, has a clear aim to deliver strategy, plans, actions and outcomes in environmental sustainability. The CROWNEARTH brand is instantly recognisable by managers and employees alike and signifies Crown's commitment to the three pillars of sustainability: people, planet and prosperity.

Crown takes a group-wide approach to environmental sustainability, aligning strategies and programs that further reduce the environmental impact and contribute to developing more sustainable practices, focussing on three key areas: energy, waste and water management.



More information

Further information about Crown's environmental sustainability program, including environmental initiatives, is available at www.crownresorts.com.au and under the heading Our Contribution - Sustainability.

Social risks

The material social risk affecting Crown relates to problem gaming.

Crown is committed to an inclusive responsible service of gaming approach at each resort, engaging internally and externally to achieve socially responsible outcomes. Crown recognises that in delivering its responsible gaming programs and services, it does so as a shared responsibility as part of the gaming industry, with government, communities and individuals, all working in partnership.

Each of Crown's properties have onsite support facilities for customers seeking assistance with their gaming behaviours. Responsible Gaming Centres are staffed by dedicated and professional team members and provide free and confidential services, programs and referrals 24 hours a day, seven days a week, providing information in English and other languages.

To assist employees in delivering high customer service standards in relation to responsible gaming, the Responsible Gaming department at each property, together with Crown College, provide responsible service of gaming training using modern learning techniques which include on-line and facilitator led training.

Crown works closely with government, community and academia to monitor its harm minimisation approach and has established a group of Responsible Gaming academics, the Responsible Gaming Advisory Panel, to assist in the deliberation and advice in relation to responsible gaming programs and services. Further, Crown develops and maintains strong engagement with many stakeholders including gambling help service providers and other welfare organisations in each State.



More information

Further information in relation to Crown's Responsible Gaming program, including the Responsible Gambling Code of Conduct, is available at www.crownresorts.com.au and under the heading Our Contribution - Responsible Gaming.

Policy for Director Remuneration

A summary of current remuneration arrangements is set out in more detail in the Remuneration Report. Crown separately discloses the policies and practices regarding the remuneration of Key Management Personnel in the Remuneration Report.

Restrictions on Dealing in Equity Based Remuneration

The rules of the Senior Executive Incentive Plan and the Crown Digital Senior Executive Incentive Plan specifically provide that a participant must not assign, transfer, encumber, dispose of or have a Security Interest issued over Plan Shares, or any beneficial interest in Plan Shares, unless all restrictions on the transfer, encumbrance or disposal of the Plan Shares have been met or waived by the Board or the Board has provided prior written consent. A Security Interest is defined to include any mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature. The rules of the Senior Executive Incentive Plan and the Crown Digital Senior Executive Incentive Plan also require participants to comply with Crown's Securities Trading Policy at all times.

Principle 8: Remunerate Fairly and Responsibly

People, Remuneration and Nomination Committee

As noted in response to Recommendation 2.1, Crown has established a formal People, Remuneration and Nomination Committee. The People, Remuneration and Nomination Committee has adopted a formal Charter that outlines its duties and responsibilities.

At the time of writing, the current members of the People, Remuneration and Nomination Committee are Antonia Korsanos (Chair), Jane Halton AO PSM and Nigel Morrison all of whom are independent Non-executive Directors. Information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

Directors' Statutory Report

Operating and Financial Review

The commentary included in this report omits some information which might be considered relevant to Crown's business strategies, prospects for future financial years and material risks on the basis that the Directors have reasonable grounds to believe that disclosure would likely result in unreasonable prejudice to Crown.

Principal Activities

Crown is one of Australia's largest entertainment groups with its core businesses and investments in the integrated resorts sector.

In Australia, Crown owns and operates two of Australia's leading integrated resorts – Crown Melbourne and Crown Perth.

Crown has recently completed construction of the Crown Sydney Hotel Resort, with non-gaming operations commenced progressively from December 2020.

Overseas, Crown owns and operates Crown Aspinalls in London, one of the high-end licensed casinos in the West End entertainment district.

Crown has interests in various digital businesses, including Betfair Australasia (100%), DGN Games (100%) and Chill Gaming (50%), and holds equity interests in Aspers Group (50%) and Nobu (20%).

Crown also holds a 100% interest in the One Queensbridge development site which is strategically located adjacent to the Crown Melbourne entertainment complex.

Business Strategies

Crown's strategic plan is to focus on the following key objectives:

- Restore public and regulatory confidence in operations and support Crown's regulatory and social licences to operate by:
 - fully cooperating with the various regulatory matters Crown is subject to, and ensure sufficient resources are devoted to responding to these investigations;
 - implementing Crown's transformation and remediation plans, which is intended to position Crown as an industry leader in its approach to governance, compliance, responsible gaming and the management of risk – in particular the risk of financial crime – underpinned by an uplifted organisational culture; and

- continuing to invest in technology to increase automation and to ensure Crown is able to respond to an environment of growing complexity of both extant and emerging risks.
- Improve the underlying performance of the business by:
 - managing costs during periods when the properties are closed due to COVID-19 restrictions;
 - driving the recovery of operations as the business emerges from the current challenges of the COVID-19 pandemic, ensuring restrictions are adhered to and safe operating environments are provided for patrons and employees;
 - commencing gaming operations at Crown Sydney and continuing to ramp-up performance;
 - reviewing the cost structure of the business; and
 - reviewing the operating model of the VIP business having regard to Crown's decision to permanently cease dealing with junkets, the directions issued by respective state regulators, COVID-19 impacts on travel and tourism and the outcomes of a marketing risk assessment.
- Complete the sale of the remaining apartments in Crown Sydney.
- Explore a sale of Crown's non-core assets. Where conditions do not allow for a sale, manage these businesses for value.
- Maintain a strong capital position and a conservative level of gearing to maximise financial flexibility.

Review of Operations

The 2021 financial year was very challenging for Crown, with intense regulatory scrutiny and unprecedented impacts on business operations from the COVID-19 pandemic.

For the year ended 30 June 2021, Crown recorded statutory revenue of \$1,536.8 million, down 31.3%, EBITDA of \$114.1 million, down 77.4%, and a net loss after tax attributable to the parent of \$261.6 million.

Theoretical¹ EBITDA before Closure Costs² and Significant Items³ of \$241.7 million was down 52.0%.

In the prior financial year, Crown was directed by relevant State and Federal Governments to modify its operating conditions and ultimately suspend its gaming activities and other non-essential services in response to the COVID-19 pandemic. The Government-mandated closures were effective from 20 March 2020 for Crown Aspinalls and 23 March 2020 for Crown Melbourne and Crown Perth.

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 (until 24 February 2021) 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. 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. Theoretical results are a non-IFRS measure.

2 Costs incurred by Crown's properties whilst gaming activities were closed due to Government orders, excluding net contribution in relation to hotel quarantine services (Closure Costs). Closure Costs are a non-IFRS measure.

3 Significant items are transactions that are not in the ordinary course of business or are material and unexpected due to their size and nature. Significant Items are a non-IFRS measure.

The COVID-19 pandemic continued to have a significant impact on business performance throughout the 2021 financial year. The impact has differed across each of Crown's business operations, which are discussed in further detail below.

During mandated closure periods, whilst Crown did not generate any gaming revenues, Crown continued to incur expenses to maintain its operations and corporate responsibilities. Crown has separately identified these costs in reporting its results for the full year ended 30 June 2021 as Closure Costs.

In addition to the impact of COVID-19 on Crown's business operations, throughout the 2021 financial year, Crown was, and continues to be, under significant regulatory and public scrutiny. This includes the Bergin Inquiry and subsequent consultation process with ILGA, the Victorian and Perth Royal Commissions and AUSTRAC enforcement investigations. A summary of these processes is outlined later in this Director's Statutory Report.

Crown Melbourne

As a result of the COVID-19 pandemic, Crown Melbourne faced significant disruption and was closed for a large part of the financial year.

Following the closure on 23 March 2020, Crown Melbourne was closed for an extended period and did not recommence gaming operations until 12 November 2020. Crown Melbourne faced two further short-term closures, with gaming operations closed for a total of 160 days during the 2021 financial year due to Government direction.

During the period in which Crown Melbourne was open, variable operating restrictions were imposed which impacted performance. These included capacity limits at each venue, including the overall gaming floor or each indoor space, density limits, restrictions on available gaming product and physical distancing protocols, including the deactivation of every second electronic gaming machine and electronic table game, limits on the number of players at a traditional table game and minimum separation between tables.

Overall hotel occupancy across Crown Melbourne's three hotels was approximately 39%, with Crown Towers hotel occupancy 39%, Crown Metropal hotel occupancy 42% and Crown Promenade hotel occupancy 33%. These rates include hotel rooms that were made available to the Victorian Government for the purpose of quarantining returned travellers early in the financial year.

Given the significant impact on operations, Crown Melbourne qualified for the Commonwealth Government's JobKeeper scheme through to 28 March 2021. During the financial year, Crown Melbourne recorded \$54.9 million in JobKeeper subsidies for employees who worked in either

a full or partial capacity and \$91.0 million in JobKeeper amounts that were paid in their entirety to Crown's employees who were stood down.

Theoretical revenue of \$582.5 million was down 60.6% on the prior comparable period (pcp).

Main floor gaming revenue was \$406.9 million, down 54.3% on the pcp, which comprises table games (non-program play) revenue of \$241.2 million (down 56.0% on the pcp) and gaming machine revenue of \$165.7 million (down 51.5% on the pcp).

Theoretical VIP program play revenue was \$4.4 million, comprising entirely of interstate play, down 98.0% on the pcp. Actual VIP program play revenue was \$0.6 million, with a below theoretical win rate on VIP program play turnover during the period.

Non-gaming revenue was \$171.2 million, down 52.8% on the pcp.

Theoretical EBITDA before Closure Costs and Significant Items was \$94.1 million, down 73.4% on the pcp, which includes \$41.7 million in payroll subsidies under the Commonwealth Government's JobKeeper scheme.

Closure Costs of \$145.9 million were net of \$13.2 million in JobKeeper payroll subsidies. This figure includes a provision of \$25 million relating to a minimum tax guarantee agreed with the Victorian Government in 2014. Due to the closure of gaming operations, Crown was unable to generate sufficient revenue to meet the minimum guarantee for the 2021 financial year, which was the final year of the guarantee.

EBITDA related Significant Items of \$45.4 million were recorded during the period relating to an underpayment of casino tax and one-off allowance for expected credit losses.

Reported EBITDA was a loss of \$100.6 million, which compared to a profit of \$381.8 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 \$3.4 million. This compares to a positive EBITDA impact of \$93.3 million in the pcp.

Following year-end, Crown made a payment to the Victorian Commission for Gambling and Liquor Regulation (VCGLR) of \$37.4 million representing an underpayment of casino tax by Crown Melbourne over the period commencing in the 2012 financial year to date relating to the incorrect deduction of certain bonus rewards provided to patrons in connection with play on Crown Melbourne's electronic gaming machines. Under the terms of Crown's regulatory agreements with the State of Victoria, Crown is required to pay interest on any underpayment of casino tax. As a result, an additional interest component of \$23.8 million was also paid. Both the underpayment of casino tax and interest were fully provided at 30 June 2021.

Crown Perth

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. These COVID-19 related operating restrictions included capacity limits at each venue based on a prescribed maximum density of one person per two square metres, the deactivation of every second electronic gaming machine and electronic table game terminal, and restricting the number of players at table games.

During the second half, Crown Perth was required to close gaming operations for various periods of time for a total of 27 days in line with government restrictions imposed in response to COVID-19. Whilst trading performance rebounded quickly following each shutdown, overall performance moderated throughout the course of the year.

Overall hotel occupancy across Crown Perth's three hotels was approximately 67%, with Crown Towers hotel occupancy 71%, Crown Metropole hotel occupancy 72% and Crown Promenade hotel occupancy 53%.

Crown Perth qualified for the Commonwealth Government's JobKeeper scheme until 27 September 2020. During the financial year, Crown Perth recorded \$24.7 million in JobKeeper subsidies for employees who worked in either a full or partial capacity and \$9.0 million in JobKeeper amounts that were paid in their entirety to Crown's employees who were stood down.

Theoretical revenue of \$742.8 million was up 21.1% on the pcp.

Main floor gaming revenue was \$478.3 million, up 38.9% on the pcp, which comprises table games (non-program play) revenue of \$171.7 million (up 24.8% on the pcp) and gaming machine revenue of \$306.6 million (up 48.2% on the pcp).

Theoretical VIP program play revenue was \$0.4 million, comprised entirely of interstate play, down 99.1% on the pcp. Actual VIP program play revenue was \$0.7 million, with an above theoretical win rate on VIP program play turnover during the period.

On 24 February 2021, Crown announced that the Gaming and Wagering Commission of Western Australia had issued directions to Crown Perth under the Casino Control Act 1984 (WA) which provide that Crown Perth shall not participate in the conduct of junkets, premium player activity or privileged player activity. As a result, Crown no longer offers VIP program play at Crown Perth.

Non-gaming revenue was \$264.1 million, up 20.4% on the pcp.

Theoretical EBITDA before Closure Costs and Significant Items was \$254.2 million, up 57.1% on the pcp, which includes \$24.7 million in payroll subsidies under the Commonwealth Government's JobKeeper scheme.

Closure Costs of \$20.3 million were recorded during the period, whilst Significant Items of \$2.3 million related to one-off allowance for expected credit losses.

Reported EBITDA was \$231.8 million, up 50.4% 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 positive EBITDA impact of \$12.1 million in the pcp.

Excluding the impact of JobKeeper payroll subsidies received during the period, the operating margin (at theoretical and before Closure Costs and Significant Items) increased from 26.4% to 30.9%. The increase in margin was driven by a favourable mix of business, and lower marketing and promotional costs.

Crown Sydney

Select non-gaming operations at Crown Sydney opened to the public for the first time in a restricted capacity from 28 December 2020. Non-gaming operations progressively commenced operation throughout the year, observing encouraging property visitation.

Hotel occupancy was 31%, with higher occupancy on weekends and strong average room rates.

While all areas of the hotel resort now complete, gaming operations are yet to commence as Crown continues its consultation process with the Independent Liquor and Gaming Authority (ILGA) on suitability.

Notwithstanding the encouraging property visitation, Crown Sydney delivered an operating loss given the impact of COVID-19 related restrictions including border closures and the limited scale of operations.

From 26 June 2021, stay-at-home orders were imposed by the New South Wales Government, resulting in the closure of food & beverage and conferencing facilities, and a reduction in permissible hotel services.

The residential component of the project, "Crown Residences", is complete with residents commencing move-ins from April 2021. As at 30 June 2021, approximately \$750 million in sale proceeds (net of GST) had been received, of which approximately \$650 million was received during the year. Crown expects to receive a further approximately \$500 million in sale proceeds (net of GST) in the 12 months to 30 June 2022, relating to contracted sales yet to settle, pre-sale commitments and unsold apartments, subject to the level of disruption caused by COVID-19.

Total revenue was \$68.6 million, which relates to Crown Sydney's non-gaming operations that progressively opened throughout the year.

EBITDA before Significant Items was a loss of \$22.8 million, with an overall operating margin of (33.2)%.

Reported EBITDA was \$123.0 million, which includes the gain on sale apartments, off-set by Crown Sydney pre-opening costs.

Crown Aspinalls

Crown Aspinalls was closed for the majority of the financial year in line with Government COVID-19 restrictions in operation in the United Kingdom. While Crown Aspinalls was trading, performance was subdued given the constraints on international travel, social distancing restrictions and reduced operating hours.

Theoretical EBITDA before Closure Costs and Significant Items was a loss of \$6.3 million, which includes \$1.1 million in Coronavirus Job Retention Scheme payments under the employee retention scheme in operation in the UK, and compares to a loss of \$2.7 million in the pcp.

Closure Costs of \$5.2 million were net of \$3.5 million in Coronavirus Job Retention Scheme payments, whilst Significant Items of \$16.9 million were recorded during the period relating to a one-off allowance for expected credit losses.

Reported EBITDA was a loss of \$28.4 million, which compared to a gain of \$2.3 million in the pcp. The reported EBITDA result takes into account the variance from the theoretical VIP program play result which had an immaterial EBITDA impact. This compares to a positive EBITDA impact of \$6.2 million in the pcp.

Crown has commenced a review of the Crown Aspinalls business, including a review of business performance, prospects and gaming tax matters.

Crown Digital

Crown's wagering and online social gaming operations comprise Betfair Australasia and DGN Games.

During the period, Crown increased its interest in DGN Games from 85% to 100% in exchange for the final earn-out payment of US\$9.5 million to the original founders of DGN. Crown also made the final contingent consideration payment associated with the acquisition of Winners Club Limited of US\$3.1 million.

EBITDA from Crown's wagering and online social gaming operations was \$34.1 million, down 2.0% on the pcp. Improved revenue from Betfair was offset by increased expenses, particularly in the second half, as Betfair invested in business initiatives to drive longer term growth. Conversely, lower revenues from DGN were offset by lower marketing costs.

International VIP Business

On 17 November 2020, the Board 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. Subsequently, all three gaming Regulators in Victoria, Western Australia and New South Wales have advised that they do not support junket operations in their respective jurisdictions.

In addition, Crown has closed all remaining offshore offices, the international VIP team has been integrated into the broader business and a number of former senior team members have left Crown.

During the year, Crown undertook a review of all outstanding gaming debts. This resulted in a one-off adjustment to the allowance for expected credit losses, which has been separately classified as a Significant Item.

Corporate Costs

During the period, corporate costs before Significant Items were \$111.6 million, \$67.3 million above the pcp.

The increase in corporate costs was driven by legal, consulting and other costs associated with various regulatory inquiries, and higher insurance costs. The prior year also recorded \$20.6 million of corporate costs as Closure Costs.

Corporate costs are expected to remain at a similar level next year.

Equity Accounted Investments

Crown's equity accounted result is comprised of its net equity accounted share of profit from Nobu, offset by the net equity accounted shares of losses from Aspers Group and Chill Gaming. Crown's net equity accounted share of NPAT across all these investments was a loss of \$8.7 million, reflecting the impact of the COVID-19 pandemic on their operations, particularly Aspers which was closed for much of the financial year.

During the year, Crown committed to a plan to divest its interest in Aspers. Crown expects the transaction to be completed by 31 December 2021. Accordingly, Crown's investment in Aspers was reclassified as an Asset Held for Sale at 30 June 2021.

Significant Items

During the financial year, several transactions occurred that were not in the ordinary course of business or were material and unexpected due to their size and nature, which have been separately recorded as Significant Items as set out below. For more details, see note 3(e) to the Financial Statements.

\$m	F21	F20
Profit on disposal of Crown Sydney apartments	207.8	–
Crown Sydney pre-opening costs	(62.0)	(3.5)
Underpayment of casino tax by Crown Melbourne	(37.4)	–
One-off allowance for expected credit losses	(27.2)	–
Restructuring Costs	(21.7)	–
Contribution to the cost of the Bergin Inquiry	(12.5)	–
Significant Items included in EBITDA	47.0	(3.5)
Asset impairment – Queensbridge	(28.0)	–
Goodwill impairment – DGN	(17.3)	–
Impairment of associate – Aspers	(8.3)	–
Reassessment of contingent consideration – DGN	(2.0)	(1.7)
Interest on underpayment of casino tax by Crown Melbourne	(23.8)	–
Impairment – Aspinalls	–	(52.8)
Impairment – Nobu	–	(21.7)
Tax effect of Significant Items	(22.2)	1.0
Significant Items included in NPAT	(54.6)	(78.7)

Financial Position

Despite the challenges facing the business, Crown has maintained a strong financial position with a well-invested asset base, significant tangible asset backing and a low level of gearing. As at the date of this report, Crown maintains an investment grade credit rating with all three ratings agencies.

At 30 June 2021, Crown's net debt position was \$892.9 million (excluding working capital cash of \$85.9 million and net of hedges), broadly in line with the prior year. This consisted of total debt of \$1,283.0 million and cash (excluding working capital cash) of \$390.1 million.

In August 2020, Crown entered into a \$450 million project finance facility to support the construction of Crown Sydney. This facility was repaid prior to the end of the financial year from proceeds from the settlement of Crown Sydney apartment sales.

At 30 June 2021, total liquidity, excluding working capital cash, was \$560.8 million, comprising \$390.1 million in available cash and \$170.7 million in committed undrawn facilities.

Net operating cash flow for the period was an outflow of \$14.0 million, which compared to net operating cash flow of \$326.9 million in the pcp, reflecting severe impact on business performance from the COVID-19 pandemic. Other material cash flow items incurred during the period included capital expenditure of \$559.1 million which primarily relates to the continued construction of Crown Sydney, offset by approximately \$650 million of proceeds received during the year from the settlement of Crown Sydney apartment sales.

With the Crown Sydney project now substantially complete and only limited spend remaining on the project, capital expenditure is expected to materially reduce. Further, Crown expects to receive a further approximately \$500 million in apartment sales in the 12 months to 30 June 2022, relating to contracted sales yet to settle, pre-sale commitments and unsold apartments, subject to the level of disruption caused by COVID-19.

No dividends were declared or paid in respect of the 2021 financial year. Future dividends will be subject to the Board's assessment of Crown's financial position at the appropriate time.

With the ongoing impacts of the COVID-19 pandemic on Crown's operations and the various regulatory investigations to which Crown is subject, Crown has been proactively engaging with lenders to provide additional financial flexibility through this challenging period.

Following financial year-end, Crown reached agreement with its relationship banks regarding a series of modifications to Crown's existing financing arrangements, including:

- An extension of near-term maturities by amending and aligning the maturity date of all of the \$560 million in bilateral facilities to October 2023.
- A waiver of financial covenants in relation to the 31 December 2021 testing date. No waiver was required for the 30 June 2021 testing date.
- A waiver of certain events of default that would otherwise arise from cancellation or suspension (for a certain period of time) of any of Crown's Australian casino licences. In the event such a licence event occurs, Crown has agreed to a review process providing it with a period of time to negotiate with lenders or otherwise refinance the facilities.

As part of the arrangements agreed with lenders, Crown has agreed not to declare or pay dividends in respect of the half year ending 31 December 2021 or where a review event is triggered as a result of a cancellation or suspension of any of Crown's Australian casino licences.

One of Crown's relationship banks has agreed to provide a new \$250 million debt facility, subject to completion of long form documentation. The facility will provide Crown with debt funding of up to \$250 million (based on the value of unsold Crown Sydney apartments) to be used to partly fund any required redemption of Crown's Euro Medium Term Notes and associated make whole premium, or in certain circumstances, for general corporate purposes.

In addition to the modifications to Crown's financing arrangements detailed above, there are a number of other measures Crown has in place and/or which are within its discretion to manage risks to Crown's liquidity position arising out of the potential outcomes from the various regulatory processes underway or due to the continued impact on operations from the COVID-19 pandemic. These include the ability to reduce cash outflows including the reduction of capital expenditure and operating costs in the event of prolonged COVID-19 lockdowns, and the opportunity to raise additional funds through asset disposal, additional financing or the issuance of new shares, should the need arise.

Significant Changes in State of Affairs

Some of the significant changes in the state of affairs of the consolidated group since 1 July 2020 include:

COVID-19

The COVID-19 pandemic has had a significant impact on Crown. In particular, relevant State and Federal Governments directed Crown at various times to suspend its gaming activities and other non-essential services in response to the COVID-19 pandemic and, when permitted to reopen, to restrict its operating conditions.

The Government mandated closures of Crown's gaming facilities were effective as follows during the financial year:

- Crown Melbourne: 1 July to 11 November 2020, 13 to 17 February 2021, and 28 May to 17 June 2021;
- Crown Perth: 1 to 13 February 2021, 24 to 30 April 2021, 3 to 7 May 2021, and 28 June to 30 June 2021; and
- Crown Aspinalls: 1 July to 14 August 2020 and 5 November 2020 to 16 May 2021.

Upon reopening, operating restrictions at Crown's Australian properties variously included:

- capacity limits in each room or across the property including a prescribed maximum density;
- physical distancing between patrons at electronic gaming machines and electronic table games, including the deactivation of some electronic gaming machines and electronic table game terminals; and
- closing all table games or restricting the number of players at table games.

As the COVID-19 situation unfolded, a significant proportion of Crown's workforce was stood down for varying periods of time.

Following the completion of the JobKeeper scheme, Crown's practice has been to pay full rostered shifts in week one of a lockdown followed by discretionary payments from Crown to employees, which is considered on a case-by-case basis depending on their eligibility for government assistance. Crown has also continued to financially support employees through its Hardship Fund, which provides additional, targeted financial assistance to employees experiencing serious financial hardship as a result of COVID-19.

As at the date of this report, Crown's operations continue to face significant disruption from COVID-19.

Crown Melbourne has been closed for the majority of the new financial year in line with Victorian Government restrictions imposed in response to COVID-19, and currently remains closed. In addition, Crown Sydney has been closed since 26 June 2021, other than for the provision of limited hotel and related services, in line with restrictions imposed by the New South Wales Government in response to COVID-19.

Conversely, Crown Perth recommenced operations in early July 2021 following a short-term closure, with the removal of remaining restrictions from 12 July 2021. Crown Perth's performance has rebounded quickly in line with recent experience and seasonal trends.

Whilst the extent of future COVID-19 related impacts on Crown and its operations remains uncertain, COVID-19 related closures and operating restrictions as well as travel restrictions, including ongoing international border closures, are likely to continue to materially influence business performance.

Regulatory Processes

During the 2021 financial year, Crown was, and continues to be, under significant regulatory and public scrutiny. The outcome of those regulatory processes could have a range of consequences and the potential to significantly impact the financial performance and operations of Crown.

In addition, Crown expects to continue to incur elevated corporate costs, including legal, consulting and associated costs, whilst these regulatory, reform and any resulting processes continue.

AUSTRAC

As announced by Crown on 19 October 2020 and 7 June 2021 respectively, each of Crown Melbourne and Crown Perth is the subject of an AUSTRAC enforcement investigation concerning potential non-compliance with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and the Anti-Money Laundering and Counter-Terrorism Financing Rules 2007 (Cth). Crown Melbourne and Crown Perth are fully cooperating with AUSTRAC in relation to these enforcement investigations.

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

While it is at this stage uncertain as to whether AUSTRAC will take enforcement action, or the type of enforcement action it may take, Crown considers that AUSTRAC is very likely to commence civil penalty proceedings against Crown Melbourne and Crown Perth. If it does so, it is likely that Crown Melbourne and Crown Perth will be required to pay significant civil penalties.

Bergin Inquiry and resulting processes

On 9 February 2021, the Commissioner's report (Bergin Report) of the inquiry under section 143 of the Casino Control Act 1992 (NSW) (Bergin Inquiry) was released. The New South Wales regulator, ILGA wrote to Crown stating that, having regard to the contents of the Bergin Report, it presently considered that Crown Sydney Gaming Pty Ltd (Crown Sydney Gaming) is no longer a suitable person to give effect to the Restricted Gaming Licence in New South

Wales and that Crown Sydney Gaming had breached clause 14(a) of the VIP Gaming Management Agreement (VIP GMA).

Crown is continuing to consult with ILGA on a path to suitability to give effect to the Restricted Gaming Licence as part of the consultation process contemplated under the VIP GMA, and is committed to driving the necessary change. An Independent Monitor has been appointed to report back to ILGA on several of Crown's structural changes, with a particular focus on anti-money laundering measures.

On 13 May 2021, Crown announced that it had reached agreement with ILGA on several matters regarding the operation of Crown Sydney, and that it was in discussions with ILGA to evaluate the necessary steps towards the introduction of cashless gaming alternatives at Crown Sydney. In addition, Crown announced that it had agreed to make certain payments to ILGA, including paying a contribution towards the cost of the Bergin Inquiry of \$12.5 million, and an annual Casino Supervisory Levy of \$5.0 million in each of FY2021 and FY2022 (adjusted for CPI).

Victorian Royal Commission

On 22 February 2021, a Royal Commission was established into the suitability of Crown Melbourne Limited to hold a casino licence (Victorian Royal Commission). The Honourable Ray Finkelstein was appointed as Commissioner and Chairperson of the Royal Commission. The initial hearing took place on 24 March 2021, and the first public hearings commenced on 17 May 2021. Counsel Assisting the Royal Commission delivered their closing submissions on 20 July 2021. Parties with leave to appear, including Crown, delivered their written closing submissions on 2 August 2021 and presented their oral closing submissions on 3 August 2021.

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

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

Perth Casino Royal Commission

On 5 March 2021, the Honourable Neville Owen, the Honourable Lindy Jenkins and Mr Colin Murphy were appointed as Royal Commissioners to inquire into the suitability of Crown Perth to continue holding a casino gaming licence in Western Australia (Perth Casino Royal Commission). The Commissioners are also examining the State's regulatory framework for casino gaming, including any matters that might enhance the Gaming and Wagering Commission's future capability and effectiveness.

On 30 June 2021, the Perth Casino Royal Commission delivered its Interim Report on the Regulatory Framework to

the Western Australian Government, which was tabled in the Parliament of Western Australia on 3 August 2021.

The second phase of the Perth Casino Royal Commission's inquiry, including the suitability of the Perth Casino licensee, commenced with opening statements on 26 July 2021, with witnesses called from 28 July 2021.

The Perth Casino Royal Commission is expected to deliver its final report by 4 March 2022.

Other Regulatory Processes

On 27 April 2021, Crown announced that Crown Melbourne had been issued with a letter of censure and fined \$1.0 million by the VCGLR in relation to historical non-compliance by Crown Melbourne with its Internal Control Statement for junket operations.

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

Crown has also been subject to a number of other regulatory investigations, including by the VCGLR.

Crown will fully co-operate in relation to these matters and will continue to engage with regulators in relation to Crown's Remediation Plan and any further remedial steps identified.

Remediation Plan

As part of Crown's response to matters raised throughout various regulatory processes, Crown has taken action and has focussed on driving transformation and remediation. Crown has developed a comprehensive Remediation Plan which is resulting in significant changes to the way Crown conducts business.

Successful implementation of the Remediation Plan is intended to position Crown as a leader in the industry in its approach to governance, compliance, responsible gaming and the management of financial crime risk, underpinned by an uplifted organisational culture. This in turn is intended to repair Crown's reputation and support Crown's regulatory and social licences to operate.

Crown's transformation and remediation plans broadly comprise the following key areas:

- Corporate governance and organisation structure (including Board / senior management change);
- AML/CTF Change Program;
- Culture;
- Responsible gaming;
- Risk management;
- Junkets/VIP and significant players; and
- CPH relationship.

Crown has been increasing resourcing and capability across a number of key areas, including across Crown's Financial Crime, Compliance and Responsible Gaming functions. Implementation of Crown's Remediation Plan is also resulting in other changes to Crown's business practices, such as the implementation of a Significant Player Review process, which has resulted in the exit of a number of customer relationships, ceasing dealing with all junket operations, restructuring the VIP international business (including closing all offshore offices) and terminating the information sharing agreements that were in place with CPH. There is also a substantial culture reform program underway with the assistance of an external consultant.

Crown has made significant progress in implementing these changes and has committed to providing regulators with regular updates on its progress.

Corporate Transaction Proposals

Blackstone

On 22 March 2021, Crown announced that it received an unsolicited, non-binding and indicative proposal from a company on behalf of funds managed and advised by The Blackstone Group Inc. and its affiliates (together, Blackstone), to acquire all of the shares in Crown by way of a scheme of arrangement at an indicative price of A\$11.85 cash per share (Blackstone Proposal). The Blackstone Proposal was subject to a number of conditions. Crown noted that Blackstone has a shareholding of 9.99% in Crown which it acquired from Melco Resorts & Entertainment Limited for \$8.15 per share in April 2020. Crown undertook to assess the merits of the Blackstone Proposal and engage with stakeholders and regulatory authorities.

On 13 April 2021, Crown announced that it had received from Blackstone a modification to the Blackstone Proposal in the form of a revised regulatory approval condition and confirmation that the proposal was not subject to debt financing.

On 10 May 2021, Crown announced that it had received a revised Blackstone Proposal at an indicative price of \$12.35 cash per share (the Revised Blackstone Proposal). This represented an increase of \$0.50 cash per share (or 4%) compared to the previous indicative offer price of \$11.85 cash per share, with the indicative offer price to be reduced by the value of any dividends or distributions declared or paid by Crown. Other key terms were consistent with the original Blackstone Proposal.

On 17 May 2021, Crown announced that the Crown Board had unanimously concluded that the Revised Blackstone Proposal undervalued Crown and was not in the best interests of Crown's shareholders. In coming to this conclusion, the Board considered a range of scenarios given the regulatory inquiries in relation to Crown which

were underway. The Board also carefully considered the conditions of the Revised Blackstone Proposal including the regulatory approval conditions. The Board believed there was significant uncertainty as to the timing and outcome of the regulatory approval process. As a result, the Board considered the conditions of the Revised Blackstone Proposal as understood presented an unacceptable level of regulatory uncertainty for Crown shareholders. The Board's conclusion also considered the fundamental value of Crown's assets against the value of the Revised Blackstone Proposal.

Oaktree

On 19 April 2021, Crown announced that it had received an unsolicited, preliminary, non-binding and indicative proposal from a company on behalf of funds managed and advised by Oaktree Capital Management, L.P. (together, Oaktree), to provide a funding commitment of up to ~\$3.0bn to Crown via a structured instrument with the proceeds to be used by Crown to buy-back some or all of the Crown shares which are held by Crown's major shareholder Consolidated Press Holdings Pty Limited (CPH) on a selective basis (Oaktree Proposal). CPH currently has a shareholding of approximately 37% in Crown. Any selective buy-back of Crown shares held by CPH would be subject to Crown shareholder approval (with no votes being cast in favour of the resolution by CPH or its associates). The Crown Board noted that it would commence a process to assess the Oaktree Proposal.

