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DELTA REPORT

10-K

BALY - BALLYS CORP

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	6189
CHANGES	489
DELETIONS	2085
ADDITIONS	3615

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K


(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2022** **December 31, 2023**
or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 001-38850

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BALLY'S CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

20-0904604

(I.R.S. Employer Identification No.)

100 Westminster Street, Providence, RI 02903

(Address of principal executive offices) (Zip Code)

(401) 475-8474

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value of \$0.01 per share	BALY	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting common stock held by non-affiliates of the registrant as of **June 30, 2022** **June 30, 2023** based on the closing price on the New York Stock Exchange for such date, was approximately **\$789.9 million** **\$529.8 million**.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of February 14, 2023 February 14, 2024
Common stock, \$0.01 par value	46,682,544 40,089,295

For additional information regarding the Company's shares outstanding, refer to Note **17** **19** "Stockholders' Equity."

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for the Annual Meeting of Stockholders to be held on **May 17, 2023** **May 16, 2024** are incorporated by reference into Part III of this Annual Report on Form 10-K.

BALLY'S CORPORATION
ANNUAL REPORT ON FORM 10-K
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Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K includes forward-looking statements within the meaning of the federal securities laws. Forward-looking statements are statements as to matters that are not historical facts, and include statements about our plans, objectives, expectations and intentions.

Forward-looking statements are not guarantees and are subject to risks and uncertainties. Forward-looking statements are based on our current expectations and assumptions. Although we believe that our expectations and assumptions are reasonable at this time, they should not be regarded as representations that our expectations will be achieved. Actual results may vary materially. Forward-looking statements speak only as of the time of this Annual Report on Form 10-K and we do not undertake to update or revise them as more information becomes available, except as required by law.

Important factors beyond those that apply to most businesses, some of which are beyond our control, that could cause actual results to differ materially from our expectations and assumptions include, without limitation:

- unexpected costs, difficulties integrating and other events impacting our completed acquisitions and our ability to realize anticipated benefits;
- unexpected costs and other events impacting our planned construction projects, including Bally's Chicago;
- risks associated with our rapid growth, including those affecting customer and employee retention, integration and controls;
- risks associated with the impact of the digitalization of gaming on our casino operations, our expansion into online gaming ("iGaming") and sports betting and the highly competitive and rapidly changing aspects of our interactive businesses generally;
- the very substantial regulatory restrictions applicable to us, including costs of compliance;
- uncertainties surrounding the COVID-19 pandemic, any variant of COVID-19 or similar health emergencies, including limitations on our operations, increased costs, changes in customer attitudes, impact on our employees and the impact on general economic conditions;
- global economic challenges, including the impact of the war in Ukraine, public health crises, global and regional conflicts, rising inflation, rising interest rates and supply-chain disruptions could cause economic uncertainty and volatility;
- restrictions and limitations in agreements to which we are subject, including our debt, could significantly affect our ability to operate our business and our liquidity; and
- other risks identified in Part I. Item 1A. "Risk Factors" of this Annual Report on Form 10-K.

The foregoing list of important factors is not exclusive and does not include matters like changes in general economic conditions that affect substantially all gaming businesses.

You should not place undue reliance on our forward-looking statements.

PART I

ITEM 1. BUSINESS

Bally's Corporation, a Delaware corporation, with global headquarters in Providence, Rhode Island, is referred to as the "Company," "Bally's," "we," "our" or "us." Our common stock is traded on the New York Stock Exchange (the "NYSE") under the symbol "BALY."

Our Company

We are a global gaming, hospitality and entertainment company with a portfolio of casinos and resorts and online gaming businesses. We provide our customers with physical and interactive entertainment and gaming experiences, including traditional casino offerings, iCasino, iGaming, online bingo, sportsbook and free-to-play ("F2P") games.

As of December 31, 2022 December 31, 2023, we own and manage 15 16 land-based casinos and one horse racetrack in ten 10 states across the United States ("US"), one golf course in New York, and one horse racetrack in Colorado operating under the Bally's brand. Our land-based casino operations include approximately 14,800 15,500 slot machines, 500 600 table games and 5,300 hotel rooms, along with various restaurants, entertainment venues and other amenities. In 2021, we acquired London-based Gamesys Group Ltd. ("Gamesys") to expand our geographical and product footprints to include an iGaming business with well-known brands providing iCasino and online bingo experiences to our global online customer base with concentrations in Europe and Asia and a growing presence in North America. Our revenues are primarily generated by these gaming and entertainment offerings. We own and operate our Our proprietary software and technology stack which is designed to allow us to provide consumers with differentiated offerings and exclusive content.

Our Strategy and Business Developments

We seek to continue to grow our business by actively pursuing the acquisition and development of new gaming opportunities and reinvesting in our existing operations. We believe that interactive gaming represents a significant strategic opportunity for the future growth of Bally's and we will continue to actively focus resources in markets that we believe will regulate iGaming. We seek to increase revenues at our casinos and resorts through enhancing the guest experience by providing popular games, restaurants, hotel accommodations, entertainment and other amenities in attractive surroundings with high-quality guest service. We believe that our recent acquisitions have expanded and diversified us from financial and market exposure perspectives, while continuing to mitigate our susceptibility to regional economic downturns, idiosyncratic regulatory changes and increases in regional competition.

