



**ASX / MEDIA RELEASE
FOR IMMEDIATE RELEASE
17 February 2022**

**CROWN SUBORDINATED NOTES II
ASX CODE: CWNHB
KEY FINANCIAL RATIOS¹**

MELBOURNE: Crown Resorts Limited (ASX:CWN) (Crown) today released the Leverage Ratio and Interest Cover Ratio which have been calculated for the reporting period ended 31 December 2021 in accordance with the Terms of the Crown Subordinated Notes II as contained in the Prospectus dated 25 March 2015 (Prospectus). Unless otherwise defined in this announcement, capitalised terms have the same meaning as defined in the Prospectus.

As set out in the Prospectus, the Leverage Ratio and Interest Cover Ratio are tested every six months on a Testing Date to determine whether or not a Mandatory Deferral Event exists in respect of Crown Subordinated Notes II.

A Mandatory Deferral Event exists if the Interest Cover Ratio in relation to a Testing Date is less than the Minimum Level (being 2.5 times) or if the Leverage Ratio in relation to two consecutive Testing Dates is above the Maximum Level (being 5.0 times).

As at the Testing Date for the 31 December 2021 reporting period:

- The Interest Cover Ratio was 0.6 times, being below the Minimum Level of 2.5 times; and
- The Leverage Ratio was 22.0 times, being above the Maximum Level of 5.0 times.

As the Interest Cover Ratio was less than the Minimum Level, a Mandatory Deferral Event exists, resulting in the interest payments scheduled to be paid on 14 March 2022 and 14 June 2022 becoming Mandatorily Deferred Interest Payments and payable at a later date.

Mandatorily Deferred Interest Payments are cumulative and compounding with interest accruing on a daily basis at the prevailing Interest Rate and compounding quarterly up to but excluding the date of actual payment.

Mandatorily Deferred Interest Payments become due and payable on the Mandatory Payment Reference Date (as defined in the Terms), which includes the date on or following which the Mandatory Deferral Event is no longer continuing or five years have elapsed since the longest outstanding Mandatorily Deferred Interest Payment was initially deferred, in each case subject to further deferral at Crown's option where permitted by the Terms. The Mandatory Payment Reference Date will also occur in certain other circumstances including on the Maturity Date or the date on which Crown Subordinated Notes II are otherwise redeemed.

A Mandatory Deferral Event will continue until the Interest Cover Ratio in relation to a Testing Date is at or above the Minimum Level and the Leverage Ratio has not been above the Maximum Level in relation to two consecutive Testing Dates.

Investors should refer to the Terms for further details.

¹ This release should be read in conjunction with Crown's 2022 Half Year results announcement, presentation and Appendix 4D which were released on the same date as this announcement

Crown will make a further announcement to the market at the time the Mandatorily Deferred Interest Payments become payable, including details of the date for determining holder entitlements.

Interest Cover Ratio (Normalised EBITDA / Relevant Net Interest Paid):

The Interest Cover Ratio is calculated as Normalised EBITDA² for the relevant six month period divided by Relevant Net Interest paid for the relevant six month period.

The table below shows the Interest Cover Ratio for the six month period ended 31 December 2021.

	6 months ended 31 December 2021 (\$m)
Normalised EBITDA ²	28.8
Interest paid	58.1
Interest received	(0.3)
Net Interest Paid	57.8
Less 50% of the interest paid Crown Notes	(6.5)
Relevant Net Interest Paid	51.3
Interest Cover Ratio (times)	0.6
Minimum Level (times)	>2.5

Leverage Ratio (Relevant Gross Debt (divided by two) / Normalised EBITDA):

The Leverage Ratio is calculated as Relevant Gross Debt (divided by two) for the relevant six month period to Normalised EBITDA² for the relevant six month period.

Relevant Gross Debt is calculated in accordance with the Terms as Adjusted Gross Debt³ less 50% of the outstanding balance of the Notes and the outstanding principal amount of each other Security issued by Crown multiplied by the level of ascribed Equity Credit.

The table below shows the Leverage Ratio for the six month period ended 31 December 2021.

	6 months ended 31 December 2021 (\$m)
Adjusted Gross debt	1,574.6
Less 50% of the outstanding balance of Crown Notes	(308.0)
Relevant Gross Debt	1,266.6
Relevant Gross Debt (divided by two)	633.3
Normalised EBITDA ²	28.8
Leverage Ratio (times)	22.0
Maximum Level (times)	<5.0

2 Normalised EBITDA is a non-IFRS measure. This measure is used to perform the calculation of the Interest Cover Ratio as required by the Terms of the Crown Subordinated Notes. Non-IFRS measures have not been subject to audit or review. Normalised EBITDA represents EBITDA which has been adjusted to exclude the impact of any variance from the Theoretical Win Rate on VIP program play, as defined in the Prospectus. For the six month period ended 31 December 2021, EBITDA is before significant items and costs incurred at Crown's properties whilst the properties were closed due to Government direction.

3 Adjusted Gross Debt is a non-IFRS measure. This measure is used to perform the calculation of the Leverage Ratio as required by the Terms of the Crown Subordinated Notes. Non-IFRS measures have not been subject to audit or review. Adjusted Gross Debt is calculated as total current and non-current interest bearing liabilities adjusted to remove any fair value adjustments on borrowings in hedge relationships, as defined in the Prospectus.

ENDS

This announcement was authorised for release by the Crown Board.

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