On 15 June 2021, Crown announced that it had received a revised proposal from Oaktree (Revised Oaktree Proposal). The Revised Oaktree Proposal included:

- a \$3.1 billion facility used to fund a selective buy back of CPH's shareholding in Crown, consisting of two tranches:
 - \$2 billion private term loan (Loan Component); and
 - \$1.1 billion loan convertible into new shares to be issued by Crown (Convertible Component);
- a term of seven years;
- a coupon of 6.0% p.a. that would be payable for the first two years of the facility and the coupon would increase to 6.5% p.a. from year 3 until the maturity of the facility; and
- the ability for Oaktree, under the Convertible Component, to convert the \$1.1 billion tranche into new shares in Crown at a strike price of \$13.00 in specified circumstances, including at any time after the first anniversary of the facility provided that the Crown share price is above \$13.00 (based on a 30 day VWAP). The number of new Crown shares which would be issued to Oaktree upon conversion of the Convertible Component would be capped such that Oaktree would hold 9.99% of the total number of Crown shares on issue. The remaining part of the Convertible Component would be cash settled by Crown.

Following year end, Crown announced that it was no longer in discussions with Oaktree regarding the Revised Oaktree Proposal, as noted below.

Star

On 10 May 2021, Crown announced that it had received an unsolicited, conditional, non-binding and indicative proposal from The Star Entertainment Group Limited (Star) to merge with Crown by way of a scheme of arrangement (the Star Merger Proposal). The Star Merger Proposal terms contemplated:

- a nil-premium share exchange ratio of 2.68 Star shares for each Crown share, based on a 3-month volume-weighted average share exchange ratio to 19 March 2021;
- a cash alternative of \$12.50 per Crown share, subject to a cap equal to 25% of Crown's total shares on issue (with any scale back to occur on a pro rata basis);
- the Board of the merged entity would initially comprise the current Directors of each of Crown and Star; and
- that the proposal is subject to various conditions, including definitive documentation, shareholder and regulatory approvals, satisfactory due diligence, debt financing and Crown and Star board approvals and recommendations to shareholders to vote in favour of the merger.

On 17 May 2021, Crown announced that in order to facilitate the Crown Board's assessment of the Star Merger Proposal, Crown had requested Star to provide certain information to allow the Crown Board to better understand various preliminary matters.

Following year end, Star unilaterally withdrew the Star Merger Proposal, as noted below.

Board Changes

During the year, the following individuals resigned as directors of Crown Resorts:

- Mr John Alexander (22 October 2020);
- Mr Michael Johnston (10 February 2021);
- Mr Guy Jalland (10 February 2021);
- Mr Andrew Demetriou (11 February 2021);
- Mr Ken Barton (15 February 2021);
- Mr Harold Mitchell (22 February 2021);
- Mr John Poynton (28 February 2021); and
- Professor John Horvath (14 April 2021).

In addition to the above:

- On 10 February 2021, Crown announced John Poynton was no longer a nominee of CPH on the Crown Board as a result of the termination of his consultancy arrangement with CPH.

- On 11 February 2021, Andrew Demetriou resigned as Chairman of Crown Melbourne Limited.
- On 28 February 2021, John Poynton resigned as Chairman and Director of Burswood Limited

On 28 January 2021, Crown announced the appointment of a new Non-executive Director, Nigel Morrison, to the Crown Board, subject to the receipt of all necessary regulatory approvals. On 6 April 2021, Crown announced that Nigel Morrison's appointment as a director of Crown had become effective following receipt of all necessary regulatory approvals.

On 12 April 2021, Crown announced the appointment of a new Non-executive Director, Bruce Carter, to the Crown Board, subject to the receipt of all necessary regulatory approvals. On 27 August 2021, Crown announced that Bruce Carter's appointment as a Director of Crown had become effective following receipt of all necessary regulatory approvals.

Senior Executive Changes

On 20 August 2020, Crown announced that Alan McGregor's appointment as the Chief Financial Officer of Crown had become effective following receipt of regulatory approvals.

On 15 February 2021, Crown announced that Ken Barton stepped down from his role of Chief Executive Officer and Managing Director with immediate effect. Following the resignation of Ken Barton, Helen Coonan was appointed as Executive Chairman on an interim basis while the Board oversaw a search for a new Chief Executive Officer.

On 18 February 2021, Crown announced that Mary Manos stepped down from her role as General Counsel and Company Secretary of Crown with immediate effect and the separation of the General Counsel and Company Secretary roles. Alan McGregor, Crown's Chief Financial Officer, was appointed as Interim Company Secretary of Crown.

On 10 May 2021, Crown announced that the Board had appointed Steve McCann as Chief Executive Officer and Managing Director of Crown, subject to the receipt of probity and regulatory approvals. Mr McCann joined Crown on 1 June 2021.

During the financial year, the following additional senior executive appointments were made, with the individuals taking up their roles subject to necessary regulatory approvals:

- Steven Blackburn as the Chief Compliance and Financial Crime Officer (24 February 2021);
- Nick Weeks as Executive General Manager, Transformation & Regulatory Response (11 March 2021);

- Tony Weston as Chief People and Culture Officer (7 June 2021); and
- Betty Ivanoff as Group General Counsel (21 June 2021).

Financing and Credit Ratings

On 20 November 2020, Crown announced that Moody's Investors Service (Moody's) had downgraded Crown's issuer rating from Baa2 to Baa3, with the rating remaining on review for downgrade.

On 25 January 2021, Crown announced that Moody's had withdrawn its credit rating relating to the Euro Medium Term Notes, however continued to provide an issuer rating for Crown.

On 1 March 2021, Crown announced that it had been informed by Moody's that it had confirmed Crown's current issuer credit rating of Baa3 with the rating outlook revised from review for downgrade to negative.

On 24 May 2021, Crown announced that, having regard to the impact of COVID-19 on Crown's businesses and the various regulatory investigations, the Crown Board decided not to redeem the \$630 million of Crown Subordinated Notes II on the First Call Date of 23 July 2021. Subject to there being no major change in circumstance, Crown announced that it intends to review the role of Notes II in its capital structure in around 12 months' time. Crown also noted that the equity credit classification that was ascribed to Notes II by Standard & Poor's from the Issue Date is expected to change from "Intermediate" (50%) to "Minimal" (0%) from the First Call Date.

Other Significant Transactions and Matters

On 19 August 2020, Crown announced that it had appointed KPMG as its statutory auditor. The appointment was approved at Crown's 2020 Annual General Meeting.

On 21 October 2020, Crown announced the termination of the Services Agreement dated 1 July 2016 (which enabled Crown to request the provision of services by key CPH executives at pre-agreed hourly rates) and the Controlling Shareholder Protocol dated 31 October 2018 (which enabled the sharing of confidential information by Crown to CPH and James Packer).

On 18 November 2020, Crown announced that gaming operations at Crown Sydney would not commence in December 2020 following ILGA's deferral of a number of necessary applications.

On 14 December 2020, Crown announced that Maurice Blackburn Lawyers had commenced a class action proceeding against Crown in the Supreme Court of Victoria. The claim alleges that, in the period from 11 December 2014 to 18 October 2020, Crown had inadequate systems and processes for ensuring compliance with its obligations under anti-money

laundering laws and that Crown engaged in misleading and deceptive conduct, breached its continuous disclosure obligations and conducted its affairs contrary to the interests of members as a whole in the period. Maurice Blackburn has announced that the class action aims to recover compensation from Crown, seeks the potential buy-back of investors' shares at a fair value, and seeks that Crown implement a proper anti-money laundering training program. Crown is defending the proceeding.

On 16 December 2020, Crown announced that ILGA granted Crown Sydney Property Pty Ltd an interim liquor licence for certain non-gaming operations at Crown Sydney, including the Crown Towers hotel, bars and some restaurants. The liquor licence was granted for the period 16 December 2020 to 30 April 2021. On 27 April 2021, Crown announced that new Crown Sydney liquor licences had been granted by ILGA for the period 1 May 2021 to 31 October 2021.

On 5 March 2021, Crown announced it will phase out indoor smoking at its Australian resorts by the end of December 2022, with the move to a smoke-free indoor gaming environment to commence immediately in some of Crown's premium gaming areas, and a transition period for other areas until the end of December 2022 to enable the progressive installation of appropriate outdoor smoking areas for patrons.

On 16 April 2021, Crown announced that ILGA had issued a news release stating that it reached agreement with CPH on a number of undertakings regarding Crown and its associates including that CPH will not seek to have its executive or nominee appointed to Crown's Board, or requisition a meeting of Crown shareholders to seek the appointment of any person as a director of Crown, before October 2024.

Significant Events After Balance Date

On 6 July 2021, Crown Perth recommenced trading of gaming and non-gaming operations at a reduced capacity. From 12 July 2021, Crown Perth recommenced trading of all gaming and non-gaming operations under the same restrictions that were in place immediately prior to the introduction of the lockdown on 29 June 2021.

On the evening of 15 July 2021, Crown Melbourne ceased gaming activities and the majority of non-gaming operations following a mandated closure by the Victorian government due to COVID-19. From 28 July 2021, Crown Melbourne recommenced operations in accordance with Victorian Government restrictions, including a patron capacity limit on the gaming floor of 100 patrons in each indoor space, subject to a density limit of one person per four square metres. On the evening of 5 August 2021, Crown Melbourne ceased gaming activities and the

majority of non-gaming operations following a mandated closure by the Victorian government due to COVID-19.

On 23 July 2021, Crown noted the announcement by The Star that it had unilaterally decided to withdraw The Star Merger Proposal announced on 10 May 2021. Crown also noted that it remained willing to engage with The Star in relation to a potential merger on terms acceptable to both Crown and The Star and that the Board is committed to maximising value for all Crown shareholders and will carefully consider any proposal that is consistent with this objective.

On 23 July 2021, the Western Australian Government announced that it had extended the time to complete the Perth Casino Royal Commission to 4 March 2022.

On 27 July 2021, Crown announced that it resolved to make a payment to the VCGLR, representing an underpayment of casino tax by Crown Melbourne of \$37.4 million over the period commencing in the 2012 financial year to date relating to the incorrect deduction of certain bonus rewards provided to patrons in connection with play on Crown Melbourne's electronic gaming machines. Under the terms of Crown's regulatory agreements with the State of Victoria, Crown is required to pay interest on any underpayment of casino tax. The interest component of an additional \$23.8 million was also paid. Both the underpayment of casino tax and interest on the underpayment of casino tax were fully provided at 30 June 2021.

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

On 3 August 2021, Crown announced that Xavier Walsh will cease in his role as Crown Melbourne Chief Executive Officer on 20 August 2021 and will remain available to assist the Company until his employment at Crown ends on 9 December 2021.

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

On 20 August 2021, Crown announced that Steve McCann had been appointed as Chief Executive Officer of Crown Melbourne, in addition to his role as Chief Executive Officer Crown Resorts (regulatory approvals pending). Crown also noted that Steve McCann will

relocate from Sydney to Melbourne as soon as practicable and subject to COVID-19 interstate travel restrictions.

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

On 27 August 2021, Crown announced that Bruce Carter's appointment as a Director of Crown had become effective following receipt of all necessary regulatory approvals.

On 30 August 2021, Crown announced it was no longer in discussions with Oaktree regarding the Revised Oaktree Proposal that was previously announced by Crown to the market on 15 June 2021.

Business Risks

As noted in the Review of Operations section of this Report, Crown is currently subject to two Royal Commissions into its suitability to hold casino licenses in Melbourne and Perth. The Royal Commissions may make adverse findings in relation to Crown's suitability to hold the Melbourne and Perth casino licenses, and in relation to the suitability of certain associates of Crown. In addition, Crown has been subject to the Bergin Inquiry in NSW which found that Crown was not suitable to hold a restricted gaming licence for its Sydney casino. These are collectively referred to in this section of the report as the Inquiries.

The Royal Commissions will make findings and recommendations to the Victorian and Western Australian Governments. The Governments and relevant Victorian and Western Australian regulators will decide the appropriate outcomes and actions to be taken in response. In NSW, the regulator (ILGA) and Crown are working together on a remediation plan that incorporates recommendations from the Bergin Inquiry which it is intended will, on implementation, make Crown suitable to give effect to the restricted gaming licence. Crown is addressing the failings identified through various regulatory processes and any additional external reviews, to ensure its legal, governance and compliance frameworks are effective and facilitate a pathway for Crown to be 'best in class', with a clear focus on regaining the trust and confidence of all its stakeholders and maintaining its social license to operate.

The findings and recommendations of the Inquiries and the outcomes and actions taken by the regulators have impacted and will continue to significantly impact Crown.

Crown is committed to assisting the Royal Commissions and working with its regulators to address the issues raised by the Inquiries. The significance of the Inquiries, their outcomes, and Crown's commitment to improving the way it operates its businesses cannot be overstated. The materiality of the risks listed in the table below should be read in light of Crown's current circumstances.

In addition, as noted in the Review of Operations section of this Report, the COVID-19 pandemic continues to have a significant impact on Crown, with relevant State and Federal Governments directing Crown to modify its operating conditions and mandating closures for various periods of time since March 2020. Having regard to the impacts of COVID-19 on Crown, the Board directly, and through the Risk Management and Safety and Sustainability Committees, has monitored and overseen Crown's response to the pandemic. The future impacts of COVID-19 on Crown and its operations, including the severity and duration, remain uncertain.

Crown has established a risk management framework, using the model outlined in AS/NZS ISO 31000:2018 Risk Management – Guidelines, for the oversight and management of material business risks. It has adopted a formal Risk Management Policy and articulated its Risk Appetite. Risk management is an integral part of the industry in which Crown operates.

Management is charged with monitoring the effectiveness of Crown's risk management systems and is required to report to the Board through the Risk Management Committee.

The Risk Management Committee administers the Risk Management Policy and monitors management's performance against the risk management framework, including whether it is operating within the Risk Appetite set by the Board.

In light of the Inquiries, Crown has taken significant steps to enhance its risk and compliance frameworks, as detailed in the table below.

Various risks, some of which are beyond Crown's reasonable control, could have a material impact on the achievement of Crown's business strategies and future prospects. These risks, together with the mitigating strategies, are summarised below. The risks presented below are not intended as an exhaustive list of all the risks and uncertainties associated with Crown's businesses.

Additional risks and uncertainties not presently known to management and the Board, or that management and the Board currently believe to be immaterial or manageable, may also adversely impact Crown.

Risk and Description

Mitigation Strategies

Legal and Regulatory Compliance

Crown operates in a highly regulated industry and is subject to regulatory approvals in the jurisdictions in which it conducts gaming and non-gaming operations. Crown's operations, financial performance and future prospects are dependent on the legal and regulatory frameworks in which it operates.

Crown is subject to extensive regulatory oversight, which can include enquiries, claims, investigations, inquiries, enforcement actions, and other forms of penalties where issues or breaches are identified.

These activities represent a significant financial and human capital effort for the organisation.

The range of possible consequences is broad and could include (without limitation) remediation plans, changes to Crown's current regulatory framework, or suspension, restriction or cancellation of Crown's licences.

In the current period, Crown has been and continues to be the object of an ILGA Inquiry, a Royal Commission in Victoria and another one in Western Australia. Most of these events still have to unfold and their impact is not yet fully known to the business.

Crown has in place legal, governance and compliance frameworks at each of its operations and at Group level. Crown continuously monitors its legislative and regulatory requirements in the jurisdictions in which it operates.

In addition, Crown's internal control framework is designed to ensure effectiveness of, and compliance with, relevant legislative and regulatory requirements.

Crown provides relevant employees and contractors with training on Crown's compliance obligations, policies and procedures (where applicable).

Crown obtains legal advice in appropriate circumstances and jurisdictions as required.

Internal audit periodically reviews the effectiveness of the controls and processes in place to manage Crown's compliance frameworks and the overall internal control framework.

Crown's risk framework adopts a "3 lines of defence" model to identify and manage key risks and to provide assurance over Crown's controls in managing those risks.

Crown is undergoing major change and transformation through the implementation of its Remediation Plan to enhance its governance and compliance processes, aiming to meet and exceed suitability requirements.

Crown is committed to assisting the Royal Commissions and working with its regulators to address the issues raised by the various regulatory processes.

In light of these regulatory processes, Crown has taken significant steps to enhance its risk and compliance frameworks, including:

- engaged consultants to review its current risk and AML/CTF compliance framework and wider organisational culture;
- committed to a wide-ranging AML/CTF reform and transformation program;
- revisited and restated its Risk Appetite;
- committed significant additional resources to its risk and compliance functions;
- completed an organisational restructure, including the creation of a new Compliance and Financial Crime department (independent of business units), the separation of Risk and Internal Audit functions, the creation of a Group HR function and the separation of General Counsel and Company Secretary roles; and
- appointed new senior executives to the following roles:
 - CEO;
 - Chief Compliance and Financial Crime Officer;
 - Chief Risk Officer;
 - Group General Counsel;
 - Chief People and Culture Officer; and
 - Executive General Manager – Transformation & Regulatory Response.

Crown's implementation of its Remediation Plan is also subject to a review by an independent monitor, appointed by ILGA.

Directors' Statutory Report

Risk and Description

Mitigation Strategies

Operational License(s)

Crown's operations are regulated by laws, licences, permits and other approvals from relevant governments and regulators. The loss of or failure to renew any material licence, permit, authorisation or other approval (or the imposition of additional conditions or renewal on less favourable terms) may have an adverse impact on the financial position, performance and operations of Crown.

A cancellation of a gaming licence could also trigger events of default or review events under Crown's debt facilities and other agreements.

In light of the various regulatory processes, Crown's Board and Executives have and will continue to engage with the relevant regulators and governments to ensure that Crown is suitable to hold the licences and regulatory approvals necessary to conduct its operations.

As outlined above, Crown has developed and is in the process of implementing a comprehensive Remediation Plan which seeks to reform and uplift its governance and compliance processes, aimed at meeting and exceeding suitability requirements.

Crown has agreed with its lenders a waiver of certain events of default that would otherwise arise from cancellation of any of Crown's Australian casino licences. In the event such a licence event occurs, Crown has agreed to a review process providing it with a period of time to negotiate with lenders or otherwise refinance the facilities.

Legal and Regulatory Conditions and Changes

Crown operates in a highly regulated industry and is subject to receiving and maintaining regulatory approvals in the jurisdictions in which it conducts gaming and non-gaming operations.

Legislative and regulatory changes may have an adverse impact on Crown's operational and financial performance.

Crown proactively engages with relevant stakeholders and has in place legal, governance and compliance frameworks at each of its operations and at Group level. Crown monitors for legislative and regulatory changes on an ongoing basis.

From time to time, Crown makes submissions relating to proposed legislative and regulatory changes which may impact the Crown Group.

Crown provides relevant employees and contractors with training on legislative and regulatory changes (where applicable).

Reputation

Negative publicity of Crown may have an adverse impact on Crown's operational and financial performance.

Crown has in place legal, governance and compliance frameworks at each of its operations and at Group level and provides relevant employees and contractors with training on Crown's compliance obligations, policies and procedures (where applicable).

Crown has developed and is in the process of implementing a comprehensive Remediation Plan which seeks to reform and uplift its governance and compliance processes.

Crown recognises that its reputation is impacted by the conduct of its people, which in turn is influenced by Crown's corporate culture.

An important part of Crown's Remediation Plan is the implementation of a comprehensive culture transformation program with the support of external experts in the field. This is further supported by an extensive Board and Executive renewal process, a termination of arrangements with CPH, a broader governance reform and the AML uplift program.

Relationships with Key Stakeholders

A breakdown in Crown's relationships with key stakeholders, including regulators and governments, may have an adverse impact on Crown's operational and financial performance

Crown constructively and proactively engages with relevant stakeholders and has in place legal, governance and compliance frameworks at each of its operations and at Crown Group level.

This can help to address or prevent actual or potential issues from arising or escalating.

It should also be acknowledged that through the Royal Commissions, the strength and transparency of Crown's engagement with its regulators has been called into question. Crown is committed to rebuilding a strong working relationship with its regulators with openness and transparency.

Directors' Statutory Report

Risk and Description

Mitigation Strategies

Volatility of Gaming Revenue

Crown's gaming operations may experience variations from theoretical win rates due to the element of chance in gaming activities, including in a lower gaming volume environment.

Sustained unfavourable variations in the actual win rate compared to the theoretical win rate would be likely to have an adverse impact on Crown's financial performance.

Crown monitors and reviews its gaming businesses and reports on the basis of its actual and long-term theoretical win rates in its results.

Terrorism

As Crown's properties are places where large crowds may congregate, they may be the target of a terrorist attack or the calculated use or threat of violence.

Any such event may have an adverse impact on Crown's customers, employees and operational and financial performance.

Crown has in place security and surveillance technology and procedures at each of its properties which monitor for suspicious behaviours.

In addition, Crown has a framework in place for responding to major incidents and works with key law enforcement agencies for coordinated and rapid responses.

Litigation

Any material litigation brought against Crown by third parties may have an impact on Crown's financial performance.

Crown proactively monitors and responds to legal issues and engages legal advisors as required.

In addition, Crown has in place legal, governance and compliance frameworks at each of its operations and at Group level, which are supported by insurance programs as appropriate.

Data Security

Crown maintains confidential customer and commercially sensitive data.

The leak or unauthorised use of confidential customer and commercially sensitive data may have an adverse impact on Crown's operational and financial performance.

Crown has in place IT policies, procedures and training programs which are further supported by a cyber security program.

Crown also has in place legal and compliance frameworks at each of its operations and confidentiality arrangements in place with its employees and contractors.

In addition, Crown has adopted a management framework for responding to data breach incidents, should they occur.

External Events

Unfavourable changes in local and international economic conditions and other events outside of the control of Crown, including pandemics and natural disasters, may have an adverse impact on Crown's customers and employees, and operational and financial performance.

The continued lockdown conditions and operating restrictions have the potential to materially impact the financial strength of each entity.

Although external factors cannot necessarily be influenced or controlled by Crown, Crown has in place strategic, business and contingency planning processes that seek to minimise their impact, and proactively engages with relevant stakeholders as required.

Crown also reviews and manages its capital structure.

During the COVID-19 pandemic, Crown was able to flexibly manage its workforce during periods of closure. During these periods, Crown has implemented a number of support measures to look after its employees, including health and wellbeing initiatives, financial support, information programs and advice.

Directors' Statutory Report

Risk and Description

Mitigation Strategies

AML Compliance

Crown and its affiliate businesses operate in an industry that presents high money-laundering risks.

As a provider of 'designated services' under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), the Crown Group includes 'reporting entities' which are subject to obligations under the AML/CTF Act. A failure to comply with these obligations could expose Crown to significant penalties.

Crown is currently the subject of enforcement investigations by AUSTRAC in relation to Crown Melbourne and Crown Perth. Should these investigations result in a determination of non-compliance, as is likely, Crown could face significant penalties.

Crown has invested heavily in its ongoing Financial Crime and Compliance Change Program, which includes the roll-out and implementation of an enhanced joint AML/CTF program, the introduction of enhanced controls and processes, the introduction of greater automation in respect of client identification and transaction monitoring, the broadening of capability and capacity through additional resourcing, among other actions. All those actions are supported by periodic internal audit reviews of the effectiveness of controls and processes in place to manage Crown's compliance frameworks and the overall internal control framework. Crown is in the process of engaging an external expert to conduct an independent review of the joint AML/CTF program at the end of 2021.

Loss of Key Person(s)

Loss of key staff with corporate knowledge or key governance and operational roles, particularly following the various regulatory processes which remain ongoing.

Crown has in place talent development and management programs as well as succession planning program.

This process is significant for Crown as it continues to renew its Board and senior management teams and enhances its capabilities in key areas including people and culture, risk and compliance.

Treasury

Crown is exposed to risks relating to the cost and availability of funds to support its operations.

As part of its arrangements with its external financiers, Crown is subject to a number of conditions and financial covenants. A failure to comply with these may require Crown to repay borrowings earlier than anticipated, and in some cases may result in increased financing costs and/or penalty payments for Crown, which could in turn adversely affect Crown's financial performance.

Extended lockdown conditions and operational restrictions may lead to a breach of financial covenants.

Crown monitors the terms of its financing arrangements, including its covenants, and maintains continuous engagement with external financiers, including seeking waivers of covenants or events where required.

Crown also regularly investigates additional sources of capital in equity and debt markets.

Risk and Description

Mitigation Strategies

Change Management

Crown is in the process of reforming and enhancing its culture, governance and risk management practices.

The complexity, timeframes and breadth of the change program could lead to failures, inadequate changes implemented, or changes not well embedded enough to be sustained.

Crown has commissioned an independent review of its corporate culture, the results of which will be used by the Board and management to set the tone from the top and to ensure employees are clear on Crown's expectations.

To complement its culture work, Crown has undergone an organisational restructure. A key element of Crown's organisational change is the restructure of compliance and risk functions to enhance reporting to, and oversight by, the Board.

Crown has a dedicated executive leading a team who has ownership of running and coordinating the overarching project.

There is also oversight by the Executives and the Board and the support of external parties as required.

Responsible Provision of Gambling

Risk that gambling services are not provided by Crown businesses in a responsible manner, in accordance with Crown policies, relevant responsible gambling codes and regulator or community expectations.

Crown has in place a Responsible Gaming framework, including a 24/7 staffed Gaming Centre, with ongoing monitoring of play, and overarching oversight by a dedicated Board Committee.

Training of all Crown staff on gaming harm signs and responses.

Crown is currently undertaking a thorough review of its responsible gaming practices in collaboration with external advisors and will consider further enhancement emerging from the Royal Commissions. Crown's aspiration is to establish a best practice responsible gambling approach.

Environmental Regulation

The National Greenhouse and Energy Reporting Act 2007 (NGER Act) established a mandatory reporting system for corporate greenhouse gas emissions and energy production and consumption. Crown is required to report emissions under the NGER Act. Relevant reports have been submitted during the year.

Key features of the NGER Act include:

- reporting of greenhouse gas emissions, energy consumption and production by large corporations;
- corporate level public disclosure of greenhouse gas emissions and energy information; and
- providing consistent and comparable data for decision making.

Under the Western Australian Water By-laws legislation, Crown Perth is required to complete annual water management assessments and submit water efficiency management plans. Relevant reports have been submitted during the year.

Environmental issues are important to Crown and it has taken a number of initiatives in this regard.

Crown acknowledges the potential impact climate change and extreme weather events could have on its operations and its longer-term sustainability. This strategic consideration has been an area of focus for Crown.

Directors and Officers

Director Details

Set out below are the names of each person who has been a Director of Crown during or since year end and the period for which they have been a Director.

Name	Date Appointed	Date Ceased
John Henry Alexander	6 July 2007	22 October 2020
Kenneth McRae Barton	3 March 2020	15 February 2021
Bruce Carter	25 August 2021	
The Honourable Helen Anne Coonan	2 December 2011	27 August 2021
Andrew Demetriou	29 January 2015	11 February 2021
Jane Halton AO PSM	23 May 2018	
Professor John Stephen Horvath AO	9 September 2010	14 April 2021
Guy Jalland	16 April 2018	10 February 2021
Michael Roy Johnston	6 July 2007	10 February 2021
Antonia Korsanos	23 May 2018	
Harold Charles Mitchell AC	10 February 2011	22 February 2021
Nigel Morrison	31 March 2021	
John Hartley Poynton AO	20 November 2018	28 February 2021

Crown announced the appointment of Mr Steve McCann as Managing Director and Chief Executive Officer on 1 June 2021, subject to regulatory approval. Upon receipt of regulatory approval, Mr McCann's appointment will become effective.

Crown announced the appointment of Dr Ziggy Switkowski AO as Chairman on 26 August 2021, subject to regulatory approval. Upon receipt of regulatory approval, Dr Switkowski's appointment will become effective.

The details of each Director's qualifications and experience as at the date of this Report are set out below.

Details of all directorships of other Australian listed companies held in the three years before the end of the financial year have been included.



Jane Halton AO PSM

BA (Hons) Psychology, FIML, FIPAA,
Hon. FAAHMS, Hon. FACHSE, Hon.
DLitt (UNSW)

Interim Chairman

Jane Halton was appointed to the Crown Resorts Board on 23 May 2018. Ms Halton became Interim Chairman on 27 August 2021.

Ms Halton's 34 year career in the public service includes the positions of Secretary of the Australian Department of Finance, Secretary of the Australian Department of Health, Secretary for the Department of Health and Ageing and Executive Co-ordinator (Deputy Secretary) of the Department of the Prime Minister and Cabinet.

Ms Halton is a current Director of Australia and New Zealand Banking Group Limited, is the current Chair of Vault Systems and Council on the Ageing Australia, is the Chair and a Director of Coalition of Epidemic Preparedness Innovations (Norway) and is the Chair of Generics Biosimilar Medicines Association advisory board.

Ms Halton's other roles include Director of Naval Group Australia, Director of Clayton Utz, Member of the Executive Board of the Institute of Health Metrics and Evaluation at the University of Washington, Adjunct Professor of the University of Sydney and the University of Canberra

and Council Member of the Australian Strategic Policy Institute.

Ms Halton brings to the Board extensive experience in finance, risk management, information technology, human resources and public policy.

Board and Board Committee memberships:

- Chair of the Risk Management Committee
- Director of Crown Melbourne Limited
- Director of Crown Sydney Gaming Pty Ltd
- Member of the Audit and Corporate Governance Committee
- Member of the People, Remuneration and Nomination Committee
- Member of the Responsible Gaming Committee
- Member of the Safety and Sustainability Committee

Directorships of other Australian listed companies held during the past three years:

- Australia and New Zealand Banking Group Limited from October 2016 to current.



Dr Ziggy Switkowski AO

PhD (Melbourne), FAA, FTSE, FAICD
Chairman-Elect

The Board announced the appointment of Dr Ziggy Switkowski as Crown Resort's new Chairman on 26 August 2021 (subject to regulatory approval). Dr Switkowski will formally commence as Chairman following receipt of regulatory approval.

Dr Switkowski is currently Chancellor of RMIT University and Chairman of NBN Co. Dr Switkowski is a former Chairman of Suncorp Group, the Australian Nuclear Science and Technology Organisation and of Opera Australia. He has also served as a non-executive director on the boards of Tabcorp Holdings, Healthscope, Oil Search, Lynas and Amcor.

Dr Switkowski has held positions as Chief Executive Officer and Managing Director of Telstra Corporation Limited and Optus Communications Ltd.

Dr Switkowski is a Fellow of the Australian Academy of Science, the Australian Academy of Technological Sciences and Engineering and the Australian Institute of Company Directors.

In 2014, Dr Switkowski was made an Officer of the Order of Australia in recognition of service to tertiary education administration, scientific organisations and the telecommunications sector, to business, and to the arts.

Directorships of other Australian listed companies held during the past three years:

- Tabcorp Limited from 2006 to February 2019.
- Healthscope from March 2018 to June 2019.



Steve McCann

LLB, BEc

Chief Executive Officer and Managing Director - Elect Crown Resorts Limited, Chief Executive Officer and Director Crown Melbourne Limited

Steve McCann was appointed as Managing Director and Chief Executive Officer of Crown Resorts Limited on 1 June 2021 (subject to regulatory approval). Mr McCann will formally commence as Managing Director and Chief Executive Officer following receipt of regulatory approval. Mr McCann was appointed as Chief Executive Officer and Director of Crown Melbourne Limited on 20 August 2021.

Mr McCann is a highly regarded and experienced business leader with over 25 years of executive experience.

Mr McCann was previously the Group Chief Executive Officer and Managing Director of Lendlease from December 2008 to May 2021. Prior to his appointment as Group Chief Executive Officer at Lendlease, Mr McCann held the positions of Group Finance Director and Chief Executive Officer for Lendlease's Investment Management business. Lendlease is a leading international property development, investments and construction business with over 10,000 employees and is listed on the ASX with a market capitalisation of A\$9b.

Prior to joining Lendlease, Mr McCann had 15 years' experience in property, funds management, investment banking and capital markets transactions gained through senior leadership roles at ABN AMRO and as Head of Property at Bankers Trust. Previous roles included four years as a mergers and acquisitions lawyer at Freehills and four years in taxation accounting.

While at Lendlease Mr McCann was a strong advocate in the Property Council of Australia's Champions of Change Coalition. In 2013, Mr McCann was announced as the Property Person of the Year by the Urban Taskforce Australia.

Mr McCann holds a Bachelor of Economics and a Bachelor of Laws from Monash University in Melbourne, Australia.

Directorships of other Australian listed companies held during the past three years:

- Lendlease Corporation Limited from March 2009 to May 2021.



Antonia Korsanos

BEc, CA, GAICD

Non-executive Director

Antonia Korsanos was the Chief Financial Officer (2009 to 2018) and Company Secretary (2011 to 2018) of Aristocrat Leisure Limited. She has over 25 years' experience in financial and general management at companies including Kellogg's Australia and New Zealand, Goodman Fielder Limited and Coopers & Lybrand in Sydney.

Mrs Korsanos brings to the Board extensive experience in the gaming industry and experience in the areas of technology, finance, strategy, mergers and acquisitions, risk management and financial and regulatory compliance.

Mrs Korsanos has a Bachelor of Economics (Accounting & Finance) from Macquarie University, is a Member of the Institute of Chartered Accountants and is a Graduate of Australian Institute of Company Directors (GAICD). Mrs Korsanos is also a Member of Chief Executive Women, a Non-executive Director of Treasury Wine Estates Limited, Executive Vice Chair of Scientific Games and former Non-executive Director of Ardent Leisure Group Limited and Webjet Limited.