We continue to make progress on the integration of our acquired assets and deploying capital on our strategic growth projects. Notable efforts in the current year include:

- In January 2022, we launched Bally Casino, an iCasino app, in New Jersey and in November 2022, we launched our first combined casino and sports book app, Bally Bet Sportsbook & Casino, in Ontario, Canada. We will continue to focus on jurisdictions where there are iCasino opportunities.
- In June 2022, we signed a host community agreement with the City of Chicago to develop Bally's Chicago, a flagship, destination casino resort in downtown Chicago, Illinois. This agreement provides us with the exclusive right to operate a temporary casino, which is expected to open in the second half of 2023, while the permanent casino resort is constructed.
- On September 26, 2022, we completed our acquisition of Tropicana Las Vegas from Penn Entertainment, Inc. and Gaming and Leisure Properties, Inc. ("GLPI"), providing us with a presence on the Las Vegas Strip.

- During 2022, we made significant progress on our capital improvement and expansion projects focused on gaming and non-gaming amenities at our Bally's Atlantic City, Bally's Lincoln and Bally's Kansas City properties renovating hotel rooms, expanding our gaming floors and product offerings and introducing new restaurant concepts, spas and other customer experience venues.
- On January 3, 2023, we completed the sale-leaseback transaction for the land and real estate assets of Bally's Tiverton and Hard Rock Biloxi for an aggregate consideration of \$635 million \$625.4 million. This transaction was structured as a tax-free capital contribution, allowing us to utilize funds to reduce debt and be better positioned for continued growth projects.
- In the first half of 2023, we opened the Bally's Twin River expansion, which included the addition of 40,000 square feet of new gaming space in a landmark expansion of our casino floor, as well as the region's largest spa inspired by Korea's traditional bath houses. Our expansion represents our continued partnership with, and commitment to invest \$100 million in, our home state of Rhode Island and its workforce.
- In May 2023, in conjunction with Gaming & Leisure Properties, Inc. ("GLPI"), we announced a binding term sheet with the Oakland Athletics of Major League Baseball to site their new ballpark on a portion of our Tropicana Las Vegas property. The ballpark is expected to welcome more than 2.5 million fans and visitors annually and will be a one-of-a-kind asset for the Las Vegas Strip.
- In June 2023, we launched our mobile iGaming app in Pennsylvania, making it our third active iGaming region, following Ontario, Canada in 2022 and New Jersey in late 2021. In June 2023, Rhode Island legalized iGaming, naming Bally's as the sole provider in the state. We anticipate launching our iGaming app in Rhode Island in early 2024, offering popular live casino games such as blackjack, roulette and baccarat. We will continue to focus on jurisdictions where there are iGaming opportunities.
- We rolled out our new Bally Bet sportsbook app, with our partners Kambi and White Hat Gaming, in seven US states. We intend to continue rolling out our app to new jurisdictions within the US throughout 2024 to increase customer engagement with the Bally brand and expand our online sports betting presence.
- In the beginning of September 2023, we opened our temporary casino at the Medinah Temple in Chicago, Illinois, with approximately 791 slot machines, 56 table games, and several food and beverage offerings. We remain on track to break ground on the permanent casino development in downtown Chicago in 2024, which will become our flagship destination casino resort.
- In September 2023, we opened our land-based property expansion at Bally's Kansas City, which transformed the property, through an extensive aesthetic renovation to its interior and exterior, and through the addition of enhanced dining and gaming experiences. The expansion represents the most significant investment that Bally's has made in the property since its acquisition in 2020.
- In September 2023, we acquired Trump Golf Links at Ferry Point, subsequently renamed to Bally's Golf Links at Ferry Point, which includes the assignment of a license agreement to operate an 18-hole links-style golf course located in the Bronx, New York. This acquisition continues our strategic objective of developing a diversified portfolio within our Casinos & Resorts segment.

These steps have positioned us as a prominent, full-service, vertically integrated iGaming company, with physical casinos and online gaming solutions united under a single, leading brand.

For further information on our recent acquisitions, refer to Note 6 "Business Combinations" to our consolidated financial statements presented in Part II, Item 8 of this Annual Report on Form 10-K.

Our Operating Structure

Our business is organized into three reportable segments: (i) Casinos & Resorts, (ii) North America International Interactive, and (iii) International North America Interactive.

Casinos & Resorts - includes our 15 16 land-based casino properties, one horse racetrack and one horse racetrack; golf course.

Property Name	Location
Bally's Atlantic City Casino Resort ("Bally's Atlantic City")	Atlantic City, New Jersey
Bally's Black Hawk ⁽¹⁾⁽²⁾	Black Hawk, Colorado
Bally's Chicago Casino ("Bally's Chicago") ⁽³⁾	Chicago, Illinois
Bally's Dover Casino Resort ("Bally's Dover") ⁽²⁾	Dover, Delaware
Bally's Evansville Casino & Hotel ("Bally's Evansville") ⁽²⁾	Evansville, Indiana
Bally's Kansas City Casino ("Bally's Kansas City")	Kansas City, Missouri
Bally's Lake Tahoe Casino Resort ("Bally's Lake Tahoe")	Lake Tahoe, Nevada
Bally's Quad Cities Casino & Hotel ("Bally's Quad Cities") ⁽²⁾	Rock Island, Illinois
Bally's Shreveport Casino & Hotel ("Bally's Shreveport")	Shreveport, Louisiana
Bally's Tiverton Casino & Hotel ("Bally's Tiverton") ⁽²⁾	Tiverton, Rhode Island
Bally's Twin River Lincoln Casino Resort ("Bally's Twin River")	Lincoln, Rhode Island
Bally's Vicksburg Casino ("Bally's Vicksburg")	Vicksburg, Mississippi
Hard Rock Hotel & Casino Biloxi ("Hard Rock Biloxi") ⁽²⁾	Biloxi, Mississippi
Tropicana Las Vegas Casino and Resort ("Tropicana Las Vegas") ⁽²⁾	Las Vegas, Nevada
Bally's Arapahoe Park	Aurora, Colorado
Bally's Golf Links at Ferry Point ("Bally's Golf Links")	Bronx, New York

(1) Consists of three casino properties: Bally's Black Hawk North Casino, Bally's Black Hawk West Casino and Bally's Black Hawk East Casino.

(2) Properties leased from GLPI. Refer to Note 17 "Leases" for further information.

(3) Temporary casino facility, as a permanent casino resort is being constructed.

International Interactive - includes Gamesys, a business-to-consumer ("B2C") iCasino operator.

North America Interactive - includes the following North America businesses:

- Bally's Interactive, primarily a business to consumer B2C online iCasino iGaming and online sportsbook operator; and
- Consumer facing service and marketing engines, including SportCaller, a B2B business-to-business ("B2B") and F2P game provider for sports betting companies; Live at the Bike, an online subscription streaming service featuring livestream and on-demand poker videos and podcasts; and an investment in the Association of Volleyball Professionals ("AVP"), a professional beach volleyball organization and host of the longest-running domestic beach volleyball tour, tour, and an investment in Watch Stadium, a content distribution channel focused on sporting events.

The North America Interactive reportable segment also includes the North American operations of Gamesys, a B2C iCasino operator.

International Interactive - includes Gamesys.

Refer to Note 21 23 "Segment Reporting" to our consolidated financial statements presented in Part II, Item 8 of this Annual Report on Form 10-K for additional information on our segment reporting structure.

Our Brands

Bally's Brand

Bally's is an iconic brand. We performed extensive market research in which active gamers indicated an acute awareness of the brand, but not necessarily a high usage of brand products and gaming offerings. We have rebranded every casino and resort in our portfolio, except Hard Rock Biloxi, to build upon the deep legacy of the Bally's brand.

Additionally, our research told us that gamers across the demographic age spectrum knew of Bally's brand and identified with the gaming entertainment aspect of slot machines, pinball machines, video machines and casinos. We believe in the industrial logic and vision of Bally's becoming a premier, truly integrated, omni-channel gaming company for both retail and online gamers. These insights form the key tenets of our integrated Bally Rewards program specifically to enable customers to utilize compelling rewards universally in our interactive and casino and resort environments.

Our Sinclair Broadcast Group ("Sinclair") media affiliation adds to our comprehensive touchpoint strategy, which strengthens our ability to attract new customers to our integrated brand by showcasing Bally's with millions of daily impressions.

We believe that our phased approach to the transformation of Bally's brand was thoughtful and deliberate. There are exceptions to our rebranding initiative. For example, in the case of Hard Rock Biloxi, we decided to maintain the current "Hard Rock" naming rights arrangement. Nonetheless, Bally's remains at the center of our strategy.

In summary, we remain focused in our continuing effort to rebirth Bally's brand as a legendary, integrated brand, leveraging our casino and resort, interactive and media environments with a compelling rewards program to rival our competition.

Interactive Brands

We operate a suite of award-winning brands and are focused on building a diverse portfolio of distinctive and recognizable brands that deliver best-in-class platforms, player experiences and gaming content globally. Our brands are generally as follows, which include certain licensed brands:

- iCasino iGaming brands include Bally Casino, Rainbow Riches Casino, Virgin Casino, Virgin Games, Megaways Casino, VIP Casino, Vera & John, InterCasino, Monopoly Casino, Yuugado, Canal Bingo, VIP Casino, Casino Secret;
- Sportsbook brand is Bally Bet;
- F2P brand is Bally Play; and SportCaller, a F2P games content provider;
- Online bingo brands include Jackpotjoy, Double Bubble Bingo and Botemania;
- SportCaller, a F2P games content provider;
- Gamesys, an iCasino iGaming and online bingo platform provider and operator; and
- Telescope, a provider of real-time audience engagement solutions for live events, gamified second screen experiences and interactive livestreams.

Bally Sports Brand

Inherent in our naming rights arrangement with Sinclair, our Bally Sports brand encompasses a lineup of 19 regional sports networks to position the Bally Sports brand to be a well-known participant in the sports media industry, producing award-winning live game coverage, while creating and innovating multiplatform content that engages millions of sports fans across the US. We are home to America's most comprehensive regional sports media rights portfolio that includes more than half of the US-based Major League Baseball, National Basketball Association and National Hockey League teams.