Board and Board Committee memberships:

- Chair of Crown Sydney Gaming Pty Ltd
- Chair of the Audit and Corporate Governance Committee
- Chair of the People, Remuneration and Nomination Committee
- Director of Crown Melbourne Limited
- Member of the Responsible Gaming Committee
- Member of the Risk Management Committee
- Member of the Safety and Sustainability Committee

Directorships of other Australian listed companies held during the past three years:

- Treasury Wine Estates Limited April 2020 to current.
- Ardent Leisure Group Limited from July 2018 to June 2020.
- Webjet Limited from June 2018 to March 2021.



Nigel Morrison

B.Com, FCPA

Non-executive Director

Nigel Morrison was appointed to the Crown Resorts Board on 31 March 2021. Mr Morrison has had an extensive career in the casino industry from 1993 to 2016. From 2008 to 2016, Mr Morrison was the Managing Director and Chief Executive of SkyCity Entertainment Group Limited, listed on both the Australian and New Zealand stock exchanges, which owned and operated the Auckland casino in New Zealand and the Adelaide and Darwin casinos in Australia.

Prior to joining SkyCity, Mr Morrison served as Group Chief Financial Officer of Galaxy Entertainment Group Limited in Hong Kong, Chief Executive of The Federal Group in Tasmania and as Chief Financial Officer and Chief Operating Officer of Crown Limited in Melbourne. Mr Morrison was a Corporate Advisory Partner of Ernst and Young in Melbourne prior to his career in the casino industry. During that time, Mr Morrison played a key role in the formation of the Crown consortium and its successful bid to win the Melbourne casino licence. Upon winning the licence Mr Morrison was invited to join Crown Limited as one of its first employees in 1993.

Mr Morrison holds a Bachelor of Commerce from the University of Melbourne, is a graduate of the INSEAD Advanced Management Program, is a Fellow of CPA Australia and a graduate of the Securities Institute of Australia. Mr Morrison was formerly an Associate of the Institute of Chartered Accountants in Australia, an Associate of the Institute of Arbitrators in Australia and formerly a Fellow of the Institute of the Australian Institute of Directors.

Board and Board Committee memberships:

- Chair of Crown Melbourne Limited
- Member of the Audit and Corporate Governance Committee
- Member of the People, Remuneration and Nomination Committee
- Member of the Responsible Gaming Committee
- Member of the Safety and Sustainability Committee

Directorships of other Australian listed companies held during the past three years:

- Nil.



Bruce Carter

B.Econ. MBA, FAICD, FICA

Non-executive Director

Bruce Carter was appointed to the Crown Resorts Board on 25 August 2021. Mr Carter is an experienced company director and corporate advisor, having worked across a broad range of industries in both the public and private sectors over the past 40 years. Mr Carter is currently chair of the Australian Submarine Corporation and Aventus Capital, and holds directorships with the Bank of Queensland and AIG Australia. Mr Carter was previously deputy chair of SkyCity Entertainment Group, where he oversaw the expansion development at SkyCity Adelaide. Mr Carter was a director of Connecticut based global railroad operator Genesee and Wyoming Inc until its takeover by Brookfield. During Mr Carter's Executive career, he co-founded Ferrier Hodgson in Adelaide, and was previously at Ernst & Young for 14 years, working in the United States, United Kingdom, Canada and Hong Kong. Mr Carter has also been involved in a number of government reviews and

economic advisory bodies at a state and federal level.

Board and Board Committee memberships:

- Chair of Burswood Limited (subject to regulatory approval)
- Director of Crown Melbourne Limited
- Member of the Risk Management Committee

Directorships of other Australian listed companies held during the past three years:

- Bank of Queensland Limited from February 2014 to current.
- Aventus Holdings Limited from June 2015 to current.
- SkyCity Entertainment Group Limited from October 2010 to March 2021.

Company Secretary Details



Alan F McGregor

B.Com, CA

*Chief Financial Officer and Interim
Company Secretary*

Alan McGregor was appointed to the role of Chief Financial Officer of Crown with effect from 20 August 2020. Mr McGregor was appointed as Interim Company Secretary of Crown on 18 February 2021.

Mr McGregor has a strong casino background, having first joined Crown in April 2005 as General Manager Corporate Services at Crown Perth (formerly Burswood Entertainment Complex) and progressing to the role of Chief Financial Officer of Crown Perth in 2007.

Mr McGregor then moved to Melbourne in April 2013 to assume the role of Chief Financial Officer – Crown Melbourne, before taking the collective role of Chief Financial Officer – Australian Resorts which he held from August 2014 until his most recent appointment in August 2020.

Prior to joining Crown, Mr McGregor worked for SkyCity Entertainment Group for seven years in various finance roles.

Mr McGregor holds a Bachelor of Commerce from the University of Auckland and is a member of Chartered Accountants of Australia and New Zealand.

Relevant Interests of Directors

Details of relevant interests of Directors in Crown shares as at 30 June 2021¹ were as follows:

Director	Total number of ordinary shares
The Hon. Helen Coonan ²	10,000
Jane Halton AO PSM	948
Antonia Korsanos	10,000
Nigel Morrison	-
Bruce Carter	-

¹ For more information on relevant interests of current Directors, please refer to the Remuneration Report.

² Ms Coonan ceased being a Director on 27 August 2021.

Board and Committee Meetings

Set out below are details of the number of Board meetings and Committee meetings held by Crown during the 2021 financial year and the number of meetings attended by each Director.

	Board Meetings		Audit and Corporate Governance Committee Meetings		Corporate Responsibility Committee Meetings*		People, Remuneration and Nomination Committee Meetings		Responsible Gaming Committee Meetings		Risk Management Committee Meetings		Safety & Sustainability Committee Meetings	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
H A Coonan ¹	46	46	-	-	2	1	5	5	2	2	2	2	1	1
J S Horvath AO ²	36	35	-	-	2	2	9	9	4	4	-	-	2	2
K M Barton ³	25	25	-	-	-	-	-	-	-	-	-	-	-	-
J H Alexander ⁴	10	9	-	-	-	-	-	-	-	-	-	-	-	-
A Demetriou ⁵	22	22	-	-	-	-	-	-	3	3	3	3	-	-
S J Halton AO PSM	46	45	5	5	-	-	5	5	2	2	5	5	1	1
G Jalland ⁶	21	21	-	-	-	-	-	-	-	-	-	-	-	-
M R Johnston ⁷	21	21	3	3	-	-	3	3	-	-	2	2	1	1
A Korsanos	46	45	5	5	-	-	6	6	5	5	5	5	1	1
H C Mitchell AC ⁸	27	27	-	-	2	2	9	9	-	-	-	-	-	-
J Poynton AO ⁹	27	22	-	-	-	-	-	-	-	-	-	-	2	2
N Morrison ¹⁰	12	12	1	1	-	-	5	5	2	2	-	-	1	1

A – The number of meetings held during the time the Director held office, or was a member of the Committee during the year

B – Number of meetings attended

* Committee dissolved on 17 February 2021

(-) Dash – Not a member of the relevant Committee

- Ms Coonan ceased being a Director of Crown and its Committees on 27 August 2021.
- Professor Horvath ceased being a Director of Crown and its Committees on 14 April 2021.
- Mr Barton ceased being a Director of Crown and its Committees on 15 February 2021.
- Mr Alexander ceased being a Director of Crown and its Committees on 22 October 2020.
- Mr Demetriou ceased being a Director of Crown and its Committees on 11 February 2021.
- Mr Jalland ceased being a Director of Crown and its Committees on 10 February 2021.
- Mr Johnston ceased being a Director of Crown and its Committees on 10 February 2021.
- Mr Mitchell ceased being a Director of Crown and its Committees on 22 February 2021.
- Mr Poynton ceased being a Director of Crown and its Committees on 28 February 2021.
- Mr Morrison was appointed as a Director on 31 March 2021.

Under Crown's Constitution and its Board and Committee Charters, documents containing written resolutions assented to by Directors are to be taken as a minute of a meeting of Directors or of a Committee (as the case may be). The Board assented to eight written resolutions, the Audit and Corporate Governance Committee assented to one resolution and the People, Remuneration and Nomination Committee assented to five written resolutions in the 2021 financial year.

Shares and Options

As at the date of this Report, Crown has 7.175 million unquoted options on issue (as set out below), as well as 429,520 performance right on issue (as set out below). Each option or right is granted over one fully paid ordinary share in Crown. In addition, Crown Digital Holdings Pty Ltd (Crown Digital Holdings) (a wholly owned subsidiary of Crown) has 8,513,980 unquoted options on issue, each of which has been granted over one fully paid ordinary share in Crown Digital Holdings (as set out below).

In April 2017, Crown issued 14 million options under the 2017 Senior Executive Incentive Plan to a small number of Senior Executives. The options, with an expiry date of 22 February 2021, were granted with an initial exercise price of \$11.43. The exercise price of \$11.43 per option may be varied over the life of the plan to take into account the value of any capital returns and special dividends. All options issued under the 2017 Senior Executive Incentive Plan have lapsed unexercised on 22 February 2021.

In August 2018, Crown issued an additional 7.175 million options under the 2017 Senior Executive Incentive Plan to a small number of Senior Executives. The options, with an expiry date of 8 August 2022, were granted with an initial exercise price of \$13.35. The exercise price of \$13.35 per option may be varied over the life of the plan to take into account the value of any capital returns and special dividends.

In December 2018, Crown Digital Holdings issued 8,513,980 options to Mr Ken Barton under the Crown Digital Senior Executive Option Plan. Each option has been granted over one fully paid ordinary share in Crown Digital Holdings. The options, with an expiry date of 19 December 2022, were granted with an exercise price of \$1.45. As Mr Ken Barton was a good leaver, the Crown Digital Senior Executive Option Plan continues to apply to Mr Ken Barton.

In respect of the Crown Digital Senior Executive Incentive Plan, if Crown Digital Holdings undertakes a bonus issue of shares during the term of the options, holders are entitled, upon exercise of an option, and without payment of any further consideration, to the number of Crown Digital Holdings shares the holder would have received under that bonus issue. If Crown Digital undertakes a pro rata issue of shares during the term of the options, then the exercise price of each option will be reduced in accordance with the Crown Digital Senior Executive Incentive Plan Rules. No shares or interests have been issued during FY21 or since year end as a result of option exercise.

In June 2021, Crown issued 429,520 Sign-on Performance Rights in a new plan to a small number of Senior Executives. The Sign-on Performance Rights will vest three years after issue, subject to the relevant Senior Executive being employed on the vesting date or if terminated by Crown without cause within the three-year period.

Indemnity and Insurance of Officers and Auditors

Director and Officer Indemnities

Crown indemnifies certain persons as detailed in its Constitution in accordance with the terms of the Crown Constitution.

Directors' and Officers' Insurance

During the year Crown has paid insurance premiums to insure officers of the Crown group against certain liabilities.

The insurance contract prohibits disclosure of the nature of the insurance cover and the amount of the insurance premiums payable.

Indemnification of Auditors

To the extent permitted by law, Crown has agreed to indemnify its auditors, KPMG, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify KPMG during or since the end of the financial year.

Auditor Information

Auditor Details

KPMG was Crown's auditor for the 2021 financial year. Ms Rachel Milum was the KPMG partner responsible for the audit of Crown's accounts for the year ended 30 June 2021.

Non-Audit Services

Details of the amounts paid or payable to KPMG for non-audit services provided during the year by the auditor are outlined in note 25 of the Financial Report. Crown acquired non-audit services from KPMG largely relating to R&D tax services, modern slavery & human rights advice services and payments times reporting consulting services.

Based on advice received from the Audit and Corporate Governance Committee, the Directors are satisfied that the provision of non-audit services during the 2021 financial year by KPMG is compatible with, and did not compromise, the general standard of independence for auditors imposed by the *Corporations Act 2021* (Cth) for the following reasons:

- all non-audit services have been reviewed by the Audit and Corporate Governance Committee to ensure that they did not impact the impartiality and objectivity of the auditor; and
- none of the services involved reviewing or auditing the auditor's own work or acting in a management decision-making capacity for the Company.

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 Crown Resorts Limited (Crown or the Company) under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Crown is an entity to which this Instrument applies.

Remuneration Report

The Remuneration Report set out on pages 73 to 95 forms part of this Directors' Statutory Report.

Remuneration Report

This Remuneration Report for the year ended 30 June 2021 outlines the Director and Executive remuneration arrangements of Crown in accordance with the requirements of the *Corporations Act 2001* (Cth) (Corporations Act) and the *Corporations Regulations 2001* (Cth). For the purposes of this Report, key management personnel (KMP) of the Crown Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Crown Group, directly or indirectly, including any Director (whether Executive or otherwise) of Crown Resorts Limited.

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Letter from the Chair of the People, Remuneration and Nomination Committee

Dear Shareholders,

On behalf of the Crown Resorts Limited (Crown) Board, I am pleased to present the Remuneration Report for the year ended 30 June 2021 (FY21). As well as an explanation of the remuneration framework, performance and remuneration outcomes for Crown in FY21, the Remuneration Report includes context on our critical people and cultural reform program which forms part of the company's broader reform agenda.

As outlined earlier in the Annual Report, there has been continued scrutiny on Crown's operations and governance through ongoing regulatory investigations and Royal Commissions during the financial year. From consultation we undertook following our FY20 AGM, we understand these concerns were the overarching contributor to receiving a first 'strike' on our FY20 Remuneration Report, with 34.34% of votes cast against the report. The Board understands shareholders' concerns related to governance, oversight and compliance and has taken action to reform our organisation in FY21 and beyond. We have also updated our disclosures in this Remuneration Report to improve transparency on our approach to our evolving people and culture changes.

FY21 Focus

In the context of these significant challenges, Crown has implemented ongoing initiatives designed to reform Crown's culture and the way we operate. The company has the capability, momentum and commitment to continue these initiatives through FY22 and beyond. In FY21 the following changes have been made and programs initiated:

- **Leadership renewal through material change to the Board and senior leadership team.** During the year, our Chairman, Ms Helen Coonan assumed the role of Executive Chairman while we undertook a search for a new CEO. We were pleased to announce the appointment of Mr Steve McCann, an experienced executive, as Group CEO and MD, subject to probity and regulatory approval, effective from 1 June 2021. Other key executive appointments and changes are outlined in section 3. There has also been a renewal of the Board, with the departure of six Non-executive Directors and two Executive Directors in FY21. All remaining Non-executive Directors are independent, and no shareholder nominees remain on the Board. During the year we welcomed Mr Nigel Morrison to the Board. Mr Bruce Carter joined the Board, initially as an Observer while awaiting probity and regulatory approval (subsequently approved in August 2021);
- **Organisation changes to deliver the highest standards of governance and oversight** by elevating the financial crime, compliance, risk, internal audit and responsible gaming functions to a Group level with direct reporting relationships to the Board; and
- **Initiation of a comprehensive cultural reform program**, including an independent review of Crown's organisational culture. This reform program is in progress and will address shortcomings in Crown's culture identified through the regulatory reviews and Royal Commissions.

Further detail of our focus for FY21 is outlined in section 3 of this report.

FY21 Performance and remuneration outcomes

As a Board, we carefully consider our approach to the assessment of performance and subsequent determination of remuneration outcomes. Our business performance outcomes in FY21 were impaired by numerous lockdowns due to the COVID-19 pandemic, with operating restrictions occurring outside these shutdowns. The Crown Group's financial performance was down this year compared to FY20, with Theoretical EBITDA before Closure Costs and Significant Items of \$241.7 million down 52.0% and Reported EBITDA of \$114.1 million down 77.4%. Given the uncertainty of the impact of the COVID-19 pandemic and the ongoing regulatory investigations on Crown, and the material change to the senior leadership team, in FY21 the Board did not issue invitations to Senior Executives to participate in either the short term incentive (STI) or long term incentive (LTI) Plans. Accordingly, no STI payments or LTI grants were made in relation to FY21. While all 2017 options held by Senior Executives in the Senior Executive Incentive Plan vested during FY21, all options lapsed unexercised. Therefore, no Senior Executive received any value from the vesting of options.

FY22 and beyond

The Board is committed to maintaining momentum on the reform agenda in FY22 to make Crown a stronger, more transparent and respected company, which includes and is underpinned by our efforts to continue to embed cultural change throughout the organisation. We are also reviewing our executive remuneration framework to represent our new purpose and values and align to the expectations placed on us by the community, regulators and governments, customers and shareholders. Revisions to our remuneration framework include introducing new compliance and risk gatekeeper provisions prior to any consideration of incentive payments and the introduction of deferred equity for our Senior Executive STI Plan arrangements.

In line with our continued focus on leadership renewal, on 26 August 2021 we announced Dr Ziggy Switkowski AO will commence as Chairman of the Board in FY22 and on 27 August 2021 Ms Coonan retired from the Board. Pending receipt of Dr Switkowski's regulatory approvals, Crown Non-executive Director Ms Jane Halton AO PSM will act as Interim Chairman. To facilitate the Board renewal, we are proposing an increase in the Non-executive Directors' fee cap, subject to shareholder approval, to account for the increased number of independent Non-executive Directors expected to be serving on the Crown Board in the future. The resolution to increase the fee cap is not being sought to increase the current fees payable to Non-executive Directors. More information is available in section 5 of this report and further details will be provided in the FY21 Notice of Meeting.

The Committee is responsible for oversight of all people and culture matters being driven through the reform agenda, as well as engagement, diversity and inclusion. We encourage and seek open dialogue with our shareholders and other stakeholders, including our employees, and welcome feedback and comments. On behalf of the Board, we look forward to discussions with our shareholders and their advisors on this report including our remuneration approach.

Sincerely,



Toni Korsanos
Chair of the People,
Remuneration and Nomination Committee

1. Introduction

Persons to Whom Report Applies

The remuneration disclosures in this Report cover the following Key Management Personnel (KMP):

Current KMP as at 30 June 2021

Name	Position	Term as KMP
Non-executive Directors		
The Hon. Helen A Coonan	Chairman	Until 14 February 2021 ¹
Jane Halton AO PSM	Non-executive Director	Full financial year
Antonia Korsanos	Non-executive Director	Full financial year
Nigel Morrison	Non-executive Director	From 31 March 2021
Executive Director		
The Hon. Helen A Coonan	Executive Chairman	From 15 February 2021
Other Company Executives and Key Management Personnel		
Lonnie Bossi	Chief Executive Officer - Crown Perth (CEO - Perth)	From 9 December 2020
Peter Crinis	Chief Executive Officer - Crown Sydney (CEO - Sydney)	From 1 January 2021
Alan McGregor	Chief Financial Officer (CFO) and Interim Company Secretary ²	From 20 August 2020
Xavier Walsh	Chief Executive Officer - Crown Melbourne (CEO - Melbourne)	From 9 December 2020

¹ Ms Coonan was Chairman prior to her appointment as Executive Chairman effective 15 February 2021.

² Mr McGregor was appointed as the Interim Company Secretary effective 18 February 2021.

The appointment of Bruce Carter as a Non-executive Director, subject to all necessary regulatory approvals, was announced on 12 April 2021. Mr Carter has been an Observer on the Board since the announcement and formally joined the Board in FY22 having received the necessary approvals effective from 25 August 2021.

The appointment of Steve McCann as Chief Executive Officer (CEO) and Managing Director, subject to probity and regulatory approval, was announced on 10 May 2021. While Mr McCann joined Crown effective 1 June 2021, he is unable to assume the full CEO role until approvals are obtained.

Mr McCann and Mr Carter have not been KMP during FY21 as they have not performed KMP duties prior to probity and regulatory approvals and are not included in the statutory disclosures in this Report. However, for completeness, an overview of Mr McCann's remuneration arrangements has been outlined in this Report's voluntary disclosures.

The following changes to KMPs and incoming KMPs have occurred since the end of FY21 and prior to the release of this Report:

- Xavier Walsh retired from his role as CEO - Crown Melbourne effective 20 August 2021 and will remain with Crown in a non-KMP capacity until his cessation of employment on 9 December 2021;
- Steve McCann was appointed CEO - Crown Melbourne in addition to his role as CEO (regulatory approvals pending) effective 20 August 2021;
- Peter Crinis is due to retire from his role as CEO - Crown Sydney effective from 31 December 2021;
- Helen Coonan retired from the Board and as Executive Chairman on 27 August 2021;
- Dr Ziggy Switkowski AO was appointed as Chairman (regulatory approvals pending) on 27 August 2021; and
- Jane Halton AO PSM will act as Interim Chairman until receipt of Dr Switkowski's approvals.

Former KMP

Name	Position	Term as KMP
<i>Non-executive Directors</i>		
Professor John S Horvath AO	Deputy Chairman	Until 14 April 2021
Andrew Demetriou	Non-executive Director	Until 11 February 2021
Guy Jalland	Non-executive Director	Until 10 February 2021
Michael R Johnston	Non-executive Director	Until 10 February 2021
Harold C Mitchell AC	Non-executive Director	Until 22 February 2021
John H Poynton AO	Non-executive Director	Until 28 February 2021
<i>Executive Directors</i>		
John H Alexander	Executive Director	Until 22 October 2020 ¹
Ken M Barton	Chief Executive Officer and Managing Director	Until 15 February 2021 ²
<i>Other Company Executives and Key Management Personnel</i>		
Barry Felstead	Chief Executive Officer - Australian Resorts	Until 9 December 2020 ³
W Todd Nisbet	Executive Vice President - Strategy and Development	Until 30 June 2021

¹ Mr Alexander remained as an Executive of Crown in a non-KMP capacity until January 2021.

² Mr Barton entered into a fixed term consultancy agreement from 8 March 2021. See section 4.7 for further information.

³ Mr Felstead remained as an Executive of Crown in a non-KMP capacity until 31 December 2020.

In this Report, the group of persons comprised in the categories of Executive Directors and Other Company Executives (listed above) are collectively referred to as "Senior Executives".

2. Overview of FY21 Remuneration Policy and Framework

Crown’s FY21 remuneration policy framework supports Crown’s purpose and values and is outlined below. For Senior Executives, remuneration is structured to reflect the individual’s role in the business, individual and company performance and market context. Crown is reviewing our executive remuneration framework for FY22 to represent our new purpose and values and align to the expectations placed on us by the community, regulators and governments, our customers and shareholders. Please refer to section 4.3 for further details.

FY21 Remuneration Principles



Attract, retain and motivate in leadership positions of the highest calibre



Providing a clear and direct link between remuneration and performance



Ensuring remuneration packages are competitive and properly reflect a person’s duties and responsibilities

<p>The Board</p> <ul style="list-style-type: none"> The process for determining remuneration of the Non-executive Directors and Senior Executives has the objective of ensuring maximum benefit for Crown by attracting and retaining a high quality Board and senior leadership team. 	<p>Senior Executives</p> <ul style="list-style-type: none"> Senior Executives assist the Board and the Committee in providing information relevant to remuneration decisions and making recommendations to the Committee. Remuneration information is obtained from external advisors by the Senior Executives to assist the Committee. The remuneration structure for Senior Executives incorporates a mix of fixed and performance based remuneration. Refer to section 4.1 for an overview of the fixed and performance based elements of Executive remuneration.
<p>People, Remuneration and Nomination Committee</p> <ul style="list-style-type: none"> Details regarding the People, Remuneration and Nomination Committee (Committee) and its main objectives are outlined in the 2021 Corporate Governance Statement. The Committee is comprised of independent Non-Executive Directors and is subject to the direction and control of the Board. The Committee determines the appropriate remuneration for Non-executive Directors and Senior Executives. Non-executive Directors’ fees are reviewed periodically with reference to the fees paid to the Non-executive Directors of comparable companies. Senior Executives’ remuneration is reviewed annually. Refer to section 4.1 for more details. The Committee may elect to receive advice from independent remuneration consultants. 	<p>Remuneration Consultants and External Advisors</p> <ul style="list-style-type: none"> Remuneration consultants and external advisors provide information relevant to remuneration decisions and may make recommendations to the Committee. Crown obtains remuneration information from external advisors to assist the Committee. During FY21, Crown obtained information from Egan Associates on market practices and advice from Egan Associates as part of Crown’s review of market remuneration practices and trends. In FY21, Crown did not receive any remuneration recommendations from a remuneration consultant as defined by the <i>Corporations Act 2001</i> (Cth).

3. Our Focus for FY21 and FY22

FY21 has continued to be a year of significant challenge in the context of the COVID-19 pandemic and the impact of operating restrictions on our business, together with the ongoing regulatory review and processes as outlined in the letter from the Chair of the People, Remuneration and Nomination Committee.

Following the first 'strike' on our 2020 Remuneration Report, the Board has engaged with regulators, investors and proxy advisors to understand key concerns and respond to feedback. The overarching feedback received from the consultation were concerns largely unrelated to remuneration, such as how the Crown Group was operating and the level of governance, oversight and compliance. In response to this feedback and ongoing discussions with regulators, including the release of findings in February from the Bergin inquiry, the Board has focused in FY21 on driving transformation and remediation to ensure Crown is a more transparent and respected company. We have made significant changes to the organisation and our leadership to improve governance and oversight, including new operating structures, reporting lines, capabilities and enhanced resourcing across the business. We are also revising our remuneration structures to improve alignment between remuneration and our reform agenda. Outlined below are the key changes that have been made in FY21 and the focus areas for FY22 to maintain momentum in reforming the business.

Changes made in FY21 and FY22

Culture reform

FY21 Changes

- Crown launched a set of new values in FY19. The values were incorporated into the Crown Code of Conduct issued in July 2020 and the Crown Risk and Compliance Culture Framework issued in March 2021.
- A comprehensive culture reform program was initiated in August 2020. An aspect of the program involves a review by Deloitte into Crown's organisational culture. Deloitte undertook fieldwork, including focus groups, internal and external interviews and observations to further explore key culture themes. In conjunction with the review, leadership forums led by the Executive Leadership team have taken place to review and revise the purpose and values of Crown. A revised set of values and renewed purpose have been developed to form Crown's ethical compass and aspirational culture as a roadmap for cultural change.

Focus for FY22

- The Board will oversee and play a key role in the cultural change to be driven by the new CEO and new Chief People and Culture Officer.
- The culture reform program has included the design of the organisation's new aspirational culture which incorporates the renewed purpose and values.
- The aspirational culture has been established based on feedback obtained from staff and key stakeholders via the culture survey, focus group discussions and interviews.
- Communication and engagement of the aspirational culture, the renewed purpose and values and the culture change plan to our staff and key stakeholders commenced in August 2021.
- A detailed action plan to drive the required change has been developed with implementation commencing in September 2021.

Changes made in FY21 and FY22

Organisation change

FY21 Changes

- Crown implemented an organisational restructure, including elevated reporting lines for compliance and financial crime, and risk and internal audit, together with the implementation of a 'three lines of defence' governance model.
 - Creation of a new Group Compliance and Financial Crime and Group Human Resources function, separation of Risk and Internal Audit functions, separation of General Counsel and Company Secretary roles.
 - Appointment of a Chief Risk Officer role which has an elevated reporting line directly to the CEO and a reporting line to the Risk Management Committee.
 - Appointment of an independent Group General Manager - Internal Audit. This role reports administratively to the CFO and functionally to the Audit and Corporate Governance Committee.
- Increase in Anti-Money Laundering / Counter-Terrorism Financing (AML/CTF) capability, including significant further investment in people, systems, processes and training.
- Other key changes are:
 - Transition to an Australian-based VIP model, with closure of all overseas offices and an Australian-based business development function; and
 - Cessation of dealings with junkets.

Focus for FY22

- Oversee that all elements of the changes announced in FY21 are implemented effectively and that the overall organisational structure cohesively supports the realisation of our purpose and strategic objectives.
- Our organisational structure, with new capabilities and enhanced resources, will balance the needs of our customers, communities, regulators, and all stakeholders at the local level. It will also maintain a cohesive, efficient and collaborative operation across the Crown Group.

Changes made in FY21 and FY22

Leadership changes	<p>FY21 Changes</p> <p>The People, Remuneration and Nomination Committee has overseen material changes in the composition of the Board and Executive leadership team:</p> <ul style="list-style-type: none"> • All remaining Non-executive Directors are independent, with no major shareholder nominees. • Helen Coonan became Chairman in January 2020 and Executive Chairman following the departure of Ken Barton in February 2021. Nigel Morrison was formally appointed to the Board in March 2021. It was announced in April 2021 that Bruce Carter will join the Board and he was formally appointed to the Board in August 2021 following receipt of regulatory approvals. • Eight directors left the Board between October 2020 and April 2021. <ul style="list-style-type: none"> – Executive Directors: John Alexander and Ken Barton (former CEO); and – Non-executive Directors: Andrew Demetriou, John Hovarth (former Deputy Chairman), Guy Jalland, Michael Johnston, Harold Mitchell and John Poynton. • Changes in the organisational structure to separate the Risk and Compliance functions have resulted in two of Crown’s Senior Executive roles being made redundant: Barry Felstead (CEO - Australian Resorts) and Joshua Preston (Chief Legal Officer - Australian Resorts). • In late February 2021, Steve Blackburn commenced as the Chief Compliance and Financial Crime Officer. Mr Blackburn has substantial AML/CTF experience and expertise. • In early March 2021, Nick Weeks was appointed as the Executive General Manager, Transformation & Regulatory Response. He has carriage of the remediation plan and is responsible for overseeing its implementation. • In June 2021, the following Senior Executives joined Crown (subject to regulatory approvals): <ul style="list-style-type: none"> – Steve McCann was appointed Group CEO; – Tony Weston joined the group in the new role of Chief People and Culture Officer; and – Betty Ivanoff commenced in the role of Group General Counsel. <p>Focus for FY22</p> <ul style="list-style-type: none"> • The Board continues to focus on its Board renewal strategy with the objective of independent Non-executive Board representation. • It was announced on 26 August 2021 that Dr Ziggy Switkowski AO will succeed Helen Coonan as Chairman, subject to the receipt of probity and regulatory approvals. Ms Coonan retired from the Board and as Executive Chairman on 27 August 2021.
Remuneration reform	<p>Focus for FY22</p> <ul style="list-style-type: none"> • Crown is in the process of developing a revised executive remuneration structure. As part of this, Crown will introduce values-based gatekeeper provisions and mandatory compliance and risk key performance indicators. Mercer recently reviewed Crown’s remuneration framework, with feedback received in July 2021 which Crown will consider in developing these remuneration structures. • Introduction of a new Long Term Incentive Plan for Senior Executives to be developed in FY22.

4. Remuneration Structure for Senior Executives

Senior Executives' remuneration is comprised of fixed remuneration and performance-based remuneration. This section provides further details on the different elements of the Senior Executives' remuneration structure.

4.1. FY21 elements of remuneration

Element	Objective	Approach
Fixed remuneration	Provide a base level of remuneration which is appropriate to the Senior Executive's responsibilities, the geographic location of the Senior Executive and competitive conditions in the appropriate market.	<p>Fixed remuneration is set with reference to available market data, the scope and any unique aspects of an individual's role and having regard to the qualifications and experience of the individual. From time to time, Crown seeks a range of specialist advice to help establish the competitive remuneration for its Senior Executives.</p> <p>Fixed remuneration typically includes base salary and superannuation and other non-cash benefits. This represents the total employment cost (TEC) of the relevant Senior Executive to Crown.</p> <p>Senior Executives' fixed remuneration is subject to annual review. Any increases require approval of the CEO (except in relation to the CEO) and the People, Remuneration and Nomination Committee. Increases are dependent on the individual's Key Performance Objectives (KPOs), performance and market changes.</p>
Performance based remuneration	Align the rewards attainable by Senior Executives with the achievement of particular annual and long term objectives of Crown, achieving risk and compliance hurdles and the creation of shareholder value over the short and long term.	<p>The Short Term Incentive Plan is based on the achievement of the Crown Group's annual business plan and budget and the Senior Executive achieving their KPOs.</p> <p>In FY21, no Short Term Incentive or long term incentive grants were given. For more information, refer to section 4.2.</p> <p>For the Short Term Incentive Plan in FY22, Crown will introduce values-based gatekeeper provisions and a heavier weighting to non-financial metrics that will include mandatory compliance and risk key performance indicators.</p> <p>In FY22, a new Long Term Incentive Plan will be implemented to replace the legacy Long Term Incentive Plans. Refer to section 4.3 for more information on both the Short Term and Long Term Incentive Plans for FY22.</p>

4.2. Details of performance-based remuneration elements

Short Term Incentives (STI)

The remuneration of Senior Executives is linked to Crown's short term annual performance through a cash based STI. Senior Executives have a potential or target STI, which is subject to the Crown Group's performance and the achievement of the Senior Executive's KPOs established at the beginning of each financial year. No Senior Executives were invited to participate in the STI plan in FY21 and therefore no Senior Executives received an STI payment in FY21 (refer to section 4.5). For an explanation on the changes to the STI plan for FY22, please refer to section 4.3.

Long Term Incentives (LTI)

Senior Executive Incentive Plan and Crown Digital Incentive Plan

In FY21, no new LTI grants were awarded under the Senior Executive Incentive Plan or Crown Digital Incentive Plan. The LTIs which vested during FY21 from previous grants in FY17 under the Senior Executive Incentive Plan lapsed on 22 February 2021. For more information on these legacy plans, please refer to section 4.8.

It is the company's intention to introduce a new LTI plan for Senior Executives in FY22. Please refer to section 4.3 for further information.

Sign-on Performance Rights for the CEO

As outlined on 10 May 2021, Crown issued Sign-on Performance Rights in a new plan to the incoming CEO, Steve McCann. The one-off grant of 400,000 Performance Rights was issued on 1 June 2021 and is subject to shareholder approval at Crown's 2021 AGM and other conditions, including the incoming CEO receiving and maintaining all regulatory and probity approvals. These Performance Rights will vest three years after commencement, subject to Mr McCann being employed on the vesting date, or if terminated by Crown without cause, within the three-year period. The Sign-on Performance Rights will also vest if a "Fundamental Change" occurs pursuant to a transaction that results in a substantial diminution to the CEO's role, including where he is no longer the CEO of an Australian publicly listed company.

These Sign-on Performance Rights will be subject to the same terms and conditions of a new LTI plan to be determined by the Board of Crown. Mr McCann may instead receive the cash equivalent of the Sign-on Performance Rights at the vesting date if approval of Crown shareholders has not been obtained for the grant of the Sign-on Performance Rights.

Senior Executive	Grant date	Number of rights granted	Vesting date
Steve McCann	1 June 2021	400,000	1 June 2024

Given the grant of Sign-on Performance Rights, Mr McCann will not participate in the new LTI plan described in section 4.3 until the commencement of FY23.

4.3. Changes to remuneration structure in FY22

The People, Remuneration and Nomination Committee conducts comprehensive market reviews of remuneration for executive roles when deemed appropriate. The review includes all key components of Crown's remuneration structure and also considers market trends in the context of the existing approach to remuneration and the strategy of Crown moving forward. The Committee has recommended to the Board adjustments to the framework are required to ensure it remains fit for purpose and focuses the Senior Executives' efforts on the long term strength of the Company. Accordingly, in relation to Senior Executives' remuneration arrangements for FY22, Crown will develop and introduce a new, equity-based Long Term Incentive Plan that will be offered to Senior Executives. In addition, Crown will introduce a heavier weighting on values-based hurdles and mandatory compliance and risk key performance indicators to the plan with the intention to drive and promote behaviours aligned to our aspirational culture.

The following section outlines the already determined changes to the FY22 remuneration structure to current Senior Executives' fixed remuneration and additional details on future variable remuneration.

Remuneration mix

The following diagrams illustrate the remuneration mix of the CEO and CFO for FY22. As mentioned in section 4.2, incoming CEO, Mr McCann, will receive no LTI grant in FY22 as he has been granted Sign-on Performance Rights in FY21. In FY23, the CEO's remuneration mix will change to include LTI.

CEO - Maximum



■ Fixed Remuneration ■ STI (Maximum - Immediate)
■ STI (Maximum - Deferred)

CFO - Maximum



■ Fixed Remuneration ■ STI (Maximum - Immediate)
■ STI (Maximum - Deferred) ■ LTI (Maximum)

The FY22 remuneration mix for other senior executives will be confirmed following the development of the new remuneration structure.

Future remuneration quantum

The remuneration quantum for the incoming CEO and current CFO is outlined in the below table. The graphs above indicate which remuneration components are available to Senior Executives in FY22. For information on Mr Bossi, Mr Crinis and Mr Walsh's remuneration arrangements, refer to section 4.7.

	Fixed remuneration per annum ¹	STI maximum % of fixed remuneration	STI maximum (\$)	LTI grant value as % of fixed remuneration	LTI grant value (\$)
Senior Executives (Current and Incoming)					
Steve McCann ²	\$2,500,000	100%	\$2,500,000	100%	\$2,500,000
Alan McGregor	\$1,100,000	50%	\$550,000	50%	\$550,000

1 Figures are inclusive of superannuation.

2 For Mr McCann, the LTI will apply from FY23.

STI Plan

It is Crown's intention to invite Senior Executives to participate in a revised STI Plan in FY22. The FY22 Plan will introduce values-based gatekeeper provisions and a heavier weighting on non-financial metrics that will include mandatory compliance and risk key performance indicators. The details of this Plan are currently being developed by the Board of Crown. Further details of the revised STI Plan, including the KPOs set for Senior Executives based on their level of influence or responsibility, will be provided in the 2022 Annual Report.

LTI Plan

Senior Executives will be granted LTI awards under a new Performance Rights Plan. The details of this Plan are currently being developed by the Board of Crown. The proposed LTI grant value for CEO and CFO is outlined in the above table. Vesting of the LTI Performance Rights will be subject to a relative test based on Crown Resorts' total shareholder return (TSR) compared to comparable ASX Listed companies, or one or more ASX indices (Comparator Group). No LTI Performance Rights will vest unless Crown's TSR meets the 50th percentile of the Comparator Group at the relevant vesting date. Further details will be provided in the 2022 Annual Report.

4.4. Relationship between remuneration outcomes and company performance

As detailed above in the sections on Fixed Remuneration and Performance Based Remuneration, various elements of Crown's Remuneration Policy are linked to company performance; in particular, the achievement of Crown's Board approved Annual Budget and Business Plan (in the case of STI), and in the legacy LTI plans, an increase in the value of Crown shares or the Crown Digital portfolio. This section outlines the Company's historical company performance and relationship to remuneration outcomes for Senior Executives. It is Crown's intention to revise the remuneration structure in FY22 to strengthen the linkage between remuneration outcomes and company performance.

Historical performance

The table below sets out information about movements in shareholder wealth from FY17 to FY21. We have simplified the table to focus on components relevant to shareholders. A consolidated full year dividend figure has been provided, along with the removal of EBITDA and NPAT.

	Year Ended 30 June 2017	Year Ended 30 June 2018	Year Ended 30 June 2019	Year Ended 30 June 2020	Year Ended 30 June 2021
Share price at start of period	\$12.61	\$12.28	\$13.50	\$12.45	\$9.67
Share price at end of period	\$12.28	\$13.50	\$12.45	\$9.67	\$11.91
Full year dividend	143.0 cents	60.0 cents	60.0 cents	30.0 cents	0 cents
Basic earnings per share - Normalised ¹ (cents)	47.26	56.16	54.19	23.78	(12.43)
Basic earnings per share - Actual (cents)	257.03	81.16	59.07	11.74	(38.63)

1. Normalised results have been adjusted to exclude the impact of any variances from theoretical win rate on VIP program play (at Crown Melbourne, Crown Perth, Crown Aspinalls, and Melco Resorts and Entertainment Limited (MRE)), significant items and closure costs.

4.5. STI and LTI outcomes for Senior Executives

2021 STI remuneration outcomes

Due to the uncertainty of the impact of the COVID-19 pandemic, the ongoing regulatory investigations on Crown and the material changes to the composition of the senior leadership team, no Senior Executives were invited to participate in the STI plan in FY21. It is the Board's intention to invite Senior Executives to participate in the STI in FY22. Please refer to section 4.3 for further information on changes being introduced to the STI plan to increase accountability.

2021 LTI remuneration outcomes

This table shows the outcomes of LTI that vested during FY21. As all options issued in FY17 under the Senior Executive Incentive Plan lapsed, no value was realised by Senior Executives in their LTI plans. For LTI plans still on foot, please refer to section 4.8.

	Plan name	Performance measure	Number of options awarded	Accounting value per option (\$)	Expiry date	Number of options vested	Number of options exercised	Number of options lapsed
Former Senior Executives								
John Alexander	Senior Executive Incentive Plan (2017)	Service / good leaver	5,000,000	\$0.53	22 Feb 2021	5,000,000	0	5,000,000
Ken Barton	Senior Executive Incentive Plan (2017)	Service / good leaver	3,000,000	\$0.53	22 Feb 2021	3,000,000	0	3,000,000
Barry Felstead	Senior Executive Incentive Plan (2017)	Service / good leaver	3,000,000	\$0.53	22 Feb 2021	3,000,000	0	3,000,000
Todd Nisbet	Senior Executive Incentive Plan (2017)	Service / good leaver	3,000,000	\$0.53	22 Feb 2021	3,000,000	0	3,000,000

4.6 Take home remuneration

The statutory table in section 6 is prepared in accordance with the requirements of the Corporations Act and the Australian Accounting Standards and does not reflect amounts actually received by the Senior Executives during the relevant financial year. Current Senior Executives is defined as at 30 June 2021. The following table sets out the remuneration which was received during FY21 for each Senior Executive (note: remuneration for Mr Bossi, Mr Crinis, Mr McGregor and Mr Walsh is presented for the period for which they served as KMP).

Remuneration is comprised of fixed remuneration, the STI referable to the previous financial year but which was received after the end of the financial year, and the Long Term Incentives exercised in the relevant financial year. No STIs were awarded for both FY20 and FY21. The termination benefits received by former Senior Executives comprise of payment in lieu of notice and severance pay associated with their former positions being made redundant. This information is provided as it is considered to be of interest to the users of this Report.

Remuneration Table - Senior Executives take home remuneration

	Financial Year	Fixed remuneration (\$)	Non Monetary ¹ (\$)	Other benefits ² (\$)	STI (\$)	LTI (\$)	Super-annuation (\$)	Termination benefits ³ (\$)	Total (\$)
Current Senior Executives									
Lonnie Bossi CEO - Perth	2021	574,724	-	-	-	-	10,847	-	585,571
Peter Crinis CEO - Sydney	2021	614,153	-	-	-	-	10,847	-	625,000
Alan McGregor CFO	2021	893,002	8,588	-	-	-	21,694	-	923,284
Xavier Walsh CEO - Melbourne	2021	686,505	-	-	-	-	10,847	-	697,352
Former Senior Executives									
John Alexander Former Executive Director	2021	1,984,752	-	-	-	-	16,271	- ⁴	2,001,023
	2020	3,559,988	2,560	4,785	-	-	21,003	-	3,588,336
Ken Barton Former CEO and MD	2021	1,985,537	22,274	-	-	-	16,271	3,350,128 ⁵	5,374,210
	2020	2,489,587	78,650	-	-	-	21,003	-	2,589,240
Barry Felstead Former Chief Executive Officer - Australian Resorts	2021	1,157,991	3,458	-	-	-	10,847	3,206,289 ⁶	4,378,585
	2020	2,231,531	126,012	-	-	-	21,003	-	2,378,546
Todd Nisbet Former Executive Vice President - Strategy & Development	2021	2,327,862	391,367	430,893	-	-	21,694	3,117,681 ⁷	6,289,497
	2020	2,231,531	321,590	392,995	-	-	21,003	-	2,967,119
2021 TOTALS		10,224,526	425,687	430,893	-	-	119,318	9,674,098	20,874,522
2020 TOTALS		10,512,637	528,812	397,780	-	-	84,012	-	11,523,241

1 Non-monetary benefits include salary packaged benefits, including motor vehicles, car parking, other salary sacrificed items and FBT payable on these items.

2 Other benefits include customary expatriate benefits and relocation benefits for Mr Nisbet.

3 Termination benefits include payment of notice period (in lieu) and redundancy on cessation of employment in accordance with contractual entitlements.

4 Mr Alexander's annual leave accrual was \$985,215 and his long service leave accrual was \$774,206. Mr Alexander was employed by Crown for 13 years and 6 months (6 July 2007 - 22 January 2021). As leave payments were not termination benefits, they are not reflected in the above table.

5 Mr Barton's termination benefits are comprised of a payment in lieu of 12 months' notice of \$2,430,000 and 16 weeks' redundancy payment of \$920,128. Mr Barton was employed by Crown for 10 years and 11 months (9 March 2010 - 15 February 2021). In addition, Mr Barton received the following payments for accrued leave: annual leave \$918,492 and long service leave \$546,720. As leave payments were not termination benefits, they are not reflected in the above table.

6 Mr Felstead's termination benefits are comprised of a payment in lieu of 12 months' notice of \$2,305,500 and 20 weeks' redundancy payment of \$900,789. Mr Felstead was employed by Crown for 26 years and 3 months (7 September 1994 - 31 December 2020). In addition, Mr Felstead received the following payments for accrued leave: annual leave \$1,584,074 and long service leave \$1,027,141. As leave payments were not termination benefits, they are not reflected in the above table.

7 Mr Nisbet's termination benefits are comprised of a payment in lieu of 12 months' notice of \$2,394,741 and 16 weeks' redundancy payment of \$722,941. Mr Nisbet was employed by Crown for 13 years and 9 months (1 October 2007 - 30 June 2021). In addition, Mr Nisbet received the following payments for accrued leave: annual leave \$991,474 and his long service leave \$425,141. Leave payments were not termination benefits, and are not reflected in the figures in the above table.

4.7 Terms of Senior Executives' service agreements

Senior Executives are employed under employment agreements with Crown or a subsidiary of Crown. In addition to the terms of the service agreements outlined in the tables below, all Senior Executives are entitled to complimentary privileges at Crown Melbourne, Crown Perth and Crown Sydney facilities.

Additionally, Crown may ask Senior Executives to act as a Director of a member or associate of the Crown Group for no additional remuneration.

Senior Executives are prohibited from gambling at any property within the Crown Group during the term of employment and for a period following termination and a requirement that the Senior Executive maintains licences required and issued by relevant regulatory authorities (such as the Victorian Commission for Gambling and Liquor Regulation, Western Australian Gaming and Wagering Commission and the New South Wales Independent Liquor and Gaming Authority).

The tables below outline the contractual details for current and former Senior Executives who are or were employed under employment agreements with Crown or a subsidiary of Crown. Helen Coonan served as Executive Chairman from February 2021. In addition to her Chairman fees, she received \$1,800,000 per annum for her temporary Executive Chairman role with no performance-based pay. Refer to section 5 for further information on Ms Coonan's Non-executive Director remuneration and entitlements she received as a Non-executive Director.

Senior Executives as at 30 June 2021

Term	Alan McGregor CFO	Xavier Walsh CEO - Melbourne	Peter Crinis CEO - Sydney	Lonnie Bossi CEO - Perth
Contract type	Ongoing	Ongoing	Ongoing	Ongoing
Tenure as at 30 June 2021	16 years and 2 months (from 18 April 2005)	12 years and 7 months (from 3 November 2008)	23 years and 11 months (from 7 July 1997)	27 years and 3 months (from 7 March 1994)
Notice periods for termination				
By Senior Executive	12 months	12 months	12 months	6 months
By Crown	12 months, without notice for serious breach or misconduct	12 months	12 months	12 months
Post-employment benefits	Nil	Nil	Nil	Nil
Post-employment restraint period	12 months	12 months	12 months	12 months

Former Senior Executives as at 30 June 2021

	John Alexander Former Executive Director	Ken Barton Former CEO and MD	Barry Felstead Former CEO - Australian Resorts	Todd Nisbet Former Executive Vice President - Strategy & Development
Term				
Contract type	Fixed term for 12 months from 24 January 2020 ¹	Ongoing	Ongoing	Ongoing
Tenure	13 years and 6 months (6 July 2007 - 22 January 2021)	10 years and 11 months (9 March 2010 - 15 February 2021)	26 years and 3 months (7 September 1994 - 31 December 2020)	13 years and 8 months (1 October 2007 - 30 June 2021)
Notice periods for termination				
By Senior Executive	4 weeks	12 months	12 months	12 months
By Crown	Without cause at any time with payment amounting to remainder of employment term, without notice or payment for serious breach or misconduct	12 months, without notice for serious breach or misconduct	12 months' notice without cause, one month's notice for performance issues, three months' notice due to incapacity	12 months' notice without cause, one month's notice for performance issues, three months' notice due to incapacity
Termination benefits²	Nil	Nil	Nil	Nil
Post-employment benefits	Nil	Nil	Nil	Nil
Post-employment restraint period	Up to 12 months	Up to 12 months	Up to 12 months	Up to 12 months

1 Mr Alexander's previous contract with Crown Resorts Limited as Executive Chairman had no fixed term.

2 No further termination benefits are payable under the terms of the former Senior Executive agreements.

Following Mr Barton's separation from Crown on 15 February 2021, Mr Barton entered into a fixed term consultancy agreement with Crown effective from 8 March 2021 and concluding on 8 September 2021 via Popo Fibib Pty Limited to assist with transition arrangements to the Executive Chairman and new CEO and the ongoing regulatory investigations.

4.8 Additional information

Legacy Plans

Crown has two legacy LTI plans in place. The Senior Executive Incentive Plan and the Crown Digital Senior Executive Plan both sought to assist in the reward, retention and motivation of relevant Senior Executives, to link the reward to shareholder value creation and to align the interests of relevant Senior Executives with shareholders. Further details on the Senior Executive Incentive Plan and the Crown Digital Senior Executive Incentive Plan issued to KMP is outlined in the 2020 Remuneration Report.

Senior Executive Incentive Plan

The Senior Executive Incentive Plan sought to reward and retain those Senior Executives who had a primary responsibility for delivering Crown's key strategic priorities over the plan period. In 2017, the plan participants were Mr Alexander, Mr Barton, Mr Felstead and Mr Nisbet, who were all issued with options with a four-year term from their date of issue. As Mr Alexander, Mr Barton and Mr Felstead were all good leavers at the time of the options' expiry, the plan continued to apply. All options issued under the 2017 plan have lapsed unexercised on 22 February 2021. In FY19, Mr Bossi, Mr Crinis, Mr McGregor and Mr Walsh were participants in the plan in their former non-KMP roles as outlined in the table below. The options have an Exercise Price of \$13.35 per option and are subject to a single Vesting Condition, being continued employment with a member of Crown Group until the options' expiry date. For further details please refer to section 6.

	Plan name	Performance measure	Number of options awarded	Accounting value per option	Expiry date	Number of options vested
Current Senior Executives as at 30 June 2021						
Lonnie Bossi	Senior Executive Incentive Plan (2019)	Service	640,000	\$0.73	8 August 2022	-
Peter Crinis	Senior Executive Incentive Plan (2019)	Service	650,000	\$0.73	8 August 2022	-
Alan McGregor	Senior Executive Incentive Plan (2019)	Service	395,000	\$0.73	8 August 2022	-
Xavier Walsh	Senior Executive Incentive Plan (2019)	Service	765,000	\$0.73	8 August 2022	-

Crown Digital Senior Executive Incentive Plan

The Crown Digital Incentive Plan provided the offer and issue of options to Mr Barton which may be settled with Crown Digital Holdings Pty Ltd (Crown Digital Holdings) shares. The options have an Exercise Price of \$1.45 per option and are subject to a single Vesting Condition, being the continued employment of the relevant participant for four years after the grant date, or the classification of the Senior Executive as a good leaver at the expiry date. As Mr Barton was a good leaver, the plan continues to apply to Mr Barton, with no other senior executives having outstanding awards from this plan.

	Plan name	Performance measure	Number of options awarded	Accounting value per option	Expiry date	Number of options vested
Former Senior Executives						
Ken Barton	Crown Digital Incentive Plan ¹	Service / good leaver	8,513,980	\$0.10	19 Dec 2022	-

¹ Ken Barton's options under the Crown Digital Incentive Plan will vest on the vesting date as he was a 'good leaver', and will remain on foot until the expiry date.

Loans for Incentive Plans

For the LTI plans described above, each participant was required to pay a fee equal to the market value of the options through an Acquisition Loan advanced by the Crown Group. Please refer to section 6 for further information on Acquisition Loans.

5. Fees for Non-executive Directors

Non-executive Directors

Non-executive Directors are entitled to a base fee per annum for acting as a Director of Crown.

No performance-based fees are paid to Non-executive Directors. Non-executive Directors are not entitled to participate in Crown's incentive plans and are not provided with retirement benefits other than statutory superannuation at the rate prescribed under the *Superannuation Guarantee (Administration) Act 1992* (Cth) (Superannuation Legislation).

Non-executive Directors acting on the Board of Crown Melbourne Limited, Burswood Limited (i.e. Crown Perth) and Crown Sydney Gaming Pty Ltd are entitled to receive a further fee in respect of that service. Non-executive Directors of Crown are entitled to additional fees if they act as either Chair or a Member of an active Committee.

All Directors are entitled to complimentary privileges at Crown Melbourne, Crown Perth and Crown Sydney facilities.

The Chairman and Deputy Chairman fees are all-inclusive fees and no additional fees are payable for participation on any Board Committee or Subsidiary Board.

Non-executive Directors' fees which applied during FY21 were as follows:

Non-executive Director Role		Fees ¹
Chairman Fee:		\$700,000
Deputy Chairman Fee ² :		\$350,000
Base Board Fees:		\$170,000
Active Board Committees:	Chair	\$25,000
- Audit and Corporate Governance Committee	Member	\$15,000
- Safety and Sustainability Committee		
- People, Remuneration and Nomination Committee		
- Responsible Gaming Committee		
- Risk Management Committee		
Subsidiary Boards:	Chair	\$115,000
- Crown Melbourne Limited Board	Member	\$60,000
- Crown Sydney Gaming Pty Ltd Board		- 80,000
- Burswood Limited Board		

¹ In FY21, all fees paid to Non-executive Directors were inclusive of superannuation.

² John Hovarth AO, Deputy Chairman, ceased as a Director of Crown on 14 April 2021. The role of Deputy Chairman has not been replaced on the Board.

In accordance with Crown's Constitution, Non-executive Directors' fees in FY21 were within the aggregate Non-executive Directors' Fee cap of \$2,500,000 per annum.

Crown is undergoing substantial change and the refresh of the Board with a full complement of independent Non-executive Directors is critical to the success of Crown's transformation and remediation journey, as recommended by inquiries and supported by public statements by Crown and the Executive Chairman. As part of this refresh, the Board has recently appointed three new independent Non-executive Directors: Mr Nigel Morrison, Mr Bruce Carter and Dr Ziggy Switkowski. To enable the Board to continue to attract and retain quality, high-calibre independent Non-executive Directors with a broad range of skills, experience and expertise particularly during this period of challenges, Crown is seeking shareholder approval for an increase in the fee cap by \$500,000 to \$3,000,000 per annum. The proposed new fee cap takes into account the increased number of independent Non-executive Directors expected to be serving on the Crown Board in the future. It also enables flexibility in considering the recommendations arising from regulatory investigations relating to Crown's governance practices and structures. The resolution to increase the fee cap is not being sought to increase the current fees payable to Non-executive Directors. Further information will be available in the FY21 Notice of Meeting.

Other payments

Helen Coonan served as Executive Chairman from February 2021 until her retirement from the Board on the 27 August 2021. In this role, she performed CEO duties while a search for a new CEO was underway. Refer to section 4.7 for her remuneration received as Executive Chairman. Ms Coonan's remuneration as Executive Chairman relates to executive duties and is not included in the Non-executive Directors' fee cap. Ms Coonan did not receive any variable rewards in relation to her role as Executive Chairman.

Non-executive Directors are not able to be formally appointed as KMP until regulatory approval is obtained. In FY21, both Mr Morrison and Mr Carter were Observers on the Board from the period their appointment was announced until approval was obtained. The Board has determined that an Observer fee equivalent to \$170,000 per annum will be paid on a pro-rata basis during the period Non-executive Directors are an Observer. This payment is not included in the Non-executive Directors' fee pool and will be made in FY22.

Executive Chairman and NED remuneration

Set out below is a table showing Non-executive Director remuneration for FY21. During 2020, the Non-executive Directors took a 20% reduction in fees from 16 April 2020 to 30 June 2020 in response to the impact of the COVID-19 pandemic on Crown. Fees resumed to normal levels on 1 July 2020.

Helen Coonan received separate remuneration for her Executive duties and Chairman role, and the amount attributable to each role is detailed below.

Remuneration Table – Non-executive Directors

	Financial Year	Short Term Benefits				Post-employment Superannuation Benefit	Long Term Incentives			Subtotal
		Fees	Executive Salary	Non Mon-entary	Other		Cash Based	Equity Based	Termination Benefits	
		\$	\$	\$	\$	\$	\$	\$	\$	
Current Executive Chair and Non-Executive Directors										
Helen Coonan ¹	2021	678,306	652,500	-	-	21,694	-	-	-	1,352,500
Chairman	2020	416,932	-	-	-	20,502	-	-	-	437,434
Jane Halton AO PSM	2021	317,654	-	-	-	21,694	-	-	-	339,348
Non-executive Director	2020	231,622	-	-	-	18,295	-	-	-	249,917
Antonia Korsanos	2021	291,559	-	-	-	27,343	-	-	-	318,902
Non-executive Director	2020	241,351	-	-	-	22,451	-	-	-	263,802
Nigel Morrison ²	2021	61,021	-	-	-	5,797	-	-	-	66,818
Non-executive Director										
Former Non-executive Directors										
Andrew Demetriou ³	2021	178,596	-	-	-	16,967	-	-	-	195,563
Non-executive Director	2020	209,560	-	-	-	19,908	-	-	-	229,468
John Horvath AO ⁴	2021	258,665	-	-	-	17,452	-	-	-	276,117
Deputy Chairman	2020	315,458	-	-	-	21,003	-	-	-	336,461
Guy Jalland ⁵	2021	-	-	-	-	-	-	-	-	-
Non-executive Director	2020	-	-	-	-	-	-	-	-	-
Michael Johnston ⁵	2021	-	-	-	-	-	-	-	-	-
Non-executive Director	2020	-	-	-	-	-	-	-	-	-
Harold Mitchell AC ⁶	2021	131,431	-	-	-	12,725	-	-	-	144,156
Non-executive Director	2020	179,321	-	-	-	16,651	-	-	-	195,972
John Poynton AO ⁷	2021	189,300	-	-	-	10,700	-	-	-	200,000
Non-executive Director	2020	238,012	-	-	-	14,243	-	-	-	252,255
Geoffrey Dixon ⁸	2020	66,667	-	-	-	6,333	-	-	-	73,000
Non-executive Director										
2021 TOTALS (NEDs Only)		2,106,532	-	-	-	134,372	-	-	-	2,240,904
2021 TOTALS (Executive Role)		-	652,500	-	-	-	-	-	-	652,500
2020 TOTALS		1,898,923	-	-	-	139,386	-	-	-	2,038,309

1 Refer to section 4.7 for further details on Ms Coonan's Executive Chairman role.

2 Mr Morrison was appointed as a Director of Crown on 31 March 2021. Mr Morrison was an Observer on the Board from the period his appointment was announced until approval was obtained. The Board has determined that an Observer fee equivalent to \$170,000 per annum will be paid on a pro-rata basis during the period Non-Executive Directors are an Observer. The same applied for Mr Carter.

3 Mr Demetriou ceased as a Director of Crown on 11 February 2021.

4 Professor Horvath ceased as a Director of Crown on 14 April 2021.

5 Mr Jalland and Mr Johnston ceased as Directors of Crown on 10 February 2021. Mr Jalland and Mr Johnston did not receive remuneration from Crown for their participation as Non-executive Directors of Crown.

6 Mr Mitchell ceased as a Director of Crown on 22 February 2021.

7 Mr Poynton ceased as a Director of Crown on 28 February 2021.

8 Mr Dixon ceased as a Director of Crown on 24 October 2019.

6 Additional Key Management Personnel Disclosures
Remuneration Table – Statutory

Financial Year	Short Term Benefits				% of target STI	Post-employment Benefits-Superannuation ³ (\$)	Cash Based (\$)	Long Term Incentives				Termination Benefits ⁷ (\$)	Total (\$)
	Salary & Fees (\$)	Non Monetary ¹ (\$)	Other ² (\$)	STI (\$)				Senior Executive Incentive Plan - 2017 ⁴ (\$)	Senior Executive Incentive Plan - 2019 ⁵ (\$)	Senior Executive Incentive Plan - Crown Digital ⁶ (\$)	Fringe Benefits Tax Applicable to the Senior Executive Incentive Plans (\$)		
Current Senior Executives as at 30 June 2021													
2021	574,724	-	-	-	0%	10,847	-	65,541	-	14,099	-	-	665,211
2021	614,153	-	-	-	0%	10,847	-	59,549	-	12,810	-	-	697,359
2021	893,002	8,588	-	-	0%	21,694	-	62,461	-	13,437	-	-	999,182
2021	686,505	-	-	-	0%	10,847	-	78,342	-	16,853	-	-	792,547
Former Senior Executives													
2021	1,984,752	-	-	-	0%	16,271	-	383,381	-	135,535	-	-	2,519,939
2020	3,559,988	2,560	4,785	-	0%	21,003	-	657,225	-	168,735	-	-	4,414,296
2021	1,985,537	22,274	-	-	0%	16,271	-	230,029	-	113,954	3,350,128	-	6,269,872
2020	2,489,587	78,650	-	-	0%	21,003	-	394,335	-	137,749	-	-	3,341,996
2021	1,157,991	3,458	-	-	0%	10,847	-	230,029	-	81,321	3,206,289	-	4,689,935
2020	2,231,531	126,012	-	-	0%	21,003	-	394,335	-	101,241	-	-	2,874,122
2021	2,327,862	391,367	430,893	-	0%	21,694	-	230,029	-	81,321	3,117,681	-	6,600,847
2020	2,231,531	321,590	392,995	-	0%	21,003	-	394,335	-	101,241	-	-	3,462,695
2021 TOTALS	10,224,526	425,687	430,893	-	-	119,318	-	1,073,468	265,893	469,330	9,674,098	23,234,892	
2020 TOTALS	10,512,637	528,812	397,780	-	-	84,012	-	1,840,230	-	220,672	508,966	14,093,109	

1 Non-monetary benefits include salary packaged benefits, including motor vehicles, car parking, other salary sacrificed items and FBT payable on these items.
 2 Other benefits include customary expatriate benefits and relocation benefits for Mr Nisbet.
 3 Post-employment Benefits - Superannuation are the Superannuation entitlements receiving by the relevant Senior Executives during the relevant financial year.
 4 The 2017 options under the Senior Executive Incentive Plan vested on 22 February 2021. All 2017 options lapsed unexercised.
 5 The 2019 options under the Senior Executive Incentive Plan have been included in total remuneration on the basis that it is considered more likely than not that, at the date of this Report, the vesting condition will occur.
 6 No Crown Digital Senior Executive Incentive Plan options were granted in FY21. Mr Barton's options granted in FY19 remain on foot as he was considered a good leaver at cessation of employment. The Crown Digital Plan has been included in total remuneration on the basis that it is considered more likely than not that, at the date of this Report, the vesting condition will occur.
 7 All former executives were good leavers and received termination payments in lieu of notice and redundancy payments on cessation of employment in accordance with contractual entitlements. Refer to Take home remuneration table in section 4.6 footnotes 4-7 for a breakdown of these payments.
 8 Remuneration for Mr Bossi, Mr Crinis, Mr McGregor and Mr Walsh is presented for the period for which they served as KMP.
 9 In addition to his fixed remuneration, Mr McGregor will receive a \$200,000 one off payment (which may be varied at the Board's discretion) in respect of his role as Interim Company Secretary, payable once Mr McGregor ceases to act as Company Secretary.

Shareholdings of Key Management Personnel

Set out below is a summary of equity instruments held directly, indirectly or beneficially by KMPs, close family or controlled entities.

30 June 2021

Non-executive Directors

Directors	Balance 1 July 2020	Other net change ¹	On leaving Crown	Balance 30 June 2021
Current Executive Chair and Non-executive Directors				
Helen A Coonan	10,000	-	-	10,000
Jane Halton AO PSM	948	-	-	948
Antonia Korsanos	10,000	-	-	10,000
Nigel Morrison	-	-	-	-
Former Directors				
Harold Mitchell AC ²	114,887	-	114,887	-
John Poynton AO ³	1,000	-	1,000	-

1 Other net change represents the acquisition or sale of Crown Shares by Crown Executives.

2 Mr Mitchell ceased as a Director on 22 February 2021.

3 Mr Poynton ceased as a Director on 28 February 2021.

Crown Senior Executives

Executives	Balance 1 July 2020	Other net change ¹	On leaving Crown	Balance 30 June 2021
Current Executives				
Lonnie Bossi	-	-	-	-
Peter Crinis	-	-	-	-
Alan McGregor	-	-	-	-
Xavier Walsh	-	-	-	-
Former Executives				
John Alexander ²	399,557	-	399,557	-
Ken Barton ³	143,128	-	143,128	-
Barry Felstead	178,374	-	178,374	-
Todd Nisbet	244,531	-	244,531	-

1 Other net change represents the acquisition or sale of Crown Shares by Crown Executives.

2 Mr Alexander ceased as a Director on 22 October 2020.

3 Mr Barton ceased as a Director on 15 February 2021.

30 June 2020

Crown Non-executive Directors

Non-executive Directors	Balance 1 July 2019	Other net change	Balance 30 June 2020
Jane Halton AO PSM	948	-	948
Helen A Coonan ¹	-	10,000 ¹	10,000
Antonia Korsanos	10,000	-	10,000
Harold Mitchell AC	114,887	-	114,887
John Poynton AO	1,000	-	1,000

1 As required by the ASX Listing Rules, Ms Coonan provided Crown with an Appendix 3Y detailing her change in interests in Crown shares on 2 March 2020.

Crown Senior Executives

Executives	Balance 1 July 2019	Other net change	Balance 30 June 2020
John Alexander	399,557	-	399,557
Ken Barton	143,128	-	143,128
Barry Felstead	178,374	-	178,374
Todd Nisbet	229,531	15,000	244,531

Senior Executive Option Holdings

Set out below is a summary of Options held directly, indirectly or beneficially by KMPs, close family or controlled entities.