We believe Bally Sports represents the future of sports fandom. We are seeking to cultivate and engage the next generation of fans by pursuing opportunities to create an omni-channel entertainment experience with sports at its core. By leveraging the collective scale of our regional sports media rights portfolio, we will seek to develop engaging content across an ever-expanding ecosystem of platforms and devices, meeting fans at the intersection of technology and sports culture. We believe that Bally Sports' investment in the gamification of sports will usher in a new era of live, interactive sports that will provide fans the opportunity to interact with games in real time, on a personalized level, creating a national lean-in experience.

Our Technology and Product Development

The At Bally's, we've brought together a blend of real money technology platforms and know-how that together deliver a portfolio of exciting, diverse, and localized gaming products.

At its heart, we combine more than 20 years of experience from competitive European online gaming markets, Bally's real-money gaming solutions is the union of the Gamesys platform iGaming products and entrepreneurial spirit, and strong partnerships with Bally's casinos and resorts and third-party iGaming products. The combined casino, sports and additional online marketing assets provide social gaming, game development and marketing partnerships that integrate with the casinos and resorts creating an exciting and diverse gaming, hospitality and entertainment environment. & Sports providers. Our investment in gaming platforms along with our talented technical technology and product development teams allowed Bally's continue to demonstrate a capability to relentlessly develop our products and launch into new markets. Our teams are highly skilled, ambitious and experienced.

In 2021, within our North America Interactive reporting segment, we rolled out Bally Casino to New Jersey within only two months after our acquisition of the Gamesys acquisition, Gamesys. In 2022, we rolled-out introduced our new BallyBet 2.0 Product "Bally Bet 2.0" product to Arizona, New York, Ontario, and Indiana, all leveraging the Bally's Interactive "Evolve" sports engine, combined with the acquired heritage of Gamesys. In 2023, we enhanced and expanded omni-channel marketing features. the reach of our Sportsbook and iGaming products through our strategic partnerships with White Hat Gaming and Kambi Sportsbook. Through the passage of Legislation in June 2023, allowing iGaming in the State of Rhode Island, we have been authorized, on behalf of the State Lottery Division, to be the exclusive provider of iGaming to Rhode Island customers for 20 years. We anticipate offering, through a partnership with live casino software provider, StakeLogic B.V., online slots, as well as live table games, streamed from a new state of the art live dealer studio at our Bally's Twin River property.

Our investment International Interactive reporting segment has continued to nurture our mature and highly successful B2C business in core disciplines across technology, analytics the UK and marketing have allowed us our B2B business in Japan. In 2023 we expanded in the UK with the launch of the Bally Casino brand, continued to rapidly bring innovative perform well in Japan with highly localized iGaming product developments, and had a soft-launch into Brazil with "BoaBet", a new experiences to market brand combining a localized set of sports and provide unique insights into our customer habits and their interactions with both offline and online experiences. The result has been a highly efficient marketing conversion and retention platform that combines online and offline opportunities, casino products tailored for the Brazilian market.

Our product offerings technology platforms comprise varying levels of proprietary and third-party software. We invest in internally developed technology where we believe we can use it to leverage a competitive advantage in the market. Our proprietary platform binds together our product offerings, providing platforms provide core player account management functionality, including responsible gaming, regulatory critical compliance and electronic wallet capabilities. Across our product offerings, we have endeavored to own the technology in-house for all critical components, and to utilize high-performance electronic wallets. Our data and analytics platform helps drive core marketing processes and provides the basis for a combination global gaming customer-focused platform across our portfolio of new technologies, including data science and machine learning, to optimize conversion, efficiency and efficacy.

Our experience from the highly competitive European markets, especially in the UK, allows us to leverage advanced artificial intelligence ("AI"), machine learning and retention capabilities across the online sports, casino and bingo product lines and to bring that expertise to our offline casinos and resorts. We have integrated the previous Bet.Works sports engine with the Gamesys casino platform, known as the Evolve platform, to create a seamless, high performance, efficient and effective online gaming product, BallyBet 2.0, that links our casinos and resorts activity with our iGaming products. Our continued investments into kiosk and player rewards recognize both online and offline activity and are at the forefront of our omni-channel strategy, gaming businesses.

Bally's core product offerings are built on integrated, proprietary account management technology. This We intend to continue to invest in technology provides users that drives business performance with access a competitive edge while continuing to their account history integrate our products across our entire portfolio of businesses into a unified and a

uniform identity verification system, which is critical in enabling navigation from seamless customer experience. We plan to continue to expand and optimize our national audience data analytics platform to our iGaming and sportsbook products. Our internally developed machine learning and AI tools recommend games, rewards and payment options and payment amounts to best suit our player's preferences. We use our AI and machine learning skills to also protect our players by working at the forefront of the industry in developing advanced systems to better identify and manage signs of problem gambling, behaviors.