Senior Executives	Balance 1 July 2020	Options granted	Other net change	Balance 30 June 2021	Options vested during year	Options exercised during year	Options lapsed during the year
Current Executives as at 30 June 2021							
Lonnie Bossi	640,000	-	-	640,000	-	-	-
Peter Crinis	650,000	-	-	650,000	-	-	-
Alan McGregor	395,000	-	-	395,000	-	-	-
Xavier Walsh	765,000	-	-	765,000	-	-	-
Former Executives							
John Alexander	5,000,000	-	-	-	5,000,000	-	5,000,000
Ken Barton	11,513,980 ¹	-	-	8,513,980	3,000,000	-	3,000,000
Barry Felstead	3,000,000	-	-	-	3,000,000	-	3,000,000
Todd Nisbet	3,000,000	-	-	-	3,000,000	-	3,000,000

¹ Includes 3,000,000 options over Crown Shares issued to Mr Barton under the 2017 Senior Executive Incentive Plan and 8,513,980 options over Crown Digital shares issued to Mr Barton under the Crown Digital Incentive Plan.

Loans to Key Management Personnel

As noted above, options under the 2019 Incentive Plan and Crown Digital Incentive Plan were issued to the Senior Executives for a fee equal to the market value at the date they were originally agreed to be issued (i.e. 8 August 2018 (\$0.83 per option (Fee)) and 19 December 2018 (\$0.09 per option (Fee)) respectively). Each relevant Senior Executive paid the Fee for the issue of the options through an Acquisition Loan advanced by Crown.

The Acquisition Loan is repayable on the exercise, lapse, cancellation or forfeiture of the options financed by the Acquisition Loan. No interest is payable on the Loan.

The repayment amount of the Acquisition Loan is the lesser of the outstanding amount of the loan and:

- the market value of the Crown shares to be delivered on exercise; or
- in the case of a buy-back, the market value of the option; or
- in the case of lapse, cancellation or forfeiture, nil.

The Senior Executives who have been granted an Acquisition Loan and the value of that Acquisition Loan are as follows:

Current Senior Executives as at 30 June 2021	2019 Senior Executive Incentive Plan Acquisition Loan Value
Lonnie Bossi	\$531,200
Peter Crinis	\$539,500
Alan McGregor	\$327,850
Xavier Walsh	\$634,950

Former Senior Executives	Crown Digital Incentive Plan Acquisition Loan Value
Ken Barton	\$765,407

As all 2017 options issued under the Senior Executive Incentive Plan have lapsed, nil repayment was required and the below acquisition loans have been cancelled.

Former Senior Executives	2017 Senior Executive Incentive Plan Acquisition Loan Value
John Alexander	\$3,543,300
Ken Barton	\$2,125,980
Barry Felstead	\$2,125,980
Todd Nisbet	\$2,125,980

There have been no other loans made, guaranteed or secured, directly or indirectly by the Company or any of its subsidiaries in the reporting period in relation to KMPs, close family or controlled entities.

Transactions entered into with Key Management Personnel

Other than as has been disclosed in Note 28 of the Financial Report, there have been no transactions entered into during the reporting period between the Company or any of its subsidiaries and KMPs, close family and controlled entities.

Auditor's Independence Declaration



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 audit of Crown Resorts Limited for the financial year ended 30 June 2021 there have been:

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

A handwritten signature of the KPMG firm, appearing as 'KPMG' in blue ink.

KPMG

A handwritten signature in blue ink that reads 'Rachel Milum'.

Rachel Milum
Partner

Sydney
9 September 2021

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Independent Auditor's Report



Independent Auditor's Report

To the shareholders of Crown Resorts Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Crown Resorts Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2021;
- Statement of profit or loss, Statement of comprehensive income, Statement of changes in equity, and Cash flow statement for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with 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 Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

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Material uncertainty related to Going Concern

We draw attention to Note 1.1, "Going Concern" in the financial report. The conditions disclosed in Note 1.1 indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

In concluding there is a material uncertainty related to going concern we evaluated the extent of uncertainty regarding events or conditions casting significant doubt on the Group's assessment of going concern, with particular attention paid to potential impacts and changes resulting from COVID-19 and the ongoing legal and regulatory matters. These procedures included:

Analysing the cash flow projections by:

- Evaluating the underlying data used to generate the projections for consistency with other information tested by us, our understanding of the Group's intentions, and past results and practices;
- Assessing the planned levels of operating and capital expenditures for consistency of relationships and trends to the Group's historical results, particularly in light of recent loss-making operations impacted by COVID-19, results since year end, and our understanding of the business, industry and expected economic conditions impacting the Group;
- We specifically evaluated and checked the cash flow projections were updated for COVID-19 implications to the business based on credible and authoritative sources, for consistency with other information tested by us, our understanding of the Group's intentions, and past results and practices. We specifically assessed this against our understanding of plans prepared by management/Directors in response to anticipated ongoing COVID-19 impacts. Critical elements considered included the potential for further/future impacts to the Group, an estimated rate of recovery, and expectations of a return to historical levels of trading activity;
- Assessing significant non-routine forecast cash inflows and outflows including the impact of the Crown Sydney apartment sales and, where possible, the potential outcomes of the legal and regulatory matters as disclosed in note 24 for feasibility, quantum and timing. We used our knowledge of the Group, its industry and our understanding of the current status of legal and regulatory matters to assess the level of associated uncertainty, which we consider to be fundamental to readers of the Group's financial report;
- Assessing the forecast financial impact of uncertain future events, including COVID-19 and, where possible, potential outcomes of the legal and regulatory matters and implications for adherence to covenants and conditions, against the requirements of the Group's financing agreements as at 30 June 2021;
- In connection with the review of the Group's cash flow forecast and consideration of available financing, we evaluated the terms of the existing financing agreements, changes to the maturity of existing debt facilities and additional debt facilities put in place by the Group subsequent to 30 June 2021. We also evaluated the impact of the terms of the waivers agreed subsequent to 30 June 2021 and considered the residual uncertainties; and
- Evaluating the Group's going concern disclosures in the financial report by comparing them to our understanding of the matter and the COVID-19, legal and regulatory implications for the Group, the events or conditions incorporated into the cash flow projections, the Group's plans to address those events or conditions, and accounting standard requirements. We specifically focused on the principal matters giving rise to the material uncertainty.



Key Audit Matters

In addition to the matters described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the **Key Audit Matters**:

- Provisions and contingent liabilities – estimation uncertainty; and
- Valuation of goodwill and intangible assets.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Provisions and contingent liabilities – estimation uncertainty (Legal and regulatory matters)

Refer to Note 24 of the financial report

The key audit matter	How the matter was addressed in our audit
<p>Provisions and contingent liabilities as they relate to legal and regulatory matters are a key audit matter. Applying AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> (AASB 137) requires significant judgement for each of the fundamental principles. The principles we considered were:</p> <ol style="list-style-type: none"> 1. Does a <i>present obligation</i> exist; 2. If so, can it be <i>reliably measured</i>, leading to recording a provision; and 3. If not, a contingent liability is reported with sufficient information disclosed to provide the users of the financial statements with an understanding of the matter and where practical the uncertainties and potential timing. <p>When assessing ongoing legal and regulatory matters, as compared to known contractual liabilities, these principles are complex and prone to greater uncertainty.</p> <p>The Group has a number of significant pending and ongoing legal disputes and regulatory investigations, the status of which remain open with no known or certain quantifications. Given the nature and status of these matters, and the uncertainty associated with each matter, we focused our effort on how the Group complied with the requirements of the</p>	<p>Working with our various specialists our procedures included:</p> <ul style="list-style-type: none"> • Evaluating the Group’s assessment of whether a present obligation exists arising from past events, against the criteria in AASB 137 based on the facts and circumstances available; • In order to assess the facts and circumstances with respect to the investigations, assessing underlying documentation of the Group’s internal and external specialist investigations performed and other relevant documents; • Reading minutes from relevant committees, attending audit committee meetings and board meetings where this topic was tabled; • Inquiring with senior management of the Group, the Group’s legal counsel and AML/CTF management for consistency; • Obtaining and inspecting external lawyers’ letters and legal opinions against knowledge obtained from our other procedures; • Inquiring with the external lawyers of the Group for consistency; • Evaluating, where relevant, correspondence with regulators; • Where the Group determined a present obligation to exist, assessing the basis for



<p>accounting standard and the information used to form its judgements.</p> <p>Due to the subjective nature of interpreting the accounting standard and any resultant measurement of these types of provisions, assumptions tend to be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us.</p> <p>We involved specialists to supplement our senior audit team members in assessing this key audit matter.</p>	<p>reliable measurement of a provision, against the criteria in the accounting standards including matters such as probability of outflow, amounts and timing, and our understanding of the matter from our investigations;</p> <ul style="list-style-type: none"> • Where the Group determined a present obligation was highly probable, however given the nature and status of the matter the timing and amount of any outflow could not be reliably estimated, we challenged the Group's conclusion against the criteria in the accounting standards, evaluation of precedents, underlying data and their authority and knowledge from our investigations; • Obtaining specific management representations in relation to compliance with laws and regulations and the status of various investigations; and • Assessing the appropriateness of disclosures against the requirements of the accounting standards, with a particular focus on the qualitative information included in Note 24 to the Financial Report.
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Valuation of goodwill and intangible assets (\$1,361m)	
Refer to Note 12 and Note 13 of the financial report	
The key audit matter	How the matter was addressed in our audit
<p>A key audit matter for us was the Group's annual testing of goodwill for impairment, and assessment of licences and Casino management agreement intangible assets for impairment, given the size of the balance (being 19% of total assets), the significantly higher estimation uncertainty from the business disruptions of the COVID-19 global pandemic and the status of current legal and regulatory matters.</p> <p>Certain conditions impacting the Group increased the judgement applied by us when evaluating the evidence available. We focused on the significant forward-looking assumptions the Group applied in their value in use models and the disclosures of these key assumptions as they provide important information on the potential outcome if key assumptions were to change, including:</p>	<p>Working with our various specialists our procedures included:</p> <ul style="list-style-type: none"> • Evaluating the appropriateness of the value in use method applied by the Group to perform the annual test of goodwill and intangible assets for impairment against the requirements of the accounting standards; • Assessing, along with our various specialists, the integrity of the value in use models used, including the accuracy of the underlying calculation formulas; • Meeting with management of the Group to understand the impact of COVID-19 and the potential outcomes of legal and regulatory



- forecast operating cash flows, growth rates and terminal growth rates – the Group has experienced significant business disruption as a result of COVID-19. These conditions and the uncertainty of their continuation, along with the impact of potential outcomes from ongoing legal and regulatory matters on cash flows, increase the risk of inaccurate forecasts or a significantly wider range of possible outcomes for us to consider and the possibility of goodwill and intangible assets being impaired. We focused on the expected rate of recovery for the Group and what the Group considers as their future operating basis when assessing the feasibility of the Group’s forecast cashflows.
- forecast growth rates and terminal growth rates – in addition to the uncertainties described above, the Group’s models are sensitive to changes in these assumptions which reduce available headroom. This drives additional audit effort specific to their feasibility and consistency of application to the Group’s strategy.
- discount rates - these are complicated in nature and vary according to the conditions and environment the specific CGU is subject to from time to time, and the modelling methodology for incorporating risks into the cash flows or discount rates. The Group’s modelling is sensitive to changes in the discount rates.

The Group uses complex models to perform their annual testing of goodwill and intangible assets for impairment. The models are largely manually developed and include a range of internal and external sources as inputs to the assumptions.

Complex modelling, using forward-looking assumptions tend to be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent application.

We involved specialists to supplement our senior audit team members in assessing this key audit matter.

matters to the forecast operating cash flows;

- Considering the sensitivity of the models by varying key assumptions, such as expected rate of recovery for the Group, what the Group considers as their future operating basis, forecast growth rates, terminal growth rates and discount rates, within a reasonably possible range. We also considered the interdependencies of key assumptions when performing the sensitivity analysis and what the Group consider to be reasonably possible. We did this to identify those CGUs at higher risk of impairment and to focus our procedures;
- Challenging the Group’s significant forecast cash flow and growth assumptions in light of the status of current legal and regulatory matters and the expected continuation of uncertainty and business disruption from the impacts of the COVID-19 global pandemic. We did this using our knowledge of the Group, our industry experience, understanding of the legal and regulatory matters, and with input from our specialists;
- Comparing forecast growth rates and terminal growth rates to authoritative published studies of industry trends and expectations and considered differences for the Group’s operations. We assessed key assumptions such as expected rate of recovery for the Group and what the Group considers as their future operating basis;
- Independently developing a discount rate range using publicly available market data for comparable entities; and
- Assessing the disclosures in the financial report using our understanding of the issue obtained from our testing and against the requirements of the accounting standards with particular focus on the information of potential outcomes if key assumptions were to change.



Other Information

Other Information is financial and non-financial information in Crown Resorts Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf This description forms part of our Auditor's Report



Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Crown Resorts Limited for the year ended 30 June 2021, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 73 to 95 of the Directors' report for the year ended 30 June 2021.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Rachel Milum
Partner

Sydney
9 September 2021



Financial Report

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Statement of Profit or Loss

For the year ended 30 June 2021

	Note	2021 \$m	2020 \$m
Revenues	3	1,536.8	2,237.2
Other income	3	207.8	0.1
Expenses	3	(1,975.4)	(2,074.2)
Share of profits/(losses) of associates	2,9	(8.7)	0.3
Profit/(loss) before income tax and finance costs		(239.5)	163.4
Finance costs	3	(69.1)	(10.2)
Profit/(loss) before income tax		(308.6)	153.2
Income tax benefit/(expense)	2,5	47.3	(71.3)
Net profit/(loss) after tax		(261.3)	81.9
Attributable to:			
Equity holders of the Parent		(261.6)	79.5
Non-controlling interests		0.3	2.4
		(261.3)	81.9

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

	Note	2021 Cents per share	2020 Cents per share
Earnings per share (EPS)			
Basic EPS	27	(38.63)	11.74
Diluted EPS	27	(38.63)	11.74
EPS calculation is based on the weighted average number of shares on issue throughout the period			
Dividends per share			
Current year final dividend declared	4	-	-
Current year interim dividend paid	4	-	30.00

Statement of Comprehensive Income

For the year ended 30 June 2021

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

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

Statement of Financial Position

As at 30 June 2021

	Note	2021 \$m	2020 \$m
Current assets			
Cash and cash equivalents	22	476.0	286.9
Trade and other receivables	6	19.6	111.2
Income tax receivable		65.3	-
Inventories		21.5	17.2
Prepayments		45.4	41.6
Assets held for sale	7	425.8	-
Total current assets		1,053.6	456.9
Non-current assets			
Other financial assets	8	12.7	29.3
Investments in associates	9	127.4	186.0
Property, plant and equipment	10	4,316.6	4,871.2
Intangible assets - licences	12	1,030.6	1,047.3
Other intangible assets	13	330.4	355.6
Deferred tax assets	5	183.5	170.7
Other assets	15	45.6	48.8
Total non-current assets		6,046.8	6,708.9
Total assets		7,100.4	7,165.8
Current liabilities			
Trade and other payables	16	429.4	426.5
Interest-bearing loans and borrowings	17	314.3	8.2
Income tax payable		-	32.5
Provisions	18	304.1	200.3
Other financial liabilities		0.1	2.4
Total current liabilities		1,047.9	669.9
Non-current liabilities			
Other payables	16	177.2	172.3
Interest-bearing loans and borrowings	17	974.1	1,121.8
Deferred tax liabilities	5	406.7	420.5
Provisions	18	28.7	27.0
Total non-current liabilities		1,586.7	1,741.6
Total liabilities		2,634.6	2,411.5
Net assets		4,465.8	4,754.3
Equity			
Contributed equity	19	(203.3)	(203.3)
Reserves	20	(23.8)	3.1
Retained earnings	20	4,692.9	4,954.5
Total equity		4,465.8	4,754.3

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

Cash Flow Statement

For the year ended 30 June 2021

	Note	2021 \$m	2020 \$m
Cash flows from operating activities			
Receipts from customers		1,605.2	2,258.3
Payments to suppliers and employees		(1,471.6)	(1,847.5)
Dividends received		-	5.9
Interest received		1.1	12.2
Borrowing costs paid		(76.4)	(66.0)
Income tax paid		(72.3)	(36.0)
Net cash flows from/(used in) operating activities	22b	(14.0)	326.9
Cash flows from investing activities			
Purchase of property, plant and equipment		(559.1)	(746.3)
Proceeds from sale of property, plant and equipment		650.5	0.1
Payment for the acquisition of equity accounted associates		(1.8)	(3.9)
Payment for the acquisition of controlled entities		(16.3)	-
Other (net)		0.3	-
Net cash flows from/(used in) investing activities		73.6	(750.1)
Cash flows from financing activities			
Proceeds from borrowings		590.0	315.1
Repayment of borrowings		(459.8)	(328.8)
Dividends paid		-	(406.2)
Net cash flows from/(used in) financing activities		130.2	(419.9)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial year		286.9	1,126.0
Effect of exchange rate changes on cash		(0.7)	4.0
Cash and cash equivalents at the end of the financial year	22a	476.0	286.9

Government subsidies and JobKeeper are presented net of cash receipts and payments in payments to suppliers and employees.

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

Statement of Changes in Equity

For the year ended 30 June 2021

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

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

Notes to the Financial Statements

For the year ended 30 June 2021

1. Significant Accounting Policies

1.1 Basis of preparation

This financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for derivative financial instruments, contingent consideration and investments that have been measured at fair value and investments in associates accounted for using the equity method.

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

The financial report of Crown Resorts Limited and its controlled entities (the Group) for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the directors on 8 September 2021 subject to final approval by a subcommittee. Crown is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

Statement of Compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Going concern

At 30 June 2021, the Group is in a net current asset position of \$5.7 million (2020: net current liability position of \$213.0 million). At 30 June 2021, the Group had \$390.1 million in available cash and cash equivalents (excluding working capital cash) (refer note 22) and \$170.7 million in committed un-drawn bank facilities (refer note 17). The financial statements have been prepared on a going concern basis. In determining the appropriateness of the basis of preparation, the Group has considered the impact of the COVID-19 pandemic on the Group's financial position at 30 June 2021 and its operations in future periods.

During the financial year, in response to the COVID-19 pandemic, Crown was directed by relevant State and Federal Governments, at various times, to suspend its gaming activities and other non-essential services at Crown Melbourne, Crown Perth, Crown Sydney and Crown Aspinalls. When operating, restrictions remained in place around the number of patrons allowed onsite and strict adherence to health and safety standards. It remains uncertain how long these conditions will remain in place.

The impact of COVID-19 and the potential outcomes of the various regulatory inquiries and investigations has created material uncertainties surrounding going concern particularly given the interdependencies of the events and conditions on the Group's forecasts. In preparing the financial report on a going concern basis, Crown has performed detailed scenario planning on the Group's cash flow forecast and forecast liquidity position.

Critical to this are the assumptions used regarding the impact of COVID-19 and its expected continuation, the potential outcomes of the various regulatory inquiries and investigations, the continued support of the Group's financiers and maintaining an investment grade credit rating and the expected proceeds from the sale of Crown Sydney apartments during the next 12 months. Each of these contain a range of uncertainties, the key details of which include:

COVID-19:

- The impacts of COVID-19 on Crown's operations has created significant uncertainty in relation to the Group's cash flow forecast and its forecast liquidity position. There is uncertainty surrounding the duration of closure of Crown's properties and the restrictions in place when opened, in relation to the number of patrons allowed onsite and adherence to COVID protocols. The Group has undertaken scenario modelling to consider the unfavourable impact of potential closures of Crown's operations on operating cash flows for the next twelve months. Given the nature of the pandemic, uncertainty surrounding the closures and the potential operating restrictions and their longevity, a wide range of outcomes are possible. This uncertainty may lead to a breach of financial covenants under the Group's financing arrangements of which \$420 million was drawn at 30 June 2021.

Regulatory Inquiries:

- In the event of a cancellation or suspension of any of Crown's Australian casino licences, there was the potential for an event of default to arise under the Group's financing arrangements of which \$420 million was drawn and \$99.3 million of letters of credit were issued at 30 June 2021.

Euro Medium Term Notes:

- Under the terms of Crown's Euro Medium Term Notes (Notes), in the event that the Notes are unrated, or are rated below investment grade by any rating agency which rates the Notes (currently Fitch Ratings and Standard & Poor's), any holder of the Notes would be entitled to require redemption of its Notes at the outstanding principal amount plus a make whole premium, subject to the terms of the Notes.

Crown Sydney Apartment sales:

- The Group has assumed that the remaining Crown Sydney apartment sales are settled throughout and prior to 30 June 2022. If sales are delayed this may

result, in conjunction with the above assumptions, in an unfavourable impact on liquidity.

To address the uncertainty arising from one or more of the above scenarios occurring the Group has reached agreement with its relationship banks post 30 June 2021 in relation to the following key measures:

- A waiver of financial covenants under the Group's financing arrangements in relation to the 31 December 2021 testing date.
- The Group has extended the \$410 million of bank facilities with relationship banks that were due to mature in April 2022 to October 2023 of which \$102.5 million is undrawn. At the same time the \$150 million of bank facilities maturing in April 2024 has been aligned with the October 2023 maturity.
- A waiver of certain events of default that would otherwise arise from cancellation or suspension (for a certain period of time) of any of Crown's Australian casino licences. In the event such a licence event occurs, Crown has agreed to a review process providing it with a period of time to negotiate with lenders or otherwise refinance the facilities.
- One of Crown's relationship banks has agreed to provide a new \$250 million debt facility, subject to completion of long form documentation. The facility will provide Crown with debt funding of up to \$250 million (based on the value of unsold Crown Sydney apartments) to be used to partly fund any required redemption of Crown's Euro Medium Term Notes and associated make whole premium as described above, or in certain circumstances, for general corporate purposes.
- As part of the arrangement agreed with lenders, Crown has agreed not to declare or pay dividends in respect of the half year ending 31 December 2021 or where a review event is triggered as a result of a cancellation or suspension of any of Crown's Australian casino licences.

Additional measures the Group has in place and/or which are at its discretion are:

- At 30 June 2021, the Group had only \$14.9 million in capital commitments (refer note 21). The Group has the ability to control the cash flow of certain uncommitted capital expenditure, should the need arise.
- The Group expects to realise \$34.9 million related to the disposal of Crown's investment in Aspers, which was held for sale at 30 June 2021 (refer note 7).
- In the event of prolonged COVID-19 lockdowns the Group has the ability to reduce cash outflows including the reduction of capital expenditure and operating costs.
- The Group has the opportunity to raise additional funds through asset disposal, additional financing or the issuance of new shares, should the need arise.

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, for a minimum of the next twelve months.

1.2 Changes in accounting policies

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

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

1.3 Standards issued but not yet effective

Standards and Interpretations not expected to be material

Certain other new Accounting Standards and Interpretations have been published that are not mandatory for the 30 June 2021 reporting period. The Group has assessed the impact of these new Accounting Standards and Interpretations that are relevant to the Group, and does not expect any material impact on net assets, net profit, presentation or disclosures when these standards become effective and are adopted.

1.4 Basis of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Crown Resorts Limited (the parent entity) and all entities that Crown Resorts Limited controlled from time to time during the year and at reporting date (the Group). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Information from the financial statements of subsidiaries is included from the date the parent entity obtains control until such time as control ceases. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent entity has control. Change of ownership interest of a subsidiary without the loss of control is accounted for as an equity transaction.

Subsidiary acquisitions are accounted for using the acquisition method of accounting. The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

1. Significant Accounting Policies *continued*

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

The accounting policies adopted have been applied consistently throughout the two reporting periods.

1.5 Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on judgements, estimates and assumptions of future events. The key judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill and intangibles with indefinite useful lives are allocated.

At 30 June 2021, COVID-19 continues to have a major impact on Australian and International economies. The duration of restricted operating conditions and border restrictions remains uncertain. This means that cash flow assumptions and forecasts may change significantly and unexpectedly over a relatively short period of time. The level of uncertainty has resulted in increased difficulty in developing cash flow assumptions and forecasts.

Crown is subject to a number of regulatory inquiries and investigations, the outcomes of which remain uncertain. The assumptions used in the valuation of the recoverable amounts assumes prevailing licence and regulatory conditions.

The assumptions used in this estimation of recoverable amounts and the carrying amount of non-financial assets are discussed in note 14.

Taxes

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Expected credit losses

An allowance is recognised based on the expected credit loss from the time the financial instrument is initially recognised.

An impairment analysis is performed at each reporting date to measure allowance for expected credit losses. The allowance for expected credit losses is based on a provision matrix that reflects the Group's historical credit loss experience, adjusted for management's knowledge of specific customers' circumstances, including changes in financial circumstances, significant delay in payments and gambling activity, as well as current collection trends and business conditions.

The estimates and assumptions associated with the Group's expected credit loss model were revised as a result of prevailing economic conditions at 30 June 2021, reflecting the uncertainty regarding the duration of restricted operating conditions and border closures, and Crown's announcement to cease dealing with junket operators. Extended periods of restricted operations and border closures create uncertainty regarding the collectability of those debts.

The assumptions used in the estimation of the allowance for expected credit losses are discussed further in note 6.

Trade receivables are written off, after taking into account regulatory considerations, when there is no reasonable expectation of recovery.

Market value rent for Crown Melbourne Main Site

In 1993 Crown Melbourne entered into a ninety-nine year lease agreement for the site upon which the Crown Melbourne Entertainment Complex is located. For years one to forty inclusive, the annual rent payable is one dollar per annum. For years forty-one to ninety-nine inclusive, the annual rent payable will be the then current market rent for the site. On adoption of AASB 16 in July 2019, this lease was recognised as a right-of-use asset and lease liability. The carrying value of the right-of-use asset has been determined as if the standard had always applied, based on the payments in years forty-one to ninety-nine using the estimated market rent at commencement date of the lease, applying the incremental borrowing rate at date of initial application of the standard. In estimating the market rent at commencement date, the Group engaged an independent property valuer.

The lease liability is measured at the present value of the lease payments to be made in years forty-one to ninety-nine using the estimated market rent at commencement date of the lease.

Lease – Estimating the incremental borrowing rate

If the Group cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The

IBR therefore reflects what the lessee 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Crown Sydney development costs

The Group engaged an independent expert to determine a fair and reasonable apportionment of the total development costs between the assets used in the ongoing operation of Crown Sydney and the residential apartments.

The portion of the development costs relating to the ongoing operation of Crown Sydney will be depreciated over the useful life of the assets in accordance with the Group's depreciation policy.

For residential apartments that were settled prior to 30 June 2021, the cost of each residential apartment is allocated against the proceeds to determine the gain on disposal. The costs relating to residential apartments held by the Group at 30 June 2021 have been disclosed as Assets Held for Sale.

Provisions and Contingent Liabilities

The recognition and measurement of provisions is an inherently uncertain process involving using judgement to determine when a present obligation exists and estimates regarding probability, amounts and timing of cash flows.

The Group is subject to a number of ongoing legal and regulatory matters, the outcome of which remains uncertain. The degree of uncertainty and the method of making accounting estimates depends on the individual matter, with judgement required to determine the probability of the outcome and to make a reliable estimate amount of the potential obligation and the timing of outflows that may arise. The Group has recognised provisions for various matters as appropriate, using the Group's best estimate of the outcome and expenditure required to settle the obligation. For matters where it is not possible to make a reliable estimate of the amount of the obligation, no provision is recognised, however a contingent liability is disclosed. When a contingent liability has been disclosed, where practical, the uncertainties and anticipated timing has been provided.

Significant items

Significant items are transactions that are not in the ordinary course of business or are material and unexpected due to their size and nature. Information relating to Significant items is presented within note 2 Segment Information and is disclosed to allow users of the financial report to see the performance of the Group in a comparable form to that of the comparative period. This is consistent with the information provided to and used by the Chief Operating decision makers to evaluate the performance of the Group during the period.

Costs incurred during mandated closure (Closure costs)

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 directions from State and Federal Governments to suspend gaming activities and other non-essential services at Crown Melbourne, Crown Perth and Crown Aspinalls due to the COVID-19 pandemic, the circumstances surrounding Crown's closure are exceptional. Given these circumstances, Crown has provided information relating to the costs incurred during mandated closure within note 2 Segment Information, on the basis this is consistent with information used by the Chief Operating decision makers during the period.

1.6 Summary of significant accounting policies

(a) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax is provided on most temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; or
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

1. Significant Accounting Policies *continued*

1.6 Summary of significant accounting policies *continued*

(a) Income tax *continued*

recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not the Statement of Profit or Loss.

(b) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- gaming revenues; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Gaming taxes and levies are recognised as an expense when incurred.

(c) Foreign currency translation

Both the functional and presentation currency of Crown Resorts Limited and its Australian subsidiaries is Australian dollars.

Each foreign entity in the Group determines its own functional currency and items included in the financial statements of each foreign entity are measured using that functional currency, which is translated to the presentation currency for Group reporting purposes.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As at the reporting date the assets and liabilities of overseas subsidiaries are translated into the presentation currency of Crown Resorts Limited at the rate of exchange ruling at the reporting date and the profit or loss is translated at the weighted average exchange rates for the period. The exchange differences arising on the retranslation are recognised through Other Comprehensive Income (OCI) and accumulated in the foreign currency translation reserve in equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in the foreign currency translation reserve relating to that particular foreign operation is recognised in the Statement of Profit or Loss.

(d) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprises of cash at bank and on hand, and short term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in future value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(e) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any expected credit losses.

An allowance for expected credit losses is recognised based on the expected credit loss from the time the financial instrument is initially recognised. Trade receivables are written off when there is no reasonable expectation of recovery.

Receivables from associates and other related parties are carried at amortised cost less an allowance for impairment.

Interest, when charged, is taken up as income on an accrual basis.

(f) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Inventories which include food, beverages and other consumables are costed on a weighted average basis; and
- net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(g) Investments in associates

The financial statements of the associates are used by the Group to apply the equity method. Where associates apply different accounting policies to the Group, adjustments are made upon application of the equity method.

Investments in associates are carried in the Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The Statement of Profit or Loss reflects the Group's share of the results of operations of the associates.

Where there has been a change in the associates' OCI or equity, the Group recognises its share of any changes and discloses this, when applicable, in the Statement of Comprehensive Income.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long term receivables and loans, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the associate.

(h) Investments and other financial assets

Financial assets are classified based on:

- The objective of the entity's business model for managing the financial assets; and
- The characteristics of the contractual cash flow.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. For instruments not held for trading, an irrevocable election is made by instrument to determine if the instrument is measured at fair value either through OCI or in the Statement of Profit or Loss.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets at amortised costs or fair value through OCI, directly attributable transaction costs.

The best evidence of fair value is quoted prices in an active market. The fair value of the investments and other financial assets that do not have a price quoted in an

active market have been estimated using valuation techniques based on assumptions that are not supported by observable market prices or rates. The fair value is reassessed each reporting period.

If the fair value through Statement of Profit or Loss approach is adopted, increments and decrements on the fair value of the financial asset at each reporting date are recognised in the Statement of Profit or Loss.

If the fair value through OCI approach is adopted, increments and decrements on the fair value are recognised in OCI, without recycling of gains and losses between the Statement of Profit or Loss and OCI, even on disposal of the investment. Dividends in respect of these investments that are a return on investment are recognised in the Statement of Profit or Loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

(i) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation and amortisation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Buildings - 40 to 75 years;
- Fixtures and fittings in buildings - 4 to 20 years; and
- Plant and equipment - 2 to 20 years.

The asset's residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Cost for construction work in progress includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

1. Significant Accounting Policies *continued*

1.6 Summary of significant accounting policies *continued*

(i) Property, plant and equipment *continued*

Impairment continued

assessments of the time value of money and the risks specific to the asset.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of Profit or Loss in the period the item is derecognised.

(j) Intangible assets

Licences

Licences are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The directors regularly assess the carrying value of casino licences so as to ensure they are not carried at a value greater than their recoverable amount.

The casino licences are carried at cost of acquisition. The Crown Melbourne licence is being amortised on a straight-line basis over the remaining life of the licence to 2050. The Crown Perth licence is assessed as having an indefinite useful life and, as such, no amortisation is charged. The Crown Perth licence is subject to an annual impairment assessment.

Amortisation will commence on the Crown Sydney licence once the gaming activities are operational.

Goodwill

Goodwill on acquisition is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest and any previous interest held over the net identifiable assets acquired and liabilities assumed. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Other intangible assets - Acquired both separately and from a business combination

Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Where amortisation is charged on assets with finite lives, this expense is taken to the Statement of Profit or Loss.

Intangible assets created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists, and annually in the case of intangible assets with indefinite lives, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

(k) Recoverable amount of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(l) Trade and other payables

Trade and other payables are recognised for amounts payable in relation to goods received and services rendered, whether or not billed to the Group at reporting

date. The Group operates in a number of diverse markets, and accordingly the terms of trade vary by business.

(m) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at fair value received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs

Borrowing costs directly associated with qualifying assets are capitalised, including any other associated costs directly attributable to the borrowing. The capitalisation rate to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's outstanding borrowings during the year, in this case 4.5% (2020: 5.4%). Once qualifying assets are ready for use, capitalisation of borrowing costs ceases.

All other borrowing costs are expensed in the period they are incurred.

(n) Provisions and Contingent Liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) to make a future sacrifice of economic benefits to other entities as a result of past transactions or other events, it is probable that a future sacrifice of economic benefit will be required and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset. The expense relating to any provision is presented in the Statement of Profit or Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for dividends is not recognised as a liability unless the dividends are declared, or publicly recommended on or before the reporting date.

In the extremely rare circumstances where a reliable estimation of the amount of the obligation cannot be made, a provision is not recognised and a contingent liability is disclosed. When a contingent liability has been disclosed, where practical, the uncertainties and anticipated timing has been provided.

(o) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to reporting date including related on-costs. The benefits include wages and salaries, incentives, compensated absences and other benefits, which are charged against profits in

their respective expense categories when services are provided or benefits vest with the employee.

The provision for employee benefits is measured at the remuneration rates expected to be paid when the liability is settled. Benefits expected to be settled after twelve months from the reporting date are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(p) Leases

Group as lessee

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are tested for impairment.

Right-of-use assets are included in the heading Property, plant and equipment on the Statement of Financial Position.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate initially measured using the index or rate as at commencement date, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

1. Significant Accounting Policies *continued*

1.6 Summary of significant accounting policies *continued*

(p) Leases *continued*

Group as lessee *continued*

(ii) Lease liabilities *continued*

lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Lease liabilities are included in the headings current and non-current Interest-bearing loans and borrowings on the Statement of Financial Position.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property, plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Variable lease payments are recognised as revenue in the period in which the event or condition that triggers those payments occurs.

(q) Derecognition of financial instruments

The derecognition of a financial asset takes place when the Group no longer controls the contractual rights that comprise the financial asset, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

(r) Derivative financial instruments and hedging

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to profit or loss for the year.

The fair value of forward exchange contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair values of interest rate swaps are determined by reference to market values for similar instruments.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

(i) Fair value hedges

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment that is attributable to a particular risk and could affect profit or loss. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged and the derivative is remeasured to fair value. Gains and losses from both are taken to profit or loss.

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortised to profit or loss. Amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

(ii) Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability that is a firm commitment and that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in the Statement of Profit or Loss.

Amounts taken to OCI are accumulated in the cash flow hedge reserve in equity and are transferred out of equity and included in the measurement of the hedged transaction (finance costs or inventory purchases) when the forecast transaction occurs. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if the hedging relationship is discontinued, amounts previously recognised in equity remain in equity until the forecast transaction occurs.

(s) Put options over non-controlling interests

Put options granted to holders of non-controlling interests ('NCI puts') at the date of acquiring control of a subsidiary (or after gaining control) gives rise to a financial liability.

When the Group does not have a present ownership interest in the shares subject to the NCI put, the Group applies the partial recognition of NCI approach. Under this approach, the following accounting method is applied at the end of each reporting period:

- The Group determines the amount that would have been recognised for the NCI, including an update to reflect allocations of profit or loss, allocations of changes in other comprehensive income and dividends declared for the reporting period;
- The Group derecognises the NCI as if it was acquired at that date;
- The Group recognises a financial liability and continues to re-assess the liability at the present value of the amount payable on exercise of the NCI put, with the difference recognised in equity; and
- The Group accounts for the difference between the NCI derecognised and the financial liability recognised as an equity transaction.

If the NCI put is exercised, the same treatment is applied up to the date of exercise. The amount recognised as the financial liability at that date is extinguished by the payment of the exercise price.

If the NCI put expires unexercised, the position is unwound so that the NCI is recognised at the amount it would have been, as if the NCI put had never been granted. The financial liability is derecognised as an equity transaction.

(t) Contributed equity

Ordinary shares are classified as equity. Issued capital is recognised at the fair value of the consideration received, less transaction costs and share buy-backs.

(u) Revenue from contracts with customers

Crown Melbourne, Crown Perth, Crown Sydney and Crown Aspinalls

Gaming Revenue

Gaming revenue is the net difference between gaming wins and losses, and is recognised upon the outcome of the game. Commissions rebated to gaming customers or promoters are recorded as a reduction of revenue.

Food and beverage revenue

Food and beverage revenue is recognised as the goods are provided.

Hotel, entertainment and other operating revenues

Hotel, entertainment and other operating revenues are recognised as services are performed, which for hotels is over the term of the customer's stay and for entertainment is when the event is held. Advance deposits for hotels and advance ticket sales for entertainment are recorded as customer deposits (i.e. contract liability) until services are provided to the customer.

Commissions rebated to third parties relating to Hotel revenue are recorded as an expense.

Complimentary goods or services

For gaming transactions that include complimentary goods or services being provided to customers, the Group allocates revenue from the gaming transaction to the good or service provided based on the standalone selling price which is the arm's length price for that good or service available to the public.

Contract and contract-related liabilities

In providing goods and services to its customers, there may be a timing difference between cash receipts from customers and recognition of revenues, resulting in a contract or contract-related liability.

The Group primarily has liabilities related to contracts with customers as follows:

- Unredeemed casino chips, which represent the amounts owed to customers for chips in their possession.
- Loyalty program liabilities, which represent the deferral of revenue until loyalty points are redeemed or expire.
- Advance customer deposits, which represent casino front money deposits that are funds deposited by customers before gaming play occurs, gift vouchers and advance payments on goods and services yet to be provided such as deposits on hotel rooms and convention space.

These liabilities are generally expected to be recognised as revenues within one year of being purchased, earned, or deposited and are recorded within current trade and other payables on the Statement of Financial Position. Decreases in these balances generally represent the recognition of revenues and increases in the balances represent additional chips held by customers, increases in customer loyalty program balances and additional deposits made by customers.

Wagering and Online

Revenue from exchange betting

Revenue from exchange betting represents commission and other charges earned on betting activity. Revenue is recognised as the performance obligations are satisfied, which is considered to be upon the outcome of the bet being determined.

Social gaming revenue

Social gaming revenue is derived from the purchase of credits. Revenue is recognised in the accounting periods in which the transactions occur on a gross basis and commission costs are expensed as incurred.

(v) Other revenue

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

1. Significant Accounting Policies *continued*

1.6 Summary of significant accounting policies *continued*

(v) Other revenue *continued*

Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

(w) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is deducted against the relevant expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

(x) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use, management is committed to a plan to sell the asset, there is an active programme to locate a buyer and the sale is expected to complete within 12 months from the date of classification.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs of sale. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets or employee benefit assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains or losses on remeasurement are recognised in profit and loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

(y) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (reserves), over the period in which the service is fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired.

If the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of

the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee.

Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share, except when the outstanding options are anti-dilutive.

(z) Earnings per share (EPS)

Basic EPS is calculated as net profit or loss after tax, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit or loss after tax, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(aa) 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 has five operating segments being Crown Melbourne, Crown Perth, Crown Sydney, Crown Aspinalls and Wagering & Online.

(ab) Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. Acquisition-related costs are expensed as incurred.

For each business combination the group elects whether to measure the non-controlling interest in the acquiree at the fair value or at the proportionate share of the acquiree's identifiable net assets.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 9 in the Statement of Profit or Loss. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

2. Segment Information

Closure of Crown's Operations

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

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

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

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

(2) Gaming activities recommenced at Crown Perth on 6 July 2021.

The closure dates reflect the periods when no gaming activities were permitted at the properties. In some instances, during the closure periods when gaming activities were not permitted at the properties, Crown was able to continue operating certain Food & Beverage and Hotel operations in a severely limited capacity. Given the restrictions in place in the relevant cities at the time, as well as a large portion of the properties being closed, volumes in

Food & Beverage and Hotels were minimal, apart from hotel quarantine services. During July and August 2020, Crown Melbourne's hotels remained open largely to provide the State Government with hotel quarantine services. All other operations were closed or severely limited during these closure periods in accordance with Government direction.

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

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

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

This is consistent with the information provided to and used by the Chief Operating decision makers to evaluate the performance of the Group during this period.

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

2. Segment Information *continued*

	Theoretical Result ⁽¹⁾⁽⁶⁾						VIP Win Rate & Commission Adjustment ⁽¹⁾⁽²⁾	ACTUAL
	Crown Melbourne	Crown Perth	Crown Sydney	Crown Aspinalls	Crown Wagering & Online	Unallocated		
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
30 June 2021								
Operating revenue								
Main floor tables	241.2	171.7	-	-	-	-	412.9	
Main floor machines	165.7	306.6	-	-	-	-	472.3	
VIP program play	4.4	0.4	-	2.1	-	(3.4)	3.5	
Wagering & Non gaming	171.2	264.1	68.6	0.2	147.0	-	651.1	
Commission adjustment	-	-	-	-	-	(2.8)	(2.8)	
Intersegment	-	-	-	-	-	(1.2)	(1.2)	
Operating revenue	582.5	742.8	68.6	2.3	147.0	(6.2)	1,535.8	
Interest revenue	-	-	-	-	-	-	1.0	
Total revenue	582.5	742.8	68.6	2.3	147.0	(6.2)	1,536.8	
EBITDA before Closure Costs ⁽³⁾ & Significant items ⁽⁶⁾	94.1	254.2	(22.8)	(6.3)	34.1	(111.6)	238.5	
Costs incurred during mandated closure ⁽³⁾	(145.9)	(20.3)	-	(5.2)	-	-	(171.4)	
EBITDA related Significant items ⁽⁴⁾	(45.4)	(2.3)	145.8	(16.9)	-	(34.2)	47.0	
EBITDA after Closure Costs ⁽³⁾ & Significant items ⁽⁶⁾	(97.2)	231.6	123.0	(28.4)	34.1	(145.8)	114.1	
Depreciation and amortisation	(169.9)	(75.7)	(24.6)	(4.5)	(11.4)	(4.2)	(290.3)	
Asset impairments ⁽⁴⁾	-	-	-	-	(17.3)	(36.3)	(53.6)	
Reassessment of contingent consideration ⁽⁴⁾	-	-	-	-	(2.0)	-	(2.0)	
Earnings before interest and tax (EBIT) ⁽⁶⁾	(267.1)	155.9	98.4	(32.9)	3.4	(186.3)	(231.8)	
Equity accounted share of associates' net profit/(loss)	-	-	-	-	-	-	(8.7)	
Net interest income/(expense)	-	-	-	-	-	-	(44.3)	
Interest - Significant item ⁽⁴⁾	-	-	-	-	-	-	(23.8)	
Profit/(loss) before tax							(308.6)	
Income tax benefit/(expense)	-	-	-	-	-	-	47.3	
Profit/(loss) after tax							(261.3)	
Non-controlling interest	-	-	-	-	-	-	(0.3)	
Profit/(loss) attributable to equity holders of the Parent							(261.6)	

(1) Theoretical results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play (at Crown Melbourne, Crown Perth and Crown Aspinalls). The theoretical win rate is the expected hold percentage on VIP program play over time. The theoretical result gives rise to adjustments to VIP program play revenue, operating expenses and income tax expense. Revenue from gaming transactions that include complimentary goods or services being provided to customers is not allocated from gaming revenue to the good or service provided.

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

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

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

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

(6) Non-IFRS measures.

	Theoretical Result ⁽¹⁾⁽⁷⁾							VIP Win Rate & Commission Adjustment ⁽¹⁾⁽²⁾	ACTUAL
	Crown Melbourne	Crown Perth	Crown Aspinalls	Wagering & Online	Unallocated	Crown Group	Crown Group		
30 June 2020	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Operating revenue									
Main floor tables	548.7	137.6	-	-	-	-	686.3	686.3	
Main floor machines	341.9	207.0	-	-	-	-	548.9	548.9	
VIP program play	224.9	49.5	32.3	-	-	306.7	440.1	440.1	
Wagering & Non gaming	362.3	219.2	0.8	135.5	0.3	718.1	718.1	718.1	
Commission adjustment	-	-	-	-	-	(1.4)	(165.0)	(165.0)	
Intersegment	-	-	-	-	-	(1.4)	(1.4)	(1.4)	
Operating revenue	1,477.8	613.3	33.1	135.5	0.3	2,258.6	(31.6)	2,227.0	
Interest revenue						10.2		10.2	
Total revenue	1,477.8	613.3	33.1	135.5	0.3	2,268.8	(31.6)	2,237.2	
EBITDA before Closure Costs ⁽³⁾ & Significant items ⁽⁷⁾	354.3	161.8	(2.7)	34.7	(44.3)	503.8	111.6	615.4	
Costs incurred during mandated closure ⁽³⁾	(65.8)	(19.7)	(1.2)	-	(20.6)	(107.3)	-	(107.3)	
Crown Sydney pre-opening costs ⁽⁴⁾	-	-	-	-	(3.5)	(3.5)	-	(3.5)	
EBITDA after Closure Costs ⁽³⁾ & Significant items ⁽⁵⁾⁽⁷⁾	288.5	142.1	(3.9)	34.7	(68.4)	393.0	111.6	504.6	
Depreciation and amortisation	(176.0)	(79.6)	(4.8)	(9.4)	(5.7)	(275.5)	-	(275.5)	
Impairment - Crown Aspinalls ⁽⁴⁾	-	-	(52.8)	-	-	(52.8)	-	(52.8)	
Impairment - Nobu ⁽⁴⁾	-	-	-	-	(21.7)	(21.7)	-	(21.7)	
Reassessment of contingent consideration - DGN ⁽⁴⁾	-	-	-	(1.7)	-	(1.7)	-	(1.7)	
Earnings before interest and tax (EBIT) ⁽⁷⁾	112.5	62.5	(61.5)	23.6	(95.8)	41.3	111.6	152.9	
Equity accounted share of associates' net profit/(loss) ⁽⁶⁾								6.7	
Equity accounted share of associates' net profit/(loss) during mandated closure ⁽⁶⁾								(6.4)	
Net interest income/(expense)								0.0	
Profit/(loss) before tax								153.2	
Income tax benefit/(expense)								(71.3)	
Profit/(loss) after tax								81.9	
Non-controlling interest								(2.4)	
Profit/(loss) attributable to equity holders of the Parent								79.5	

(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. Accordingly, the theoretical result gives rise to adjustments to VIP program play revenue, operating expenses and income tax expense. Revenue from gaming transactions that include complimentary goods or services being provided to customers is not allocated from gaming revenue to the good or service provided.

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

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

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

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

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

(7) Non-IFRS measures.

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

3. Revenue and Expenses

	2021 \$m	2020 \$m
Profit before income tax expense includes the following revenues and expenses:		
(a) Revenue		
Crown Melbourne	567.5	1,580.9
Crown Perth	740.9	607.5
Crown Sydney	68.4	-
Crown Aspinalls	2.5	42.7
Wagering & Online	145.9	134.7
Other	-	0.2
Less Commissions	(2.8)	(165.0)
Total Revenue from Contracts with Customers	1,522.4	2,201.0
Tenancy revenue	13.4	26.0
Interest	1.0	10.2
	1,536.8	2,237.2
(b) Other income		
Profit on disposal of Crown Sydney apartments	207.8	-
Profit on disposal of other non-current assets	-	0.1
	207.8	0.1
(c) Expenses ⁽¹⁾		
Employment costs ⁽²⁾	695.4	738.9
Superannuation expenses	53.2	59.1
Depreciation and amortisation (refer below)	290.3	275.5
Taxes & levies	373.1	425.3
Cost of sales	112.7	124.1
Property costs	102.7	98.5
Net credit loss expense	27.4	27.0
Asset impairment - Queensbridge	28.0	-
Goodwill impairment - DGN	17.3	-
Impairment of associate - Aspers	8.3	-
Reassessment of contingent consideration - DGN	2.0	1.7
Goodwill impairment - Crown Aspinalls	-	52.8
Impairment of associate - Nobu	-	21.7
Net foreign currency (gains)/losses	0.1	(0.2)
Other expenses ⁽³⁾	264.9	249.8
	1,975.4	2,074.2
Depreciation of non-current assets (included in 3(c))		
Buildings	106.8	92.5
Plant and equipment	153.7	151.4
Right-of-use assets	7.9	5.9
	268.4	249.8

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

(2) Employment costs include salaries, wages, bonuses, redundancies and other benefits, net of government grants, refer note 26 for further information.

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

	2021 \$m	2020 \$m
Amortisation of non-current assets (included in 3(c))		
Casino licence fee and management agreement	20.3	20.4
Other assets	1.6	5.3
	21.9	25.7
Total depreciation and amortisation expense	290.3	275.5
(d) Other income and expense disclosures		
Finance costs expensed:		
Debt facilities	85.6	66.8
Lease liabilities	2.9	2.4
Interest significant items (refer to note 3(e))	23.8	-
Capitalised interest	(43.2)	(59.0)
	69.1	10.2
(e) Significant items - income / (expense)⁽¹⁾		
Profit on disposal of Crown Sydney apartments ⁽²⁾	207.8	-
Crown Sydney pre-opening costs ⁽³⁾	(62.0)	(3.5)
Underpayment of casino tax ⁽⁴⁾	(37.4)	-
One-off allowance for expected credit losses ⁽⁵⁾	(27.2)	-
Restructuring costs ⁽⁶⁾	(21.7)	-
Contribution to cost of the Bergin Inquiry ⁽⁷⁾	(12.5)	-
EBITDA related Significant items	47.0	(3.5)
Asset impairment - Queensbridge ⁽⁸⁾	(28.0)	-
Goodwill impairment - DGN ⁽⁹⁾	(17.3)	-
Impairment of associate - Aspers ⁽¹⁰⁾	(8.3)	-
Reassessment of contingent consideration - DGN ⁽¹¹⁾	(2.0)	(1.7)
Interest on underpayment of casino tax ⁽⁴⁾	(23.8)	-
Goodwill impairment - Crown Aspinalls	-	(52.8)
Impairment of associate - Nobu	-	(21.7)
Income tax benefit/(expense) on significant items	(22.2)	1.0
Total Significant items (net of tax)	(54.6)	(78.7)

- (1) Significant items are transactions that are not in the ordinary course of business or are material and unexpected due to their size and nature.
- (2) Profit on disposal of Crown Sydney apartments represents the proceeds received for apartments settled during the year less construction and selling costs.
- (3) The pre-opening costs primarily relate to payroll and other ancillary operating costs incurred before the opening of Crown Sydney including recruitment and training expenses. The pre-opening costs also include Gaming relating costs (including an appropriate allocation of Support Departments) that continue to be incurred prior to the commencement of gaming operations.
- (4) On 27 July 2021, Crown announced that it resolved to make a payment to the Victorian Commission for Gambling and Liquor Regulation (VCGLR), representing an underpayment of casino tax by Crown Melbourne of \$37.4 million over the period commencing in the 2012 financial year to date relating to the incorrect deduction of certain bonus rewards provided to patrons in connection with play on Crown Melbourne's electronic gaming machines. Under the terms of Crown's regulatory agreements with the State of Victoria, Crown is required to pay interest on any underpayment of casino tax. The interest component is \$23.8 million.
- (5) During the year, Crown announced that it would permanently cease dealing with all junket operators, subject to consultation with gaming regulators in Victoria, Western Australia and New South Wales. Subsequently, all three gaming Regulators in Victoria, NSW and WA have advised that they do not support junket operations in their respective jurisdictions. Furthermore, in February 2021, the WA regulator issued direction that Crown Perth shall not participate in the conduct of junkets, premium player activity or privileged player activity. In light of the above and given the COVID-19 related impacts to Crown's customers, Crown undertook a review of all outstanding gaming debts. This resulted in a one-off adjustment to the allowance for expected credit losses.
- (6) Restructuring and redundancy costs relating to corporate management and international VIP operating activities.
- (7) During the year, Crown reached an agreement with the NSW Independent Liquor and Gaming Authority (ILGA) to pay a contribution towards the costs of the Bergin Inquiry of \$12.5 million.
- (8) Impairment of assets in Queensbridge land. Refer note 10 for further information.
- (9) Impairment of goodwill in DGN. Refer note 14 for further information.
- (10) Impairment of investment in Aspers. Refer note 9 for further information.
- (11) Reassessment of contingent consideration related to acquisition of DGN.

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

4. Dividends Paid and Declared

	2021 \$m	2020 \$m
(a) Dividends declared and paid during the financial year		
<i>Prior year final dividend</i>		
No prior year final dividend paid (2019: 30.0 cents per share franked at 25% at the Australian tax rate of 30%)	-	203.1
<i>Current year interim dividend</i>		
No interim dividend paid (2020: 30.0 cents per share unfranked)	-	203.1
Total dividends appropriated	-	406.2
(b) Dividends declared and not recognised as a liability		
<i>Current year final dividend</i>		
No final dividend declared (2020: No final dividend declared)	-	-
(c) Franking credits		
The amount of franking credits available for the subsequent financial year:		
Franking account balance as at the end of the financial year at 30% (2020: 30%)	72.3	0.1
Franking credits/(debits) that will arise from the payment/(receipt) of income taxes payable/(refundable) as at the end of the financial year	(64.9)	33.1
Total franking credits available for future reporting periods	7.4	33.2

5. Income Tax

	2021 \$m	2020 \$m
(a) Income tax expense/benefit		
The prima facie tax expense/benefit, using the Australian tax rate multiplied by profit/loss differs from income tax provided in the financial statements as follows:		
Profit/(loss) before income tax	(308.6)	153.2
Prima facie income tax expense/(benefit) on profit/loss at the Australian rate of 30% (2020: 30%)	(92.6)	46.0
Tax effect of:		
Non deductible depreciation and amortisation	1.7	1.7
Share of associates' net losses/(profits)	2.6	(0.1)
Differences in foreign tax rates	1.9	0.3
Deferred tax balances not previously brought to account	(4.3)	4.1
Income tax (over)/under provided in prior years	1.7	(8.9)
Non-deductible/(non-assessable) significant items ⁽¹⁾	31.9	22.8
Revenue losses not brought to account	2.5	0.2
Other items - net	7.3	5.2
Income tax expense/(benefit)	(47.3)	71.3
Income tax expense/(benefit) comprises:		
Current expense/(benefit)	(27.4)	62.9
Deferred expense/(benefit)	(21.6)	17.3
Adjustments for current income tax of prior periods	1.7	(8.9)
	(47.3)	71.3
(b) Deferred income taxes		
Deferred income tax assets	183.5	170.7
Deferred income tax liabilities	(406.7)	(420.5)
Net deferred income tax assets/(liabilities)	(223.2)	(249.8)

(1) Non-deductible/(non-assessable) significant items includes asset impairments and reassessment of contingent consideration.

	Statement of Financial Position		Statement of Profit or Loss	
	2021 \$m	2020 \$m	2021 \$m	2020 \$m
(c) Deferred income tax assets and liabilities at the end of the financial year				
The balance comprises temporary differences attributable to:				
Allowance for expected credit losses	28.0	25.5	(2.5)	(7.3)
Employee benefits provision	53.2	46.1	(7.1)	(5.1)
Losses available for offsetting against future taxable income	0.5	1.7	1.2	23.9
Other receivables	-	0.3	0.3	0.2
Other provisions	41.0	36.7	(4.3)	4.2
Prepaid casino tax	(13.1)	(13.6)	(0.5)	(0.4)
Licences and intangibles	(204.2)	(205.1)	(0.9)	(20.5)
Property, plant & equipment	(147.9)	(155.2)	(7.3)	21.4
Other	19.3	13.8	(0.5)	0.9
Deferred income tax expense/(income)			(21.6)	17.3
Net deferred income tax assets/(liabilities)	(223.2)	(249.8)		

	2021 \$m	2020 \$m
(d) Movements in deferred income tax assets and liabilities during the financial year		
Carrying amount at the beginning of the year	(249.8)	(242.0)
Tax income / (expense) during the period recognised in profit or loss	21.6	(17.3)
Adjustment on adoption of AASB 16 Leases	-	6.6
Exchange differences	(0.9)	0.1
Tax income / (expense) - derivatives	5.9	2.8
Carrying amount at the end of the year	(223.2)	(249.8)
(e) Tax losses not brought to account, as the realisation of the benefits represented by these balances is not considered to be probable		
Tax losses arising in Australia for offset against future capital gains	564.9	548.9
Foreign income tax losses for offset against future foreign profits	849.7	885.7
Foreign capital losses for offset against future capital gains	346.2	-
Total tax losses not brought to account	1,760.8	1,434.6
Potential tax benefit at respective tax rates	419.9	350.7

(f) Unrecognised temporary differences

At 30 June 2021, there is no recognised or unrecognised deferred income tax liability (2020: \$nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, associates or joint ventures, as the Group has no liability for additional taxation should such amounts be remitted.

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

5. Income Tax *continued*

(g) Tax consolidation

Crown Resorts Limited and its 100% owned Australian resident subsidiaries have formed a tax consolidated group with effect from 1 July 2007. Crown Resorts Limited is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing arrangement with Crown Resorts Limited in order to allocate income tax expense between Crown Resorts Limited and the wholly owned subsidiaries. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the balance date the possibility of default is remote.

(h) Tax effect accounting by members of the tax consolidated group

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current and deferred taxes to members of the tax consolidated group in accordance with their taxable income for the period. The allocation of taxes under the tax funding agreement is recognised as an increase / decrease in the subsidiaries inter-company accounts with the tax consolidated group head company, Crown Resorts Limited.

6. Trade and Other Receivables

	2021 \$m	2020 \$m
Current		
Trade receivables	174.6	193.5
Allowance for expected credit losses (a)	(166.5)	(139.0)
	8.1	54.5
Other receivables	11.5	56.7
	19.6	111.2

(a) Allowance for expected credit losses

Trade receivables are non-interest bearing and are generally 30 day terms. An allowance for expected credit losses is recognised based on the expected credit loss model from the time the financial instrument is initially recognised. The expected credit loss model the Group uses includes a matrix of historical default rates, as well as taking to account current conditions, the time value of money and forecasts of future operating and economic conditions. In addition, during the year Crown announced it would permanently cease dealing with all junket operators, with gaming regulators in Victoria, Western Australia and New South Wales subsequently advising that they do not support junket operators in their respective jurisdictions. Furthermore, the Western Australian regulator issued direction that Crown Perth shall not participate in the conduct of junkets, premium player activity or privileged player activity. As a result, Crown reviewed all gaming related trade receivables on a case-by-case basis. The estimates and assumptions applied by the Group in determining the allowance for expected credit losses at 30 June 2021 were updated to incorporate the uncertainty around the duration for which restricted operating conditions and border restrictions continue, as well as the change in Crown's VIP operations.

Movements in the allowance for expected credit losses

	2021 \$m	2020 \$m
Allowance for expected credit losses at the beginning of the year	(139.0)	(108.0)
Net credit loss expense	(27.4)	(27.0)
Net amounts written off/(recovered)	0.7	(4.3)
Exchange differences	(0.8)	0.3
	(166.5)	(139.0)

Ageing analysis of trade receivables

	0-30 days \$m	>30 days - <1 year \$m	>1 year \$m	Total \$m
2021 - consolidated				
Gross carrying amount	5.3	2.5	166.8	174.6
Allowance for expected credit losses	-	(0.9)	(165.6)	(166.5)
Net carrying amount	5.3	1.6	1.2	8.1
2020 - consolidated				
Gross carrying amount	6.5	101.3	85.7	193.5
Allowance for expected credit losses	-	(66.9)	(72.1)	(139.0)
Net carrying amount	6.5	34.4	13.6	54.5

7. Assets held for sale

During the year, Crown committed to a plan to divest its interest in Aspers. Crown expects the transaction to be completed by 31 December 2021. An impairment loss of \$8.3 million has been recognised for the write down of the investment to the lower of its carrying value and fair value less costs of disposal. Refer note 9 for further information.

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

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

	2021 \$m	2020 \$m
Assets		
Investments in associates	34.9	-
Property, plant and equipment	390.9	-
Total assets	425.8	-

8. Other Financial Assets

	2021 \$m	2020 \$m
Non-current		
Cross currency swap derivative asset	12.7	29.3
	12.7	29.3

Details of the Group's exposure to interest rate risk and foreign currency changes are provided in note 33.

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

9. Investments in Associates

	2021 \$m	2020 \$m
Investment details		
Associated entities - unlisted shares	127.4	186.0
Total investments in associates	127.4	186.0
Share of profit/(loss) of associates		
Nobu Group	5.2	3.4
Aggregate share of profit/(loss) from non material associates	(13.9)	(3.1)
Net profit/(loss) from associates	(8.7)	0.3

Investments in Associates	Reporting Date	Principal Activity	Principal Place of Business	% Interest	
				30 June 2021	30 June 2020
Nobu Group	31 Dec ⁽¹⁾	Restaurants/Hotels	USA	20.0	20.0
Aspers Holdings (Jersey) Ltd	30 June	Casino and gaming machine operator	UK	50.0 ⁽²⁾	50.0
Chill Gaming Pty Ltd	30 June	Gaming software developer	Australia	50.0	50.0

(1) The Group uses 30 June results to equity account the investments.

(2) Investment in Aspers Holdings (Jersey) Ltd was transferred to Assets held for sale during the financial year.

The associates outlined above are accounted for using the equity method in these consolidated financial statements. Summarised financial information in respect of each of the Group's material associates is set out below.

	2021 \$m	2020 \$m
Carrying amount of investment - Nobu Group:		
Balance at the beginning of the financial year	121.2	142.5
Share of associates' net profit/(loss) for the year	5.2	3.4
Impairment	-	(21.7)
Foreign exchange movements	(9.6)	2.9
Dividends received	-	(5.9)
Carrying amount of investment in the Nobu Group at the end of the financial year	116.8	121.2

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 that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. No objective evidence of impairment was identified for Nobu and Chill Gaming.

Aspers

As outlined in note 7, during the period the Group's investment in Aspers was reclassified as an Asset Held for Sale. As a result, the investment was required to be valued at the lower of carrying value and fair value less cost of disposal. Crown assessed the fair value less cost of disposal of the investment and based on this analysis, the fair value less cost of disposal of the Group's investment in Aspers was \$34.9 million as at 30 June 2021, compared to the carrying value of \$43.2 million. Crown has therefore reduced the carrying amount of the investment in Aspers by \$8.3 million. This impairment loss has been included in the Statement of Profit or Loss.

The Group will continue to monitor the performance of all associates going forward and consider the impact on the carrying value.

10. Property, Plant and Equipment

Property, Plant and Equipment comprises owned and leased assets.

	2021 \$m	2020 \$m
Property, Plant and Equipment - owned	4,271.1	4,837.4
Right-of-use assets - leased (refer note 11)	45.5	33.8
	4,316.6	4,871.2

Owned assets

	Freehold land & buildings \$m	Buildings on leasehold land \$m	Plant & equipment \$m	Construction work in progress \$m	Total property, plant & equipment \$m
Year ended 30 June 2021					
At 1 July 2020, net of accumulated depreciation and impairment	1,757.2	765.2	560.1	1,754.9	4,837.4
Additions	5.3	16.9	72.7	480.1	575.0
Disposals	-	-	(0.9)	(459.7)	(460.6)
Depreciation expense	(43.4)	(63.4)	(153.7)	-	(260.5)
Impairment	(28.0)	-	-	-	(28.0)
Exchange differences	-	0.2	(1.5)	-	(1.3)
Reclassification/transfer	1.0	1,269.6	84.9	(1,355.5)	-
Reclassification/transfer to Assets held for sale	-	-	-	(390.9)	(390.9)
At 30 June 2021, net of accumulated depreciation and impairment	1,692.1	1,988.5	561.6	28.9	4,271.1
At 30 June 2021					
Cost (gross carrying amount)	2,289.4	2,903.8	2,701.8	28.9	7,923.9
Accumulated depreciation and impairment	(597.3)	(915.3)	(2,140.2)	-	(3,652.8)
Net carrying amount	1,692.1	1,988.5	561.6	28.9	4,271.1

Under its financing facilities, Crown has provided security to the lenders in the form of first ranking mortgages over certain Property, Plant and Equipment.

Impairment Testing

At 30 June 2021, given the continued impact of COVID-19 and the potential impact on commercial development, Crown engaged an independent valuation firm to determine the fair value of the land and buildings at the Queensbridge development site. Based on the review of the anticipated recoverable amount of a sale of the land and associated buildings, calculated using the fair value less cost to sale method, the carrying value of Property, Plant and Equipment relating to the Queensbridge development project (including directly attributable costs incurred from acquisition) has been written down to its recoverable amount. As a result, a net impairment loss of \$28.0 million has been recorded in the Group's Statement of Profit or Loss (2020: nil). The recoverable amount was categorised as a Level 2 fair value (as defined in note 33), utilising a comparison of the site with evidence of sales of other development sites in the Southbank precinct.

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

10. Property, Plant and Equipment *continued*

	Freehold land & buildings \$m	Buildings on leasehold land \$m	Plant & equipment \$m	Construction work in progress \$m	Total property, plant & equipment \$m
Year ended 30 June 2020					
At 1 July 2019, net of accumulated depreciation and impairment	1,705.9	795.8	611.3	1,146.0	4,259.0
Additions	93.8	18.5	92.6	617.0	821.9
Depreciation expense	(43.4)	(49.1)	(151.4)	-	(243.9)
Exchange differences	-	-	0.4	-	0.4
Reclassification/transfer	0.9	-	7.2	(8.1)	-
At 30 June 2020, net of accumulated depreciation and impairment	1,757.2	765.2	560.1	1,754.9	4,837.4
At 30 June 2020					
Cost (gross carrying amount)	2,283.1	1,616.9	2,568.8	1,754.9	8,223.7
Accumulated depreciation and impairment	(525.9)	(851.7)	(2,008.7)	-	(3,386.3)
Net carrying amount	1,757.2	765.2	560.1	1,754.9	4,837.4

11. Leases

Group as Lessee

The Group has lease contracts for various items of property, offices, warehouses, vehicles and other equipment. Major property leases include the Crown Melbourne main site (discussed further below), Crown Melbourne staff car park (leases expiring 2040), a portion of the Crown Aspinalls property (lease expiring in 2031) and administration offices adjacent to the Crown Sydney complex (lease terms of 5 to 7 years).

Set out below are the carrying amounts of Right-of-use assets (included under Property, Plant and Equipment):

	Land & buildings \$m	Other \$m	Total \$m
Net carrying amount			
30 June 2021	42.9	2.6	45.5
Depreciation expense for the year ended			
30 June 2021	6.5	1.4	7.9
Net carrying amount			
30 June 2020	30.2	3.6	33.8
Depreciation expense for the year ended			
30 June 2020	3.9	2.0	5.9

Additions to right-of-use assets during 2021 were \$21.1 million (2020: \$9.0 million).