We are further investing in the Bally technology and product platform to achieve our vision of a seamless player journey between offline and online gaming and entertainment worlds that recognize and reward players through their entire lifetime whether in our casinos and resorts or online in any of our gaming and entertainment offerings. By leveraging our casinos and resorts, Sinclair partnership and iGaming products and brands, we strive while continuing to deliver an entirely new omni-channel entertaining gaming and entertainment experience to our customers.

We plan to invest in core disciplines across our technology, analytics and marketing platforms to bring new experiences to market and gain an understanding of our customers. We are focused on building a strong brand reputation to distinguish us from our competitors, globally.

Marketing

The marketing efforts under the Bally's brand are primarily executed through six funnels: Advertising, Direct Marketing, Player Development, Special Events advertising, direct marketing, player development, special events and Promotions, Entertainment promotions, entertainment and the Bally Rewards loyalty program.

Our Casino Operations team plays a significant role in attracting and retaining our customers. Every customer who interacts with a process, such as an automated teller machine (ATM) or kiosk, or an employee is met with an attempt to garner a return visit and then, in turn, make a recommendation to family and friends. Hence "R2," an abbreviation for "Return and Recommend," is Bally's marketing and casino operations mantra.

The funnels are as follows:

Advertising

Bally's targets its demographics throughout the nation via radio, television, billboards, print, direct mail, email, digital and social media campaigns. We seek to target the right customer at the right time with the right message to increase brand awareness and drive business. We do modest image advertising, but more predominantly lean towards call-to-action messaging.

Direct Marketing

We use Direct Marketing direct marketing to establish a personal relationship with customers. This form of marketing typically involves an offer and a call to action to incentivize an initial or additional casino visit or engagement with our iGaming products. Our focus on individual behavior, rather than broad segments (which have been the traditional industry approach), is designed to allow us to execute a "Precision Marketing Model." We believe that we understand the influential attributes that attract players and, as a result, we can market to the point of diminishing returns while avoiding low-return spending.

Player Development

Player Development development is our link to our premium customers. We utilize a process under the Precision Marketing Model that is designed to enable our team to efficiently manage sales efforts to attract customers. We believe the potential exists to engage increasingly more with our customers as they move throughout our brands.

Special Events and Promotions

This category refers to the mass public promotions that are weaved into the marketing calendar in concert with Direct Marketing, direct marketing. Our casino marketing team seeks to leverage tried-and-true promotions that attract and entertain players in an effort to retain them for the long term.

Entertainment

The mission to attract and retain gamers is evident in our entertainment strategy. Bally's headliner strategy is to entertain our customers while recovering the cost of the act through cash sales. Additional entertainment is offered at Bally's lounges and bars and designed to support our branding mission which is based on offering an engaging and entertaining experience.

Bally Rewards

Bally Rewards is our core loyalty program and was devised to establish consistency throughout Bally's brand. Players earn tier points to achieve a tier status of Pro, Star, Superstar and ultimately Legend. We are developing the connectivity of this program by our "one card" linking systems, which universally link to all Bally's casinos, resorts and our interactive business units. We are also planning to provide benefits outside of what is offered in our casinos and resorts to add value to the membership.

Interactive Cross Marketing

We design collaborative, cross-marketing campaigns that include direct mail, on-property marketing and VIP marketing in an effort to increase interactive sign-ups and introduce interactive players to our casinos and resorts. This cross-marketing campaign is currently being launched at Bally's Atlantic City.

Competition

The gaming industry is characterized by a high degree of competition among a large number of operators, including land-based casinos, riverboat casinos, dockside casinos, video lotteries, traditional lotteries, video gaming terminals at taverns in certain states, sweepstakes and poker machines not located in casinos, Native American gaming, emerging varieties of iGaming and daily fantasy sports gaming, increased sports betting and other forms of gaming in the US. In a broader sense, our gaming operations face competition from many leisure and entertainment activities, including, for example: shopping, athletic events, television and movies, concerts and travel. Legalized gaming is currently permitted in various forms in different parts of the US, in several Canadian provinces and on many lands taken into trust for the benefit of certain Native Americans American Tribes in the US and First Nations in Canada. We face significant competition in each of the jurisdictions in which we operate. Such competition may intensify in some of these jurisdictions if new gaming operations open in these markets or existing competitors expand their operations. Our properties compete directly with other gaming properties in each state in which we operate, except for Rhode Island, as well as in adjacent states. In some instances, particularly with Native American casinos, our competitors pay substantially lower taxes or no taxes at all. We believe that increased legalized gaming in other states, particularly in areas close to our existing gaming properties and the development or expansion of Native American gaming in or near the states in which we operate, could create additional competition for us and could adversely affect our operations or future development projects. See "Item 1A. Risk Factors" of this Annual Report on Form 10-K for more information on competition.

Seasonality

Casino, hotel and racing operations in our markets are subject to seasonal variation. Seasonal weather conditions can frequently adversely affect transportation routes to each of our properties and may cause flooding and other effects that result in the closure of our properties. As a result, unfavorable seasonal conditions could have a material adverse effect on our operations. Our sports betting business may experience seasonality based on the relative popularity of certain sports at different times of the year.

Human Capital Resources

Employee Relations, Diversity and Social Inclusion

A driving factor of our success is the recruitment and retention of employees who are committed to providing outstanding guest service that promotes diversity, inclusion and respect. To promote and foster a culture of inclusion, our properties have hiring initiatives that are aimed at increasing diversity and promoting gender equality and we welcome employees of all backgrounds. The Company believes that in order to flourish in a competitive environment and global economy, all ideas must be on the table, and an environment that welcomes and includes diverse perspectives leads to success in business.

We believe that by providing our employees with competitive pay and benefits, as well as opportunities for professional development, we can achieve our goals of attracting and retaining a diverse and engaged workforce. Our professional development efforts include robust training programs, at no cost to the employee, scholarships, and tuition reimbursement opportunities. In addition, we recently implemented a Management Development Program, which is designed to allow us to identify and promote high performing talent within our workforce. We also engage with our employees through a number of health and wellness programs which include, an annual wellness fair, annual flu shots, weight loss programs, quarterly fitness challenges, employee assistance program, student loan assistance, and weekly wellness communications providing helpful information on health initiatives.

We also believe in the importance of giving back to our communities and have several philanthropic initiatives, including fundraising events to support local charities and organizations and community service events. We encourage our employees to participate in these events and recognize their efforts and contributions in their respective communities.

Labor Relations

As of December 31, 2022 December 31, 2023, we had approximately 10,500 employees. Most of our employees in Rhode Island, Nevada and New Jersey are represented by a labor union and are subject to collective bargaining agreements with us. As of December 31, 2022 December 31, 2023, we had 29 32 collective bargaining agreements covering 2,755 3,040 employees. Our collective bargaining agreements generally have three-or-five-year terms.

Environmental, Social and Corporate Governance

Our approach Bally's is committed to sustainability is underpinned by three pillars: (i) player well-being, (ii) people engagement engaging and (iii) building investing in the communities in which we operate and promoting a brighter future. diverse and inclusive workplace for our valued team members. We strive to make a positive impact and embrace our commitment to responsible gaming and business practices.

Player well-being

- Formed Bally's commitment to Environmental, Social and Governance ("ESG") is driven from the highest levels of the Company, our Board Chairman chairs the ESG Committee. (Senior level leadership across Committee which provides direction on the Company's ESG strategy, goals, and initiatives. In addition, the Company's executive Diversity, Equity and Inclusion committee sets the strategy for ensuring Bally's people and business priorities reflect the diversity of our customers and guests and that inclusion is fully embraced as core to our DNA and how we operate. Across all areas jurisdictions where we are located, we are dedicated to building stronger communities by becoming an integral part of ESG the local community by hosting fundraisers, building relationships, growing tourism, and supporting local non-profits. The Company made a landmark \$5 million (over five years) contribution to the Community College of Rhode Island Foundation as part of our long-term workforce and economic development partnership in Rhode Island.

- Achieved Gamecare Level 3

In addition, we are committed to ensuring responsible play and guest safety. All our employees participate in training to better equip them to identify and mitigate problem play. The Company is a member of the US Responsible Gaming Coalition and the corporate Leadership Circle for the National Council on Problem Gambling, adopted American Gaming Association's Responsible Marketing Code of Conduct and Have a Game Plan Campaign, and commenced the process to obtain Responsible Gaming Accreditation the highest for North America through RG accreditation available Check in the industry

- Donated \$600,000 Ontario. We are also committed to supporting responsible gaming research and donated over \$1 million to the International Center of Responsible Gaming for Responsible Gambling expanded research for research into underage play prevention and the harms usage of gambling
- Joined and implemented the AGA's "Have a Gameplan" campaign responsible gaming tools since 2022.

People Engagement

- Measure and maintain high engagement levels utilizing an engagement index target
- Evolve our ways of working, embracing flexible and agile hybrid working models suited to roles
- Proactively support our employees' holistic well-being
- Continue to hire, nurture and develop a diverse and inclusive workforce
- Continue to invest in learning and development of our employees
- Ensure our culture and values underpin everything we do

Building a Brighter Future

- Measured our global environmental impact across Bally's
- In August 2022, Bally's applied for a science based target confirming our commitment to reduce our Scope 1, 2 and 3 carbon-based emissions
- Bally's supports delivery of six of the United Nations Sustainable Development Goals

Government Governmental Gaming Regulation

General

The casino and iGaming industries are highly regulated, and we must maintain licenses and pay gaming taxes in each jurisdiction in which we operate in order to continue operations. Each of our Our casino and iGaming businesses is are subject to extensive regulation under the laws, rules and regulations of the jurisdiction in which it operates, we operate. These laws, rules and regulations generally concern the responsibility, financial stability, integrity and character of the owners, managers, officers and persons with financial interests in the certain employees of our gaming operations. Violations of laws or regulations in one jurisdiction could result in disciplinary action in that and other jurisdictions.

Some jurisdictions, including those in which we are licensed, empower their regulators to investigate participation by licensees in gaming outside their jurisdiction and require access to periodic reports reflecting those gaming activities. Violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions.