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	2021 \$m	2020 \$m
Balance at the beginning of the financial year	58.7	-
Balance on adoption of AASB16 Leases	-	54.5
Additions	21.1	9.0
Accretion of interest	2.9	2.4
Payments	(10.5)	(7.1)
Exchange differences	0.3	(0.1)
Balance at the end of the financial year	72.5	58.7
Current	6.8	7.2
Non-current	65.7	51.5
	72.5	58.7

The maturity analysis of lease liabilities is disclosed in note 33.

The Group also has certain leases with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases. The group recognised rent expense from short-term leases of \$0.3 million (2020: \$1.3 million) and variable lease payments of \$0.2 million (2020: \$1.0 million) during the financial year. In addition, Crown has adopted the COVID-19 Related Rent Concessions Amendment to AASB16 and applied the practical expedient, where conditions were met, to recognise all rent relief of \$0.5 million (2020: \$0.2 million) granted due to the impact of COVID-19 in the Statement of Profit & Loss.

The Group had total cash outflows for leases of \$10.5 million in 2021 (2020: \$9.2 million). As at 30 June 2021, undiscounted potential future cash outflows of \$8.2 million (2020: \$7.7 million) relating to leases with extension options have not been included in the lease liability because it is not reasonably certain that the options will be exercised.

Crown Melbourne main site lease

In 1993 Crown Melbourne entered into a ninety-nine year lease agreement for the site upon which the Crown Melbourne Entertainment Complex is located. For years one to forty inclusive, the annual rent payable is one dollar per annum. For years forty-one to ninety-nine inclusive, the annual rent payable will be the then current market rent for the site. The carrying value of the right-of-use asset has been determined as if the standard had always applied, based on the payments in years forty-one to ninety-nine using the estimated market rent at commencement date of the lease, applying the incremental borrowing rate at date of initial application of the standard. In estimating the market rent at commencement date, the Group engaged an independent property valuer.

Group as Lessor

The Group has entered into operating leases for retail tenancies within its Crown Melbourne, Crown Perth and Crown Sydney properties. The undiscounted lease payments to be received for the operating leases are shown in the table below. The leases have terms between 3 and 25 years.

	2021 \$m	2020 \$m
Payable within one year	16.2	20.6
Payable after one year but not more than five years	40.4	51.0
Payable more than five years	9.7	11.6
	66.3	83.2

Crown granted rent relief to its tenants as a result of the closure of Crown's properties. The above amounts represent the lease payments contracted, and therefore may be reduced by the rental relief provided to tenants. The extent of rent relief that may be provided depends on the on-going restrictions impacting Crown's properties.

The total variable lease income recognised during the year is \$1.4 million (2020: \$4.6 million). Variable lease income which may become receivable in the future and separately invoiced amounts for recovery of property outgoings are excluded from the table above.

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

12. Intangible Assets - Licences

	2021 \$m	2020 \$m
Balance at the beginning of the financial year	1,047.3	1,064.0
Amortisation expense	(16.7)	(16.7)
Balance at the end of the financial year	1,030.6	1,047.3
Cost (gross carrying amount)	1,297.0	1,297.0
Accumulated amortisation and impairment	(266.4)	(249.7)
Net carrying amount	1,030.6	1,047.3

The casino licences are carried at cost and amortised on a straight line basis over their useful lives.

The Crown Melbourne licence (\$490.2 million, 2020: \$506.9 million) is being amortised until 2050. The Crown Perth licence (\$440.4 million) is assessed as having an indefinite useful life, as it does not expire, and therefore no amortisation is charged. Amortisation will commence on the Crown Sydney licence (\$100.0 million) once the gaming activities are operational.

13. Other Intangible Assets

	Goodwill ⁽¹⁾ \$m	Casino Management Agreement ⁽¹⁾ \$m	Other \$m	Total \$m
Year ended 30 June 2021				
At 1 July 2020, net of accumulated amortisation and impairment	243.2	111.6	0.8	355.6
Impairment ⁽²⁾	(17.3)	-	-	(17.3)
Exchange differences	(4.2)	-	-	(4.2)
Amortisation expense	-	(3.6)	(0.1)	(3.7)
At 30 June 2021, net of accumulated amortisation and impairment	221.7	108.0	0.7	330.4
At 30 June 2021				
Cost (gross carrying amount)	221.7	245.3	18.4	485.4
Accumulated amortisation	-	(137.3)	(17.7)	(155.0)
Net carrying amount	221.7	108.0	0.7	330.4
Year ended 30 June 2020				
At 1 July 2019, net of accumulated amortisation and impairment	295.4	115.3	4.6	415.3
Impairment ⁽³⁾	(52.8)	-	-	(52.8)
Exchange differences	0.6	-	-	0.6
Amortisation expense	-	(3.7)	(3.8)	(7.5)
At 30 June 2020, net of accumulated amortisation and impairment	243.2	111.6	0.8	355.6
At 30 June 2020				
Cost (gross carrying amount)	243.2	245.3	18.4	506.9
Accumulated amortisation	-	(133.7)	(17.6)	(151.3)
Net carrying amount	243.2	111.6	0.8	355.6

(1) Purchased as part of business combinations.

(2) Impairment relates to the goodwill in DGN. Refer note 14 for further details.

(3) Impairment relates to the goodwill in Crown Aspinalls. Refer note 14 for further details.

Goodwill is considered to have an indefinite life and is tested annually for impairment (see note 14). The goodwill balance at 30 June 2021 is allocated to Crown Melbourne \$26.9 million (2020: \$26.9 million), Crown Perth \$144.0 million (2020: \$144.0 million), DGN \$30.9 million (2020: \$52.4 million) and Betfair \$19.9 million (2020: \$19.9 million). The useful life of the Crown Melbourne Casino Management Agreement is amortised on a straight line basis to 2050.

14. Impairment Testing of Intangible Assets

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 allocation of goodwill and other intangible assets with indefinite useful lives to the Group's CGUs are outlined in note 12 and note 13.

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, Crown Perth, Crown Sydney and Betfair CGUs at 30 June 2021 has been determined based on a value in use calculation using a discounted cash flow methodology covering a five year period, with an appropriate terminal value at the end of that period. The methodology utilises cash flow forecasts that are based primarily on business plans prepared by management. The recoverable amount of Crown Sydney at 30 June 2020 was determined based on a fair value less costs of disposal method.

The recoverable amount of the DGN CGU, in both the current and prior years, has been determined based on fair value less costs of disposal, utilising a combination of independent valuations undertaken by third parties, market acquisition prices 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 five 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 likelihood and duration of 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 ongoing impact of COVID-19 on Crown's businesses. Based on information available at 30 June 2021, with respect to Crown Melbourne, Crown Perth and Crown Sydney the impairment modelling assumed Crown Sydney's gaming operations commence in the period prior to 31 December 2021, prevailing regulatory and licence conditions at Crown Melbourne and Crown Perth and that the properties remain under social distancing and capacity restrictions for the first year, with international borders remaining closed. International borders were assumed to reopen from 1 July 2022, leading to tourism into Australia recommencing, no further COVID-19 related lockdowns, and a recovery to pre COVID-19 levels of economic activity over the short to medium term within the context of the 5 year forecast period.
- Impairment testing assumptions for Betfair anticipate continued trading with no adverse material impact on their operations as a result of COVID-19, which is consistent with the circumstances observed to 30 June 2021.
- 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.
- Forecast growth rates are based on past performance and management's expectations of future performance as at 30 June 2021, based on the current circumstances and the nature of the products and industries in which each business operates. The terminal growth rates do not exceed the forecasted long-term Australian inflation rate of 2.50% (2020: 2.50%).
- A weighted average cost of capital (before tax) of between 9.8% and 13.6% (2020: 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.

In addition to independent valuations undertaken by third parties, for calculations using market acquisition prices and current trading multiples of entities of a similar nature to each CGU the key assumptions are:

- Acquisition multiples of around 6.0x last twelve month EBITDA have been utilised.
- Trading multiples of publicly listed companies and entities of a similar nature to the CGU of between 8.0x and 9.0x next twelve months EBITDA have been utilised.

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

14. Impairment Testing of Intangible Assets *continued*

- Cost of disposal of between 5.0% and 6.0% have been utilised to discount the implied fair value.

The fair value measurement for the DGN CGU is 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 33 for explanation of the valuation hierarchy).

Outcome of impairment tests

Based on the valuation techniques performed, an impairment loss of \$17.3 million related to the DGN CGU has been recorded against the Group's intangible assets during the year. 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, resulting in no intangible assets remaining at the CGU.

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

Sensitivity analysis

The key estimates and assumptions used to determine the value in use or fair value less costs of disposal for each CGU are based on management's current expectations based on past experience, prevailing regulatory and licence conditions, prevailing COVID-19 conditions, 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.

With respect to Crown Sydney, 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 80bps, a decrease in terminal growth rate of 110bps or a decrease in EBITDA by 9.3% per annum throughout the plan period, in isolation and with all other assumptions held constant, could give rise to an impairment.

In the case of DGN where an impairment charge was taken, an adverse change in any of the assumptions

utilised to determine the recoverable amount would lead to a further impairment charge of the CGU.

Crown is currently subject to regulatory processes regarding the suitability of Crown Melbourne, Crown Perth and Crown Sydney to hold casino licences. The outcome of these processes remains uncertain.

On 9 February 2021, the Commissioner's report of the inquiry under section 143 of the Casino Control Act 1992 (NSW) (Inquiry Report) was released. The New South Wales Independent Liquor and Gaming Authority (ILGA) wrote to Crown stating that, having regard to the contents of the Inquiry Report, it presently considered that Crown Sydney Gaming Pty Ltd (Crown Sydney Gaming) was no longer a suitable person to give effect to the Restricted Gaming Licence in New South Wales and that Crown Sydney Gaming had breached clause 14(a) of the VIP Gaming Management Agreement (VIP GMA) and had given Crown a notice to that effect. The consultation process contemplated under the VIP GMA was enlivened and Crown is well advanced with a comprehensive remediation plan. Crown continues to cooperate fully with ILGA as it works through the remediation process.

The key estimates and assumptions used to determine the recoverable amounts of the CGUs assumes prevailing regulatory and licence conditions at Crown Melbourne and Crown Perth, and the issuance of the casino licence following the consultation process at Crown Sydney. Given the uncertainty regarding the outcome of the current regulatory processes, Crown considered the impact on the carrying amount of each CGU in the event that Crown is found not suitable and the casino licence at each property cancelled. The outcome of the sensitivity analysis of the cancellation of the Crown Melbourne casino licence would result in the impairment of the Crown Melbourne licence (\$490.2 million), the casino management agreement asset (\$108.0 million) and prepaid casino tax asset (\$43.9 million).

The outcome of the sensitivity analysis of the cancellation of the Crown Perth casino licence would be an impairment of the Crown Perth licence (\$440.4 million).

In both CGUs, cancellation of the licence could result in the potential impairment of the goodwill intangible as well as adjustments to any deferred tax balances relating to the licences.

The outcome of the analysis of Crown Sydney not being issued the casino licence would result in an impairment of the Crown Sydney licence (\$100.0 million) and a probable impairment to the property, plant and equipment relating to the CGU.

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.

15. Other Assets

	2021 \$m	2020 \$m
Non-current		
Prepaid casino tax at cost	100.8	100.8
Accumulated amortisation	(56.9)	(55.4)
	43.9	45.4
Other prepayments	1.7	3.4
	45.6	48.8

Prepaid casino tax relates to Crown Melbourne, is carried at cost and amortised on a straight line basis to 2050.

16. Trade and Other Payables

	2021 \$m	2020 \$m
Current - unsecured		
Trade and other payables	231.5	190.1
Contract and contract-related liabilities ⁽¹⁾	128.5	137.8
Contingent consideration	-	2.4
Other	69.4	96.2
	429.4	426.5
Non-current - unsecured		
Casino licence payable ⁽²⁾	177.2	172.3
	177.2	172.3

(1) Contract and contract related liabilities include unredeemed casino chips, loyalty program liabilities and advance customer deposits which decreased by \$9.3 million during the year (2020: decreased by \$14.7 million).

(2) Net present value of the \$250.0 million payment due in 2033 relating to the Crown Melbourne Casino licence.

17. Interest-Bearing Loans and Borrowings

	2021 \$m	2020 \$m
Current		
Bank Loans	307.5	-
Lease Liabilities	6.8	7.2
Other loans	-	1.0
	314.3	8.2
Non-current		
Bank Loans	112.5	280.0
Capital Markets Debt	795.9	790.3
Lease Liabilities	65.7	51.5
	974.1	1,121.8

Fair Value Disclosures

Details of the fair value disclosures of the Group's interest bearing liabilities are set out in note 33.

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

17. Interest-Bearing Loans and Borrowings *continued***Financial Risk Management**

Information about the Group's exposure to interest rate and foreign currency changes is provided in note 33.

Financing and Credit Facilities

Credit facilities are provided as part of the overall debt funding structure of the Crown Group as follows:

Facility Type	Facility Amount \$m	Drawn Amount \$m	Letters of Credit Issued \$m	Available \$m	Expiry Dates
Bank Facilities					
Bilateral Facilities	630.0	420.0	39.3	170.7	Apr 22 - Apr 24
Letter of Credit Facilities	60.0	-	60.0	-	Jun 30
	690.0	420.0	99.3	170.7	
Debt Capital Markets					
Euro Medium Term Notes	180.0	180.0	-	-	Jul 2036
AUD Subordinated Notes	615.9	615.9	-	-	Apr 2075
	795.9	795.9	-	-	
Total at 30 June 2021	1,485.9	1,215.9	99.3	170.7	
Total at 30 June 2020	1,636.6	1,071.3	164.0	401.3	

As part of the refinancing undertaken in April 2020, Crown secured new bank financing facilities totalling \$560 million. These bank facilities are secured by Property, Plant and Equipment as outlined in note 10. The remainder of the bank facilities are provided on an unsecured basis by domestic banks. Refer note 33(a)(i) for further details regarding interest rates.

The debt capital markets drawn amounts represent unsecured notes issued to domestic and international debt investors.

Crown is able to make advances and issue letters of credit under the letter of credit facility and the bilateral facilities.

Each of the above mentioned facilities are issued by or supported by a Group guarantee from Crown and certain subsidiaries and impose various affirmative covenants on Crown, which may include compliance with certain financial ratios and negative covenants, including restrictions on encumbrances, and customary events of default, including a payment default, breach of covenants, cross-default and insolvency events.

Under the terms of Crown's Euro Medium Term Notes (Notes), in the event that the Notes are unrated, or are rated below investment grade by any rating agency which rates the Notes (currently Fitch Ratings and Standard & Poor's), any holder of the Notes would be entitled to require redemption of its Notes at the outstanding principal amount plus a make whole premium, subject to the terms of the Notes.

Subsequent to 30 June 2021, the Group has extended the \$410 million of bank facilities with relationship banks that were due to mature in April 2022 to October 2023 of which \$102.5 million is undrawn. At the same time the \$150 million of bank facilities maturing in April 2024 of which \$37.5 million is undrawn has been aligned with the October 2023 maturity. In addition, as part of this process, Crown obtained a waiver of financial covenants in relation to the 31 December 2021 testing date. No waiver was required for the 30 June 2021 testing date.

Crown also obtained a waiver of certain events of default that would otherwise arise from cancellation or suspension (for a certain period of time) of any of Crown's Australian casino licences. In the event such a licence event occurs, Crown has agreed to a review process providing it with a period of time to negotiate with lenders or otherwise refinance the facilities.

In addition, one of Crown's relationship banks has agreed to provide a new \$250 million debt facility, subject to completion of long form documentation. The facility will provide Crown with debt funding of up to \$250 million (based on the value of unsold Crown Sydney apartments) to be used to partly fund any required redemption of Crown's Euro Medium Term Notes and associated make whole premium, or in certain circumstances, for general corporate purposes.

During the current and prior year, there were no defaults or breaches on any of the loans or borrowings.

Refer to note 22(c) for a summary of Crown's overdraft facilities.

18. Provisions

	Employee Entitlements ⁽¹⁾ \$m	Other ⁽²⁾ \$m	Total \$m
At 1 July 2020	192.5	34.8	227.3
Arising during the year	79.0	87.6	166.6
Utilised during the year	(56.7)	(4.4)	(61.1)
At 30 June 2021	214.8	118.0	332.8
Current 2021	200.3	103.8	304.1
Non-current 2021	14.5	14.2	28.7
At 30 June 2021	214.8	118.0	332.8
Current 2020	177.5	22.8	200.3
Non-current 2020	15.0	12.0	27.0
At 30 June 2020	192.5	34.8	227.3

(1) Employee entitlements are comprised of provisions for annual leave, long service leave, employee incentives, self-insurance liability and other employee entitlements.

(2) Other provisions are comprised of provisions for gaming tax matters, including Crown Melbourne tax shortfall of approximately \$25 million (refer note 2) and provision for underpayment of casino tax (including interest) of \$61.2 million (refer note 3(e)), and legal and regulatory matters.

19. Contributed Equity

	2021 \$m	2020 \$m
Issued share capital		
Ordinary shares fully paid	(203.3)	(203.3)
	2021 No.	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. Refer note 32 for details of the Parent Entity's share capital, which has significant paid up capital.

Terms and Conditions of Contributed Equity

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding-up of the Company in proportion to the number of shares held.

The voting rights attaching to ordinary shares provide that each ordinary shareholder present in person or by proxy or attorney or being a corporation present by representative at a meeting shall have:

- (a) on a show of hands, one vote only;
- (b) on a poll, one vote for every fully paid ordinary share held.

Capital Management

When managing capital, the Group's objective is to maintain optimal returns to shareholders and benefits for other stakeholders. The Group also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

During 2021, the Group did not pay any dividends (2020: \$406.2 million). The Group's dividend policy is to pay 60 cents per share on a full year basis, subject to Crown's financial position. Having regard to the impact of COVID-19 on Crown's businesses from the mandatory closures and restrictions on trade, as well as ongoing regulatory matters, Crown has determined not to declare a final dividend on ordinary shares. Future dividends will be subject to the Board's assessment of Crown's financial position at the appropriate time, and subject to arrangements agreed with Crown's lenders.

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

20. Reserves and Retained Earnings

	2021 \$m	2020 \$m
Foreign currency translation reserve	(38.7)	(23.6)
Employee equity benefits reserve	25.6	22.3
Net unrealised gains reserve	(15.8)	(14.4)
Cash flow hedge reserve	5.1	18.8
	(23.8)	3.1
Foreign Currency Translation Reserve		
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations. It is also used to recognise gains and losses on hedges of the net investment in foreign operations.		
Balance at the beginning of the financial year	(23.6)	(28.8)
Net foreign exchange translation	(16.0)	5.3
Non-controlling interest	0.9	(0.1)
Balance at the end of the financial year	(38.7)	(23.6)
Employee Equity Benefits Reserve		
The employee equity benefits reserve is used to record share based remuneration obligations to executives in relation to ordinary shares.		
Balance at the beginning of the financial year	22.3	18.9
Movement for the period	3.3	3.4
Balance at the end of the financial year	25.6	22.3
Net Unrealised Gains Reserve		
The net unrealised gains reserve records the movement from changes in ownership interests in a subsidiary, investments and associates equity, which do not impact control.		
Balance at the beginning of the financial year	(14.4)	(14.1)
Movement in non-controlling interest put option	(1.4)	(0.3)
Balance at the end of the financial year	(15.8)	(14.4)
Cash Flow Hedge Reserve		
The cash flow hedge reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.		
Balance at the beginning of the financial year	18.8	25.4
Movement in interest rate swaps	1.7	1.4
Movement in cross currency swaps	(15.4)	(4.2)
Movement in forward exchange contracts	-	(3.8)
Balance at the end of the financial year	5.1	18.8
Retained Earnings		
Balance at the beginning of the financial year	4,954.5	5,298.8
Adoption of AASB 16 Leases	-	(17.6)
Net profit/(loss) after tax attributable to equity holders of the parent	(261.6)	79.5
Total available for appropriation	4,692.9	5,360.7
Dividends provided for or paid	-	(406.2)
Balance at the end of the financial year	4,692.9	4,954.5

21. Commitments

Capital expenditure commitments

	2021 \$m	2020 \$m
Estimated capital expenditure contracted for at balance date, but not provided for:		
Payable within one year	14.9	447.7
	14.9	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.

22. Cash Flow Statement Reconciliation

	2021 \$m	2020 \$m
(a) Cash balance represents:		
Cash on hand and at bank	471.7	158.3
Deposits at call	4.3	128.6
	476.0	286.9

The above closing cash balances includes \$85.9 million (2020: \$48.4 million) of cash on the company's premises and cash held in bank accounts to run the day to day operations of the businesses and cash (including deposits on call) of \$390.1 million (2020: \$238.5 million) for other purposes. All deposits at call are with approved counterparties with investment grade ratings. Refer note 33(c) for further details.

	2021 \$m	2020 \$m
(b) Reconciliation of the profit/(loss) after tax to the net cash flows from operating activities		
Profit/(loss) after tax	(261.3)	81.9
Non cash items and items dealt with separately:		
- Depreciation and amortisation	290.3	275.5
- Asset impairment	53.6	74.5
- Share of associates' net (profit)/loss	8.7	(0.3)
- Net foreign exchange (gain)/loss	(0.1)	(0.2)
- Reassessment of contingent consideration - DGN	2.0	1.7
- Other non cash expenses	3.4	2.3
Cash items not included in profit/(loss) after tax:		
- Dividends received from associates	-	5.9
Items classified as investing/financing activities:		
- (Profit)/loss on sale of property, plant and equipment	(207.8)	(0.1)
Working Capital changes:		
- (Increase) / decrease in trade receivables and other assets	42.9	74.9
- (Increase) / decrease in inventories	(4.3)	(0.5)
- (Decrease) / increase in tax provisions	(117.6)	(113.7)
- (Decrease) / increase in trade and other payables, accruals, provisions and other liabilities	176.2	(75.0)
Net cash flows from operating activities	(14.0)	326.9

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

22. Cash Flow Statement Reconciliation *continued*

(c) Bank Overdraft Facilities

The Group has bank overdraft facilities available as follows:

Bank	2021	2020
ANZ Banking Group Limited	A\$20 million	A\$20 million
Citibank NA	-	US\$10 million
Royal Bank of Scotland PLC	-	£18 million

As at 30 June 2021 there were no drawn down amounts on the overdraft facilities (2020: nil).

23. Events After the Reporting Period

On 6 July 2021, Crown Perth recommenced trading of gaming and non-gaming operations at a reduced capacity. From 12 July 2021, Crown Perth recommenced trading of all gaming and non-gaming operations under the same restrictions that were in place immediately prior to the introduction of the lockdown on 29 June 2021.

On the evening of 15 July 2021, Crown Melbourne ceased gaming activities and the majority of non-gaming operations following a mandated closure by the Victorian Government due to COVID-19. From 28 July 2021, Crown Melbourne recommenced operations in accordance with Victorian Government restrictions, including a patron capacity limit on the gaming floor of 100 patrons in each indoor space, subject to a density limit of one person per four square metres. On the evening of 5 August 2021, Crown Melbourne ceased gaming activities and the majority of non-gaming operations following a mandated closure by the Victorian Government due to COVID-19.

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

On 27 July 2021, Crown announced that it resolved to make a payment to the Victorian Commission for Gambling and Liquor Regulation (VCGLR), representing an underpayment of casino tax by Crown Melbourne of \$37.4 million over the period commencing in the 2012 financial year to date relating to the incorrect deduction of certain bonus rewards provided to patrons in connection with play on Crown Melbourne's electronic gaming machines. Under the terms of Crown's regulatory agreements with the State of Victoria, Crown is required to pay interest on any underpayment of casino tax. The interest component was an additional \$23.8 million. Both the underpayment of casino tax and interest on the underpayment of casino tax were fully provided at 30 June 2021.

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

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

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

As outlined in note 17, following year-end, Crown reached agreement with its relationship banks regarding a series of modifications to Crown's existing financing arrangements, including:

- An extension of near-term maturities by amending and aligning the maturity date of all of the \$560 million in bilateral facilities to October 2023.
- A waiver of financial covenants in relation to the 31 December 2021 testing date. No waiver was required for the 30 June 2021 testing date.
- A waiver of certain events of default that would otherwise arise from cancellation or suspension (for a certain period of time) of any of Crown's Australian casino licences. In the event such a licence event occurs, Crown has agreed to a review process providing Crown with a period of time to negotiate with lenders or otherwise refinance the facilities.

As part of the arrangements agreed with lenders, Crown has agreed not to declare or pay dividends in respect of the half year ending 31 December 2021 or where a review event is triggered as a result of a cancellation or suspension of any of Crown's Australian casino licences.

In addition, one of Crown's relationship banks has agreed to provide a new \$250 million debt facility, subject to completion of long form documentation. The facility will provide Crown with debt funding of up to \$250 million (based on the value of unsold Crown Sydney apartments) to be used to partly fund any required redemption of Crown's Euro Medium Term Notes and associated make whole premium, or in certain circumstances, for general corporate purposes.

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

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

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

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

Regulatory matters

AUSTRAC enforcement investigations

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

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

While it is at this stage uncertain as to whether AUSTRAC will take enforcement action, or the type of enforcement action it may take, Crown considers that AUSTRAC is very likely to commence civil penalty proceedings against

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

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

If AUSTRAC does commence proceedings against Crown Melbourne and/or Crown Perth, in determining the appropriate penalty, the Federal Court would be required to have regard to all relevant matters, including the nature and extent of the contraventions and any loss and damage suffered as a result, the efforts Crown has made to date to address potential gaps in our systems and processes, as well as the size of Crown Melbourne and/or Crown Perth. Until there is greater certainty as to each of the relevant matters, Crown considers that this is one of the extremely rare circumstances in which it is not possible to reliably estimate the amount that Crown Melbourne and/or Crown Perth may ultimately be required to pay if civil penalty proceedings are commenced. Accordingly, no provision has been raised in respect of these matters.

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

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

The Crown Melbourne enforcement investigation

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

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

24. Contingent Liabilities and Related Matters *continued*

Melbourne's management of customers identified as high risk and politically exposed persons.

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

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

The Crown Perth enforcement investigation

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

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

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

Other regulatory matters

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

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

New South Wales

On 9 February 2021, the Commissioner's report of the inquiry under section 143 of the Casino Control Act 1992 (NSW) (Inquiry Report) was released. The New South Wales Independent Liquor and Gaming Authority (ILGA) wrote to Crown stating that, having regard to the contents of the Inquiry Report, it presently considered that Crown Sydney Gaming Pty Ltd (Crown Sydney Gaming) is no

longer a suitable person to give effect to the Restricted Gaming Licence in New South Wales and that Crown Sydney Gaming had breached clause 14(a) of the VIP Gaming Management Agreement (VIP GMA) and had given Crown a notice to that effect.

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

Victoria

On 22 February 2021, a Royal Commission was established into the suitability of Crown Melbourne Limited to hold a casino licence. The Hon. Ray Finkelstein AO QC was appointed as Commissioner and Chairperson of the Royal Commission. The initial hearing took place on 24 March 2021, and the first public hearings commenced on 17 May 2021. Counsel Assisting the Royal Commission delivered their closing submissions on 20 July 2021.

Crown's final submissions were delivered in two parts:

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

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

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

Western Australia

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

25. Auditor's Remuneration

	2021 \$	2020 \$
Auditor of the Group⁽¹⁾		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	1,658,100	1,534,982
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm	75,525	67,300
Fees for other services:		
• Taxation services	86,681	2,479,861
• Other	213,372	30,000
	2,033,678	4,112,143
Related network firms of the auditor of the Group⁽¹⁾		
Fees for auditing the financial report of any controlled entities	-	127,583
Fees for other services:		
• Taxation services	-	537,350
	-	664,933

(1) In 2021, all amounts were paid to member firms of KPMG. In 2020, all amounts were paid to member firms of Ernst & Young, being the Group's auditors for that financial year.

26. Government Grants

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

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

Under the JobKeeper program, Crown recorded \$79.6 million (2020: \$43.4 million) in payroll subsidies which related to the period from 1 July 2020 through to 28 March 2021 for employees that continued to work in either a full or partial capacity. The subsidy amount has been recognised as a reduction in Employment costs in note 3(c).

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

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

There are no unfulfilled conditions or contingencies attached to these payments relating to employee retention schemes.

During the year, Crown also received government grants relating to the following employee hiring and training schemes in Australia:

- JobMaker hiring scheme - Crown Sydney qualified for JobMaker from 7 October 2020. Crown received \$32,643 during the financial year from the scheme. There are no unfulfilled conditions or contingencies attached to this payment.
- Training Services – Crown Melbourne, Crown Perth and Crown Sydney received \$1.0 million (2020: \$1.0 million) in Commonwealth and State funding related to training services of employees, including Trainees and Apprentices. In accordance with the terms of the grant, Crown must provide training services as outlined in the funding agreements and apply costs to training services for employees for whom the grant has been claimed.
- Indigenous Employment Program – Crown Melbourne and Crown Perth received \$0.4 million (2020: \$0.3 million) in Commonwealth funding related employment pathways for Indigenous jobseekers. In accordance with the terms of the grants, Crown must provide employment pathways for Indigenous employees employed under the Indigenous Employment Program and support their ongoing development.

At 30 June 2021, there were no amounts receivable to Crown in relation to employee retention or hiring schemes.

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

27. Earnings Per Share (EPS)

	2021	2020
The following reflects the income and share data used in the calculations of basic and diluted EPS:		
Net profit / (loss) after tax used in calculating basic and diluted EPS (\$m)	(261.6)	79.5
Weighted average number of ordinary shares used in calculating basic EPS ('m)	677.2	677.2
Weighted average number of ordinary shares used in calculating diluted EPS ('m)	677.2	677.2

28. Key Management Personnel Disclosures

(a) Details of key management personnel

(i) Directors

The Hon. Helen A Coonan	Executive Chairman (appointed as interim Executive Chairman on 15 February 2021 until 27 August 2021)
Professor John S Horvath AO	Deputy Chairman (until 14 April 2021)
Kenneth M Barton	Managing Director and Chief Executive Officer (until 15 February 2021)
John H Alexander	Executive Director (Director until 22 October 2020; Executive until 22 January 2021)
Andrew Demetriou	Non-Executive Director (until 11 February 2021)
Jane Halton AO PSM	Non-Executive Director
Guy Jalland	Non-Executive Director (until 10 February 2021)
Michael R Johnston	Non-Executive Director (until 10 February 2021)
Antonia Korsanos	Non-Executive Director
Harold C Mitchell AC	Non-Executive Director (until 22 February 2021)
John Poynton AO	Non-Executive Director (until 28 February 2021)
Nigel Morrison	Non-Executive Director (appointed 31 March 2021)

On 12 April 2021, Crown announced the appointment of Bruce Carter as Non-Executive Director, subject to the receipt of any necessary regulatory approvals. On 25 August 2021, following receipt of the regulatory approvals, Mr Carter's appointment became effective. On 10 May 2021, Crown announced the appointment of Steve McCann as Chief Executive Officer and Managing Director, subject to the receipt of regulatory approvals. On 20 August 2021, Crown announced that in addition to those appointments, Steve McCann had been appointed as Chief Executive Officer – Crown Melbourne. On 26 August 2021, Crown announced the appointment of Dr Ziggy Switkowski AO as Chairman, subject to the receipt of regulatory approvals.

(ii) Executives

Lonnie Bossi	Chief Executive Officer – Crown Perth (from 9 December 2020)
Peter Crinis	Chief Executive Officer – Crown Sydney (from 1 January 2021)
Barry Felstead	Chief Executive Officer – Australian Resorts (KMP until 9 December 2020; Executive until 31 December 2020)
Alan McGregor	Chief Financial Officer (appointed 20 August 2020) and Interim Company Secretary (appointed 18 February 2021)
W Todd Nisbet	Executive Vice President – Strategy and Development (until 30 June 2021)
Xavier Walsh	Chief Executive Officer – Crown Melbourne (from 9 December 2020 until 20 August 2021)

(b) Remuneration of key management personnel

Total remuneration for key management personnel for the Group and Parent Entity during the financial year are set out below:

Remuneration by category	2021 \$m	2020 \$m
Short term benefits	13.8	13.3
Post employment benefits	0.3	0.2
Long term incentives	2.4	2.6
Termination benefits	9.7	-
	26.2	16.1

Further details regarding key management personnel and detailed disclosures of share based payment arrangements are contained in the Remuneration Report.

29. Related Party Disclosures

(a) Parent entity

Crown Resorts Limited is the ultimate parent entity of the Group.

(b) Controlled entities, associates and joint ventures

Interests in significant controlled entities are set out in note 30.

Investments in associates and joint ventures are set out in note 9.

(c) Entity with significant influence over the Group

Based on a substantial shareholder notice dated 11 June 2019 lodged by the Consolidated Press Holdings Group (CPH), comprising Consolidated Press Holdings Pty Limited and its related corporations, a group related to Mr James Packer, CPH had a relevant interest in 249,253,302 of the Company's fully paid ordinary shares at balance date. This equates to 36.81% of the Company's fully paid ordinary shares (2020: 36.81%) based on the total number of shares on issue at the relevant balance date.

(d) Key management personnel

Disclosures relating to key management personnel are set out in note 28, and in the Remuneration Report.

(e) Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms, unless otherwise stated.