Under Pursuant to the gaming laws in the jurisdictions in which where we have operations, and under our organizational documents, certain of our securities are subject to restrictions on ownership which may be imposed by specified governmental authorities. These restrictions may require a holder of our securities to dispose of the securities, or, if the holder refuses or is unable to dispose of the securities, we may be required to repurchase the securities.

For a more detailed description of regulations to which we are subject, see Exhibit 99.1, to this Annual Report on Form 10-K, which is incorporated herein by reference.

Our Regulatory Agreement

On February 17, 2022 We are party to an Amended and Restated Regulatory Agreement (the "Regulatory Agreement"), certain of our subsidiaries, with the Rhode Island Department of Business Regulation ("DBR") and the State Lottery Division of Lotteries ("DoL") of the Rhode Island Department of Revenue amended and restated our Regulatory Agreement (the "Regulatory Agreement" ("DoL"). The amendment and restatement of the Regulatory Agreement was mandated by legislation enacted in Rhode Island in June 2021. The Regulatory Agreement contains financial and other covenants that, among other things, (i) restrict the acquisition of stock and other financial interests in us, (ii) relate to the licensing and composition of members of our management and Board of Directors (the "Board"), (iii) prohibit certain competitive activities and related-party transactions and (iv) restrict our ability to declare or make restricted payments (including dividends), incur additional indebtedness or take certain other actions, if our leverage ratio exceeds 5.50 to 1.00 (in general being gross debt divided by Adjusted EBITDA, each as defined in the Regulatory Agreement).

The Regulatory Agreement also provides affirmative obligations, including setting a minimum number of employees that we must employ in Rhode Island and providing the DBR and DoL with periodic information updates about us. Among other things, the Regulatory Agreement prohibits us and our subsidiaries from owning, operating, managing or providing gaming specific goods and services to any properties in Rhode Island (other than Bally's Twin River and Bally's Tiverton), Massachusetts, Connecticut or New Hampshire. A failure to comply with the Regulatory Agreement could subject us to injunctive or monetary relief, payments to the Rhode Island regulatory agencies and ultimately the revocation or suspension of our licenses to operate in Rhode Island.

In addition, our master contracts with Rhode Island were extended through June 30, 2043, and allow for consolidation of promotional points between Bally's Twin River and Bally's Tiverton, obligate Bally's Twin River to build a 50,000 square foot expansion, obligate Bally's to lease at least 20,000 square feet of commercial space in Providence, and commit us to invest \$100 million in Rhode Island over this extended the term, including an expansion and the addition of new amenities at Bally's Twin River. The June 2021 legislation authorized Bally's Twin River to become a licensed technology provider, which it did on July 1, 2021. As a licensed Technology Provider since July 1, 2021, Bally's Twin River was is entitled to an additional share of net terminal income on Video Lottery Terminals ("VLTs") which they owned or leased. This June 2021 legislation in Rhode Island also authorized a joint venture between Bally's and International Gaming Technology PLC IGT Global Solutions Corporation ("IGT") to become a licensed technology provider and supply the State of Rhode Island with all VLTs at both Bally's Twin River and Bally's Tiverton for a 20.5-year period starting January 1, 2023. The joint venture was organized as the Rhode Island VLT Company, LLC, with IGT owning 60% of the membership interests and Bally's or its affiliates owning 40% of the membership interests ("RI Joint Venture"). On December 30, 2022, Bally's Twin River and Bally's Tiverton purchased additional machines directly from IGT to effectively own 40% of the machines. On January 1, 2023, Bally's Twin River and Bally's Tiverton contributed all of their machines to Rhode Island VLT Company, LLC the RI Joint Venture in return for an aggregate 40% membership interest, and IGT contributed all of their machines at Bally's Twin River and Bally's Tiverton to the Rhode Island VLT Company, LLC RI Joint Venture in return for a 60% membership interest.

Other Laws and Regulations

Our businesses are subject to various laws and regulations in addition to gaming regulations. These laws and regulations include restrictions and conditions concerning alcoholic beverages, food service, smoking, environmental matters, employees and employment practices, currency transactions, taxation, zoning and building codes, and marketing and advertising, advertising and data privacy. Such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted. Material changes to any of the laws, rules, regulations regulations, or ordinances to which we are subject, new laws or regulations or material differences in interpretations by courts or governmental authorities could adversely affect our operating results.

The sale of alcoholic beverages is subject to licensing, control, and regulation by applicable local regulatory agencies. All licenses are revocable and are not transferable. The agencies involved have full power to limit, condition, suspend or revoke any license, and any disciplinary action could, and revocation would, have a material adverse effect upon our operations.

Intellectual Property

We develop intellectual property to differentiate our retail casinos and interactive products from our competitors. Our brands and technology constitute key business assets. In order to protect our brands, technology and other creative output, we rely on a combination of trademarks, copyright, patents, trade secrets and contract law to establish and protect our proprietary rights.