(f) Transactions with related parties

The Group had the following transactions with related parties:

(i) Director related entities and entities with significant influence over the Group

CPH provided management services in accordance with a Services Agreement, in addition to corporate secretarial and administrative services, of \$0.1 million during the year (2020: \$1.2 million). On 21 October 2020, the Services Agreement with CPH was terminated. Crown reimbursed CPH for costs paid on behalf of Crown to third parties, totalling \$0.2 million during the year (2020: \$0.7 million). At 30 June 2021 there were no amounts owing to CPH (2020: \$0.4 million).

Crown and its controlled entities did not provide any services to CPH during the year (2020: \$11,000 of hotel and banqueting services). At 30 June 2021 there were no amounts owing from CPH (2020: \$nil).

In 2017, Crown entered into an agreement with Mr James Packer to sell two floors of the Crown Sydney Residences at the Crown Sydney Hotel Resort to Mr Packer for \$60 million. In 2017, the sale was approved by Crown's independent directors. Crown has received full payment of the \$60 million in advance of settlement of the sale. In addition, as at 30 June 2021 Crown has been reimbursed an additional \$11.5 million for customised fit-out costs incurred above the fit-out allowance in the sales contract.

In line with its commitment to the NSW Government, Crown has ongoing access rights to the golf course and other facilities at Ellerston. During the period Crown paid \$1.0 million for the access rights (2020: \$1.0 million).

(ii) Associates

During the period, Crown paid the Nobu Group \$2.0 million (2020: \$2.2 million) in license and management fees relating to restaurants at Crown Melbourne, Crown Perth and Crown Sydney. At 30 June 2021 there was \$0.1 million owing to Nobu (2020: \$0.1 million).

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

30. Investment in Controlled Entities

The consolidated financial statements include the financial statements of Crown Resorts Limited and its controlled entities. Significant controlled entities and those that are party to a Deed of Cross Guarantee with the parent entity are set out below:

	Footnote		Country of Incorporation	Beneficial Interest Held by the Consolidated Entity ⁽¹⁾	
	2021	2020		2021 %	2020 %
Crown Resorts Limited			Australia	Parent Entity	
Artra Pty Ltd			Australia	100	100
Aspinall's Club Limited			United Kingdom	100	100
Betfair Pty Ltd	A	A	Australia	100	100
Betfair Australasia Pty Ltd	A	A	Australia	100	100
Burswood Limited	A	A	Australia	100	100
Burswood Nominees Ltd	A	A	Australia	100	100
Burswood Resort (Management) Ltd	A	A	Australia	100	100
Capital Club Pty Ltd			Australia	100	100
Club Gaming Pty Ltd			Australia	100	100
Crown Asia Investments Pty Ltd	A	A	Australia	100	100
Crown Australia Pty Ltd	A	A	Australia	100	100
Crown Capital Golf Pty Ltd			Australia	100	100
Crown Cyprus Pty Ltd			Australia	100	100
Crown CCR Group Holdings One Pty Ltd	A	A	Australia	100	100
Crown CCR Group Holdings Two Pty Ltd			Australia	100	100
Crown CCR Group Holdings General Partnership			USA	100	100
Crown CCR Holdings LLC			USA	100	100
Crown CPS Holdings Pty Ltd	A	A	Australia	100	100
Crown Digital Holdings Pty Ltd	A	A	Australia	100	100
Crown Entertainment Group Holdings Pty Ltd	A	A	Australia	100	100
Crown (Gaming Technology) Holdings Pty Ltd			Australia	100	100
Crown Gateway Luxembourg Pty Ltd			Australia	100	100
Crown Group Finance Limited	A	A	Australia	100	100
Crown Group Securities Ltd	A	A	Australia	100	100
Crown Resorts International Holdings Ltd			Bahamas	100	100
Crown Investment Holdings LLC			USA	100	100
Crown Management Holdings Pty Ltd	A	A	Australia	100	100
Crown Management Pty Ltd	A	A	Australia	100	100
Crown Melbourne Limited	A	A	Australia	100	100
Crown North America Holdings One Pty Ltd			Australia	100	100
Crown North America Investments LLC			USA	100	100
Crown Overseas Investments Pty Ltd	A	A	Australia	100	100
Crown Queensbridge Development Pty Ltd			Australia	100	100
Crown Queensbridge Holdings Pty Ltd			Australia	100	100
Crown Queensbridge Property (Hotel) Pty Ltd			Australia	100	100
Crown Queensbridge Property (Residential) Pty Ltd			Australia	100	100
Crown Queensbridge Nominees One Pty Ltd			Australia	100	100
Crown Queensbridge Nominees Two Pty Ltd			Australia	100	100
Crown Sydney Pty Ltd			Australia	100	100
Crown Sydney Gaming Pty Ltd	A		Australia	100	100
Crown Sydney Holdings Pty Ltd	A	A	Australia	100	100
Crown Sydney Property Pty Ltd	A	A	Australia	100	100

	Footnote		Country of Incorporation	Beneficial Interest Held by the Consolidated Entity ⁽¹⁾	
	2021	2020		2021 %	2020 %
Crown Training Pty Ltd			Australia	100	100
Crown US Investments LLC			USA	100	100
Crown UK Investments Ltd			United Kingdom	100	100
Crown (Western Australia) Pty Ltd	A	A	Australia	100	100
Crown (Western Australia) Finance Holdings Pty Ltd	A	A	Australia	100	100
Crown (Western Australia) Finance Pty Ltd	A	A	Australia	100	100
DGN Games LLC ⁽²⁾			USA	100	85
Flienn Pty Ltd			Australia	100	100
Gender Fitness Pty Ltd			Australia	100	100
Jade West Entertainment Pty Ltd			Australia	100	100
Jemtex Pty Ltd	A	A	Australia	100	100
Melbourne Golf Academy Pty Ltd			Australia	100	100
PBL Overseas (CI) Pty Ltd	A	A	Australia	100	100
PBL (CI) Finance Pty Ltd			Australia	100	100
Pennwin Pty Ltd			Australia	100	100
Publishing and Broadcasting (Finance) Ltd	A	A	Australia	100	100
Renga Pty Ltd			Australia	100	100
Royal Gaming Pty Ltd			Australia	100	100
Sociologic Games Limited ⁽²⁾			Israel	100	85

(1) The proportion of ownership interest is equal to the proportion of voting power held.

(2) The Group acquired the remaining interest in DGN Games LLC and Sociologic Games Limited during the period.

A These controlled entities have entered into a deed of cross guarantee dated 21 June 2017 with the parent entity under ASIC Instrument 2016/785 - the "Closed Group" (refer note 31).

31. Deed of Cross Guarantee

Crown Resorts Limited and certain controlled entities, as detailed in note 30, are parties to a Deed of Cross Guarantee dated 21 June 2017 under which each company in the Closed Group guarantees the payment in full of all debts of the other entities in the Closed Group in the event of their winding up.

By entering into the Deed, pursuant to ASIC Instrument 2016/785, certain controlled entities of Crown have been granted relief from the *Corporations Act 2001* requirements for preparation, audit and reporting of financial reports and directors' reports.

The consolidated Statement of Profit or Loss and Statement of Financial Position of the entities which are members of the Closed Group are detailed below.

	Closed Group	
	2021 \$m	2020 \$m
Consolidated Statement of Profit or Loss		
Profit / (loss) before income tax	(237.2)	432.5
Income tax (expense) / benefit	49.0	(83.0)
Net profit / (loss) after income tax	(188.2)	349.5
Retained earnings / (accumulated losses) at the beginning of the financial year	4,967.7	5,040.0
Adoption of AASB 16 Leases	-	(15.6)
Dividends provided for or paid	-	(406.2)
Retained earnings / (accumulated losses) at the end of the financial year	4,779.5	4,967.7

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

31. Deed of Cross Guarantee *continued*

	Closed Group	
	2021 \$m	2020 \$m
Consolidated Statement of Financial Position		
Current assets		
Cash and cash equivalents	454.2	271.3
Trade and other receivables	25.3	77.3
Income tax receivable	64.6	-
Inventories	20.4	16.2
Prepayments	44.0	41.0
Assets Held for Sale	425.9	-
Total current assets	1,034.4	405.8
Non-current assets		
Receivables	870.9	848.1
Other financial assets	1,574.4	1,692.0
Investment in associates	-	54.1
Property, plant and equipment	4,132.9	4,658.4
Intangible assets - licences	1,030.6	947.3
Other intangible assets	299.6	303.3
Deferred tax assets	171.9	155.9
Other assets	45.6	48.8
Total non-current assets	8,125.9	8,707.9
Total assets	9,160.3	9,113.7
Current liabilities		
Trade and other payables	426.2	398.2
Interest-bearing loans and borrowings	313.0	5.9
Income tax payable	-	33.2
Provisions	301.9	195.6
Other financial liabilities	-	2.4
Total current liabilities	1,041.1	635.3
Non-current liabilities		
Other payables	177.2	172.3
Interest-bearing loans and borrowings	1,217.4	1,371.1
Deferred tax liability	404.8	418.6
Provisions	28.7	27.0
Total non-current liabilities	1,828.1	1,989.0
Total liabilities	2,869.2	2,624.3
Net assets	6,291.1	6,489.4
Equity		
Contributed equity	1,480.0	1,480.0
Reserves	31.6	41.7
Retained earnings	4,779.5	4,967.7
Total equity	6,291.1	6,489.4

32. Parent Entity Disclosures

	Crown Resorts Limited	
	2021 \$m	2020 \$m
Results of the parent entity		
Profit after tax for the period	(112.1)	564.5
Other comprehensive income/(loss)	-	-
Total comprehensive income for the period	(112.1)	564.5
Financial position of the parent entity		
Current assets	66.7	17.2
Non-current assets	14,244.8	14,401.5
Total assets	14,311.5	14,418.7
Current liabilities	43.8	95.6
Non-current liabilities	5,060.9	5,004.1
Total liabilities	5,104.7	5,099.7
Total equity of the parent entity comprising of:		
Issued capital	9,277.1	9,277.1
Employee equity benefits reserve	13.0	13.0
Accumulated profits/(losses)	(83.3)	28.9
Total equity	9,206.8	9,319.0

Contingent liabilities

There are no other contingent liabilities for the parent entity at 30 June 2021 (2020: \$nil), other than those disclosed in note 24.

Capital expenditure

The parent entity does not have any capital expenditure commitments for the acquisition of property, plant and equipment contracted but not provided for at 30 June 2021 (2020: \$nil).

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity has entered into a deed of cross guarantee as well as bank and capital market debt facilities with the effect that the Company guarantees debts in respect of its subsidiaries. Further details of the deed of cross guarantee and the subsidiaries subject to the deed, are set out in notes 30 and 31 and further details on bank and capital market debt facilities are set out in note 17.

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

33. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise receivables, payables, bank loans, lease liabilities, capital market debt, cash and short term deposits and derivatives.

The Group's business activities expose it to the following risks; market risks (interest rate 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. Other than as described in this note, the Group is satisfied that there are no material concentrations of risk.

The Group has policies in place to manage different types of risks to which it is exposed. Policies include monitoring the level of interest rate and foreign exchange risk and assessments of market forecasts for interest rates and foreign exchange rates. Ageing analysis of and monitoring of exposures to counterparties is undertaken to manage credit risk. Liquidity risk is monitored through the employment of rolling cash flow forecasts.

Financial risk management is carried out under policies approved by the Board of Directors. The Group identifies, evaluates and hedges financial risks in accordance with approved policies. The Board is informed on a regular basis of risk management activities.

(a) Market Risk

(i) Interest rate risk – cash flow

The Group's exposure to market interest rates relates primarily to the Group's cash and cash equivalents and long term debt obligations as outlined in note 17.

At balance date, the Group had the following mix of financial assets and liabilities exposed to variable interest rates that are not designated as cash flow hedges.

	2021 \$m	2020 \$m
Financial assets		
AUD cash on hand and at bank	368.8	96.8
AUD deposits at call	1.7	126.7
GBP cash on hand and at bank	9.2	4.9
USD cash on hand and at bank	7.7	8.2
USD deposits at call	2.7	1.9
Total financial assets	390.1	238.5
Financial liabilities		
AUD bank loans	420.0	280.0
AUD capital market debt	365.9	415.7
Total financial liabilities	785.9	695.7
Net exposure	(395.8)	(457.2)

As at balance date, the Group maintained floating rate liabilities of \$785.9 million (2020: \$695.7 million) that were not hedged by interest rate swaps. The associated interest rate risk is partially mitigated by total financial assets of \$390.1 million (2020: \$238.5 million). Under the AUD financial liabilities outstanding the Group pays the Bank Bill Swap rate (BBSW) plus a margin of between 200 and 400 basis points.

Of the AUD cash on hand and at bank \$368.8 million (2020: \$96.8 million) is interest bearing and is invested at approximately BBSW. Deposits at call of \$1.7 million (2020: \$126.7 million) are invested at approximately BBSW. The Group maintains cash and cash equivalents on hand of \$85.9 million for operational purposes which is non interest bearing (2020: \$48.4 million).

As at balance date, the Group had GBP cash on hand and at bank of \$9.2 million which is interest bearing and accrues at approximately the UK daily cash rate (2020: \$4.9 million). The Group had no floating rate borrowings in GBP (2020: nil).

As at balance date, the Group had USD cash on hand and at bank of \$7.7 million which is interest bearing and is invested at approximately the US overnight rate (2020: \$8.2 million). In addition, the Group had USD deposits at call of \$2.7 million, which is invested at approximately the US overnight rate (2020: \$1.9 million). The Group maintained no floating rate borrowings in USD (2020: \$nil).

Group Sensitivity

As a result of an increase in interest rates of 50 basis points the Group's post-tax-profit for the year would have decreased by \$1.4 million (2020: decreased by \$1.6 million). As a result of a decrease in interest rates to zero (between 8 basis points and 10 basis points) the Group's post-tax-profit/loss for the year would have increased by \$0.2 million (2020: increased by \$0.5 million).

The Group, where appropriate, uses interest rate swaps to manage the risk of adverse movements in interest rates for its long term floating rate borrowings which are subject to variable rates.

The Group uses cross-currency interest rate swaps to manage the risk of adverse movements in interest rates for its long term foreign currency denominated borrowings which are subject to variable rates.

As at balance date the notional principal amounts and period of expiry of the interest rate swap contracts were as follows:

	2021 \$m	2020 \$m
Cash flow hedge		
Maturity under 1 year	250.0	200.0
Maturity 1 -5 years	-	-
Maturity over 5 years	174.6	174.6
Closing Balance	424.6	374.6

As at balance date the key terms of the interest rate swap contracts were as follows:

	Cross Currency Swaps	
	2021 \$m	2020 \$m
Hedged Item	EMTN borrowing	EMTN borrowing
Pay Fixed Rate	7.05%	7.05%
Hedged AUD:JPY FX Rate	85.89	85.89
Maturity Date	July 2036	July 2036
Notional Amount	JPY 15,000	JPY 15,000
Carrying Amount of Hedging Instrument		
Assets - Other Financial Assets	12.7	29.3
Liabilities - Other Financial Liabilities	-	-
Effective portion recognised in reserves ⁽¹⁾	7.3	29.3
During the year		
Change in fair value of the hedging instrument	(16.6)	(6.0)
Change in fair value of the hedged item	(16.6)	(6.0)
Effective portion recognised in reserves from change in fair value of continued hedge relationships	(22.0)	(6.0)
Hedge ineffectiveness recognised in profit or loss	-	-
Amount reclassified from reserves to profit or loss	5.4	-

(1) Hedging reserves includes both cash flow hedge reserve and cost of hedging reserve, before tax

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

33. Financial Risk Management Objectives and Policies *continued***(a) Market Risk** *continued***Group Sensitivity** *continued*

	Interest Rate Swap	
	2021 \$m	2020 \$m
Hedged Item	AUD Floating Rate Debt	AUD Floating Rate Debt
Pay Fixed Rate	0.10% (weighted ave)	2.55% (weighted ave)
Maturity Date	June 2022	December 2020
Notional Amount	AUD 250.0	AUD 200.0
Carrying Amount of Hedging Instrument		
Assets - Other Financial Assets	-	-
Liabilities - Other Financial Liabilities	(0.1)	(2.4)
Effective portion recognised in reserves ⁽¹⁾	(0.1)	(2.4)
During the year		
Change in fair value of the hedging instrument	2.3	2.0
Change in fair value of the hedged item	2.3	2.0
Effective portion recognised in reserves from change in fair value of continued hedge relationships	2.3	2.0
Hedge ineffectiveness recognised in profit or loss	-	-
Amount reclassified from reserves to profit or loss	-	-

(1) Hedging reserves includes both cash flow hedge reserve and cost of hedging reserve, before tax

The terms of each of the swap contracts are matched directly against the appropriate loan and interest expense and as such are highly effective.

(ii) Interest rate risk – fair value

Where appropriate, the Group enters into fixed rate debt to mitigate exposure to interest rate risk. As the Group holds fixed rate debt there is a risk that the fair value of financial instruments will fluctuate because of market movements in interest rates. The level of fixed rate debt at balance date was \$424.6 million (2020: \$375.7 million). The Group pays between 4.1% and 7.1% (2020: 6.5% and 8.5%) on fixed rate debt. As at balance date, the carrying amounts of the Group's fixed rate debt were not materially different from the fair values (2020: not material).

As at balance date the Group had no interest rate swaps in place to hedge fixed rate debt issuances (2020: nil).

(iii) Foreign exchange risk

The Group has currency exposure as a result of capital expenditure and investments/sales in currencies other than the functional currency of the relevant entity.

The Group uses forward exchange contracts and cash flow hedges to minimise the currency exposure on any significant receivables or payables as is deemed appropriate.

All forward exchange contracts must be in the same currency as the firm commitment and the Group negotiates the terms of the hedges to exactly match the underlying commitment to maximise hedge effectiveness. As at balance date, the Group had the following material foreign exchange exposures that were not designated as cash flow hedges:

	2021 \$m	2020 \$m
USD Exposure		
Financial assets		
Cash and cash equivalents	3.8	4.2
Total financial assets	3.8	4.2
Net exposure	3.8	4.2

	2021 \$m	2020 \$m
GBP Exposure		
Financial assets		
Cash and cash equivalents	8.5	5.7
Total financial assets	8.5	5.7
Financial liabilities		
Trade and other payables	5.3	5.1
Total financial liabilities	5.3	5.1
Net exposure	3.2	0.6

	2021 \$m	2020 \$m
HKD Exposure		
Financial assets		
Cash and cash equivalents	4.2	4.4
Trade and other receivables	0.3	2.4
Total financial assets	4.5	6.8
Financial liabilities		
Trade and other payables	1.3	1.4
Total financial liabilities	1.3	1.4
Net exposure	3.2	5.4

Group sensitivity

Based on the financial instruments held at balance date, the sensitivity to fair value movements through profit and loss and other comprehensive income as a result of reasonably possible changes in exchange rates are as follows:

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

33. Financial Risk Management Objectives and Policies *continued***(a) Market Risk** *continued***(iii) Foreign exchange risk** *continued*

	Post tax profit higher/(lower)		Other comprehensive income higher/(lower)	
	2021 \$m	2020 \$m	2021 \$m	2020 \$m
AUD/USD +10 cents (2020: +10 cents)	(0.4)	(0.5)	-	-
AUD/USD -10 cents (2020: -10 cents)	0.6	0.7	-	-
AUD/GBP +5 cents (2020: +5 cents)	(0.3)	-	-	-
AUD/GBP -5 cents (2020: -5 cents)	0.3	0.1	-	-
AUD/HKD +50 cents (2020: +50 cents)	(0.3)	(0.5)	-	-
AUD/HKD -50 cents (2020: -50 cents)	0.3	0.6	-	-

The Group uses derivative instruments such as forward exchange contracts to manage the currency risks arising from the Group's operations and its sources of finance.

Derivatives are exclusively used for hedging purposes and not as trading or other speculative instruments. These derivatives qualify for hedge accounting and are based on limits set by the Board.

Cash flow hedges

At balance date the Group had no cash flow hedges in relation to foreign exchange contracts (2020: nil).

(b) Price Risk**(i) Equity Securities Price Risk**

In December 2018, Crown entered into a derivative instrument to hedge its exposure under the 2017 Senior Executive Incentive Plan. This hedge does not qualify for hedge accounting and therefore has not been designated in a hedge accounting relationship. At inception the derivative asset was valued at \$4.0 million, with the value of the instrument reduced to nil at 30 June 2020. During the period the derivative instruments matured and were not exercised by the Group. At balance date, neither the Group nor the parent entity is exposed to equity securities price risk.

(ii) Commodity Price Risk

Neither the Group nor the parent entity is exposed to commodity price risk.

(c) Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and derivative instruments. The Group's exposure to credit risk arises from the potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is outlined under each applicable note.

The Group does not hold any credit derivatives or collateral to offset its credit exposure.

All investment and financial instruments activity is with approved counterparties with investment grade ratings and is in accordance with approved policies. There are no significant concentrations of credit risk within the Group and the aggregate value of transactions is spread amongst a number of institutions to minimise the risk of default of counterparties. In assessing the doubtful debts provisioning for trade receivables, the Group has measured credit risk using the 'Simplified Approach'. The Simplified Approach requires the recognition of lifetime expected credit losses at all times. The Group has elected to use a provision matrix utilising historical default rates, as well as taking into account current conditions and forecasts of future economic conditions. If the Group becomes aware of circumstances relevant to an individual or group of debtors that results in the matrix not being an appropriate basis for provisioning, then management discretion will be applied.

(d) Liquidity Risk

It is the Group's objective to maintain a balance between continuity of funding and flexibility through the use of cash reserves, committed bank lines and capital markets debt in order to meet its financial commitments in a timely manner.

At balance date 25.3% or \$307.5 million of the Group's interest bearing liabilities will mature in less than 12 months (2020: 0.7% or \$8.2 million).

As at balance date the Group had \$170.7 million in undrawn committed bank lines and \$476.0 million in cash and cash equivalents to mitigate the maturing liabilities (2020: \$401.3 million and \$286.9 million respectively).

As outlined in note 17, subsequent to year end the Group extended the maturity of the \$307.5 million of interest bearing liabilities that were due to mature in less than 12 months to October 2023. In addition, the Group has reached agreement with one of its relationship banks to provide a new \$250 million debt facility, subject to completion of long form documentation. The facility will provide Crown with debt funding of up to \$250 million (based on the value of unsold Crown Sydney apartments) to be used to partly fund any required redemption of Crown's Euro Medium Term Notes and associated make whole premium, or in certain circumstances, for general corporate purposes.

Maturity analysis of financial assets and liabilities

The table below analyses the Group's contractual undiscounted cash flows of financial assets and financial liabilities, net and gross settled derivative financial instruments into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

	1 year or less		1 to 5 years		more than 5 years		Total	
	2021 \$m	2020 \$m	2021 \$m	2020 \$m	2021 \$m	2020 \$m	2021 \$m	2020 \$m
Financial assets								
Cash and cash equivalents	476.0	286.9	-	-	-	-	476.0	286.9
Receivables - trade	19.6	111.2	-	-	-	-	19.6	111.2
Cross currency interest rate swaps receivable	8.3	9.0	33.1	35.9	82.7	98.8	124.1	143.7
Total financial assets	503.9	407.1	33.1	35.9	82.7	98.8	619.7	541.8
Financial liabilities								
Trade and other payables	429.4	426.5	-	-	177.2	172.3	606.6	598.8
Lease liabilities	7.9	7.8	21.7	15.8	150.6	140.8	180.2	164.4
Other loan liabilities	-	1.0	-	-	-	-	-	1.0
Capital markets	-	-	-	-	795.9	790.3	795.9	790.3
Bank loans	307.5	-	112.5	280.0	-	-	420.0	280.0
Interest rate swaps payable	0.1	2.2	-	-	-	-	0.1	2.2
Cross currency interest rate swaps payable	12.3	12.3	49.2	49.2	123.1	135.4	184.6	196.9
Total financial liabilities	757.2	449.8	183.4	345.0	1,246.8	1,238.8	2,187.4	2,033.6
Net maturity	(253.3)	(42.7)	(150.3)	(309.1)	(1,164.1)	(1,140.0)	(1,567.7)	(1,491.8)

Notes to the Financial Statements *continued*

For the year ended 30 June 2021

33. Financial Risk Management Objectives and Policies *continued***(e) 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.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

	Valuation Technique			Total \$m
	Quoted market price Level One \$m	Observable inputs Level Two \$m	Non market observable Level Three \$m	
Year ended 30 June 2021				
Financial Assets				
Cross currency swap contracts	-	12.7	-	12.7
	-	12.7	-	12.7
Financial Liabilities				
Interest rate swap contracts	-	0.1	-	0.1
	-	0.1	-	0.1
Year ended 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

There have been no transfers between fair value measurement levels during the financial year ended 30 June 2021.

Reconciliation of Level Three fair value movements

	2021 \$m	2020 \$m
Financial Liabilities		
Opening balance	2.4	0.7
Profit and Loss	2.0	1.7
Cash settlement of liability	(4.4)	-
Closing Balance - Financial Liabilities	-	2.4

(f) Changes in liabilities arising from financing activities

	Bank Loans	Capital Markets Debt	Lease Liabilities	Other Loans	Derivatives	Total Liabilities from Financing Activities
	\$m	\$m	\$m	\$m	\$m	\$m
Year ended 30 June 2021						
At 1 July 2020	280.0	790.3	58.7	1.0	2.4	1,132.4
Cash flows	140.0	-	(8.8)	(1.0)	-	130.2
Foreign exchange variations	-	5.4	0.3	-	-	5.7
Movement in fair value	-	-	-	-	(2.3)	(2.3)
Other	-	0.2	22.3	-	-	22.5
At 30 June 2021	420.0	795.9	72.5	-	0.1	1,288.5
Year ended 30 June 2020						
At 1 July 2019	28.5	1,049.1	-	1.0	4.5	1,083.1
Adoption of AASB16	-	-	54.5	-	-	54.5
Cash flows	251.9	(259.1)	(6.5)	-	-	(13.7)
Foreign exchange variations	(0.4)	-	(0.1)	-	-	(0.5)
Movement in fair value	-	-	-	-	(2.1)	(2.1)
Other	-	0.3	10.8	-	-	11.1
At 30 June 2020	280.0	790.3	58.7	1.0	2.4	1,132.4

Directors' Declaration

1. 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 30 June 2021 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001 (Cth);
 - b. the financial statements and notes also comply with International Financial Reporting Standards issued by the International Accounting Standards Board as disclosed in Note 1 of the Financial Report; and
 - c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 (Cth) for the financial year ended 30 June 2021.
3. In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 30 of the Financial Report will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

Signed in accordance with a resolution of the Directors.



Jane Halton AO PSM

Interim Chairman
9 September 2021

Shareholder Information

Substantial shareholders as at 31 August 2021

The following information is extracted from substantial shareholder notices received by Crown.

Shareholder	Number of Ordinary Shares	% of Issued Capital
Consolidated Press Holdings Pty Limited	249,253,302	36.81%
Midnight Acacia Holdings Pte. Limited	67,675,000	9.99%
Perpetual Limited	62,418,654	9.22%

Holders of each class of securities as at 31 August 2021

Crown has 677,158,271 ordinary shares on issue held by 41,646 shareholders.

Voting rights of ordinary shares

Crown's Constitution sets out the information in relation to the voting rights attached to shares. In summary, at a general meeting:

- (a) on a show of hands, every member present has one vote; and
- (b) on a poll, every member present has:
 - (i) one vote for each fully paid share held by the member and in respect of which the member is entitled to vote; and
 - (ii) a fraction of a vote for each partly paid share held by the member and in respect of which the member is entitled to vote, equivalent to the proportion which the amount paid on the share bears to the total amounts paid and payable on the share.

Distribution of shareholders as at 31 August 2021

Size of Holdings	Number of Shareholders	% of Issued Capital
1 – 1,000	29,865	1.56
1,001 – 5,000	10,283	3.26
5,001 – 10,000	991	1.03
10,001 – 100,000	453	1.45
100,001 and over	54	92.70
Total	41,646	100.00

The number of shareholders holding less than a marketable parcel of ordinary shares is 3,404 (based on a closing market price of ordinary shares on 31 August 2021).

Shareholder Information *continued*

The 20 largest shareholders as at 31 August 2021

	Name	No. of Shares	% of Issued Capital
1	CPH CROWN HOLDINGS PTY LTD	237,025,000	35.00
2	CITICORP NOMINEES PTY LIMITED	127,062,018	18.76
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	113,321,488	16.73
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	78,645,816	11.61
5	NATIONAL NOMINEES LIMITED	13,310,550	1.97
6	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	10,645,569	1.57
7	UBS NOMINEES PTY LTD	9,481,212	1.40
8	BNP PARIBAS NOMS PTY LTD <DRP>	7,834,424	1.16
9	CONSOLIDATED PRESS HOLDINGS PTY LIMITED	6,000,000	0.89
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	4,505,738	0.67
11	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	2,273,872	0.34
12	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	2,155,900	0.32
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>	1,633,974	0.24
14	ARGO INVESTMENTS LIMITED	1,609,184	0.24
15	WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	1,101,157	0.16
16	BNP PARIBAS NOMS (NZ) LTD <DRP>	790,773	0.12
17	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	623,563	0.09
18	AUSTRALIAN EXECUTOR TRUSTEES LIMITED <IPS SUPER A/C>	600,712	0.09
19	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	497,274	0.07
20	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	466,723	0.07
	Total	619,584,947	91.50

Additional Information

Shareholder enquiries

Shareholders may access their details by visiting the website of Crown's Share Registry, Computershare, at www.investorcentre.com. For security reasons, shareholders will be required to enter their Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode to access personal information. Security holding information may be updated online at any time. Alternatively, shareholders can update their details by phone or by writing to the Share Registry. Shareholders with queries about their shareholdings should contact the Share Registry either online at www.investorcentre.com, by phone on 1300 659 795 (within Australia) or on +61 3 9415 4000 (outside Australia) or alternatively by writing to: Computershare Investor Services, GPO Box 2975, Melbourne, Victoria 3001.

Electronic shareholder communications

Crown encourages shareholders to elect to receive shareholder communications electronically instead of by post as it enables shareholders to:

- receive important shareholder and company information faster;
- reduce the impact on the environment;
- securely store important shareholder documents online; and
- access all documents conveniently 24/7.

Shareholders who wish to receive email alerts with copies of Crown's Annual Reports, Notices of Meeting, Issuer Holding Statements, Payment Advices and other company related information may update their communication preference online at www.investorcentre.com or by contacting the Share Registry.

Change of address

Issuer sponsored shareholders should immediately update their details online at www.investorcentre.com or by contacting the Share Registry. Changes in addresses for broker sponsored holders should be directed to the sponsoring brokers with the appropriate HIN.

Direct payment to shareholders' accounts

Dividends may be paid directly to any bank, building society or credit union account in Australia. Payments are electronically credited on the dividend date with advisory confirmation containing payment details either mailed or sent electronically to shareholders. Shareholders who wish to have their dividends paid directly to their account should update their payment instructions online at www.investorcentre.com or by contacting the Share Registry prior to the dividend record date.

Tax File Numbers

Crown is obliged to deduct tax at the top marginal tax rate plus the Medicare levy from unfranked or partially franked dividends paid to Australian resident shareholders who have not supplied their Tax File Number (TFN) or exemption details. If you wish to provide your TFN or exemption details, please update your details online at www.investorcentre.com or by contacting the Share Registry.

Consolidation of multiple holdings

If you have multiple holdings that you wish to consolidate, please advise the Share Registry in writing. If your holdings are broker sponsored, please contact the sponsoring broker directly.

Crown's website

Crown has a dedicated corporate website at www.crownresorts.com.au which includes Crown's Annual Reports, Notices of Meeting and other Explanatory Memoranda and disclosures made to the ASX.

Investment warning

All information provided in the Annual Report is provided as at the date stated or otherwise as at the date of this Report.

This Report has not taken into account any particular investor's investment objectives or other circumstances. Investors are encouraged to make an independent assessment of Crown or to seek independent professional advice.

Corporate Information

Directors

Jane Halton AO PSM, BA (Hons) Psychology, FIML, FIPAA, Hon. FAAHMS, Hon. FACHSE, Hon. DLitt (UNSW), Interim Chairman

Dr Ziggy Switkowski AO, PhD (Melbourne), FAA, FTSE, FAICD, Chairman-Elect (subject to regulatory approval)

Steve McCann, LLB, BEc, Chief Executive Officer and Managing Director-Elect Crown Resorts Limited (subject to regulatory approval), Chief Executive Officer and Director Crown Melbourne Limited

Antonia Korsanos, BEc, CA, GAICD

Nigel Morrison, B.Com, FCPA

Bruce Carter, B.Econ, MBA, FAICD, FICA

Company Secretary

Alan F McGregor, B.Com, CA

Crown's Registered Office and Principal Corporate Office

Level 3
Crown Towers
8 Whiteman Street
Southbank VIC 3006
Australia
Phone: +61 3 9292 8824

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067

Phone: 1300 659 795 (within Australia)
+61 3 9415 4000 (outside Australia)

Fax: +61 3 9473 2500

Website: www.computershare.com.au

Securities Exchange Listing

Crown's ordinary shares are listed on the Australian Securities Exchange under the code "CWN".
Crown's Subordinated Notes II are listed on the Australian Securities Exchange under the code "CWNHB".
The home exchange is Melbourne.

Annual General Meeting

10:00am Australian Eastern Standard Time (AEST)
Thursday, 21 October 2021
Virtual Meeting

Website

www.crownresorts.com.au

Auditor

KPMG

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**CROWN
RESORTS**