Our core brand in the United States is Bally Bally's and Bally's, which includes Bally's Bally. We use "Bally's" in connection with a majority of our land-based properties. We use variations of "Bally" in connection with our interactive products, including Bally Casino, Bally Bet, Bally Play Live and Bally Sports. The Bally's and Bally brand is protected by around 75 approximately 150 trademark registrations and applications in the US and foreign jurisdictions. In line with our multi-brand strategy, we register trademarks for brands either directly exploited by us in the provision of interactive gaming services or for the purpose of licensing to third parties. Our other brands in the US include Live at the Bike and in foreign jurisdictions; jurisdictions include: Jackpotjoy, Botemania, Vera & John, Yuugado, InterCasino, InterCasino, VIP Casino and Casino Secret. We also operate interactive sites under brand license agreements with third parties, including the Virgin, Rainbow Riches, Double Bubble Bingo, Canal Bingo and Monopoly brands. In addition, we hold an exclusive trademark license for Hard Rock in relation to our Hard Rock Biloxi casino. The Hard Rock license expires in 2025 with an option to renew for two successive ten-year terms. In foreign territories we hold a number of in-bound trademark licenses for our interactive gaming services.

We create original software code and designs for our interactive gaming and betting services. Our software code is primarily protected by copyright and, to a lesser extent, patents. Although our business is not dependent on any one of our patents or combination of our patents, we file patent applications where we believe it is appropriate to do so. Our patent portfolio comprises approximately 20 granted US patents and we We also license in patented technology where required for the operation of our business. We protect our Trade Secrets trade secrets and confidential information by nondisclosure agreements and confidentiality clauses.

While we take action to protect our intellectual property rights, there is always a risk that (i) our proprietary rights become invalidated or unenforceable, (ii) we are unsuccessful in obtaining trademark or patent registrations and (iii) we are unsuccessful in our enforcement efforts and therefore unable to prevent what we consider to be misuse of our intellectual property assets. The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States. Further, third parties may independently develop similar brands and technologies which would negatively impact the value of our intellectual property.

Corporate Information

We were incorporated in Delaware on March 1, 2004. Our principal executive offices are located at 100 Westminster Street, Providence, Rhode Island 02903, and our telephone number is (401) 475-8474. Our website address is www.Ballys.com. The information that is contained in, or that is accessible through, our website is not part of this filing.

Available Information

We are required to file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). These filings are also available on the SEC's website at www.sec.gov. We also make our Annual Reports on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and all amendments to these reports available free of charge through our corporate website as soon as reasonably practicable after such reports are filed with, or furnished to, the SEC. In addition, our Code of Business Conduct, Corporate Governance Guidelines and charters of the Audit Committee, the Compensation Committee, the Compliance Committee and the Nominating and Governance Committee are available on our website, www.Ballys.com. The information that is contained in, or that is accessed through, our website is not part of this filing.

ITEM 1A. RISK FACTORS

In addition to the other information contained in this Annual Report on Form 10-K, the following risk factors should be considered carefully in evaluating our business. If any of the following risks actually occur, our business, financial condition and results of operations could be adversely affected. If this were to happen, the value of our securities, including our common stock, could decline significantly, and investors could lose all or part of their investment.

Risk Factor Summary

Our business is subject to a number of risks and uncertainties, including those highlighted in this item in this Annual Report on Form 10-K. Some of these principal risks include the following:

General Economic Conditions

- Our business is particularly sensitive to reductions in discretionary consumer spending.
- A period of sustained inflation could impact client spending and result in higher operating costs.

Competition

- The gaming industry, including retail casinos and iGaming, is very competitive and increased competition, including through legislative legalization or expansion of gaming by states in or near where we own facilities or through Native American gaming facilities, could adversely affect our financial results.

COVID-19 and Any Future Pandemic

- The global COVID-19 pandemic materially impacted, and any worsening of the COVID-19 pandemic or any future pandemic could impact, our business, financial results and liquidity.

Compliance, Regulatory and Legal Risks

- We are subject to extensive laws, regulation and licensing, and gaming authorities have significant control over our operations, which could have an adverse effect on our business.
- Failure to comply with the terms of the Regulatory Agreement could result in a breach and could harm our business.
- We are subject to extensive environmental regulation, which creates uncertainty regarding future environmental expenditures and liabilities.
- We or certain third parties that we rely on may fail to establish and maintain effective and compliant anti-money laundering, counter terrorism financing, safer gambling, fraud detection, risk management and other regulatory policies, procedures and controls.
- Our business is subject to a variety of US and foreign laws, many of which are unsettled and still developing, and which could subject us to claims or otherwise harm our business across jurisdictions which could have a material adverse effect on our financial condition and results of operations.
- Our growth prospects depend on the legal status of real-money real money gaming in various jurisdictions and legalization may not occur in as many jurisdictions as we expect or may occur at a slower pace than we anticipate which could adversely affect our future results of operations.

Business Operational Risks

- We are reliant on effective payment processing services from a limited number of providers in each of the markets in which we operate.
- Our profitability will be dependent, in part, on return to players.
- We extend credit to a portion of our customers, and we may not be able to collect gaming receivables from our credit customers.
- Declining popularity of games and changes in device preferences of players could have a negative effect on our business.
- The casino, hotel and hospitality industry is capital intensive and we may not be able to finance development, expansion and renovation projects, which could put us at a competitive disadvantage.
- We may invest in or acquire other businesses, and our business may suffer if we are unable to successfully integrate acquired businesses into our company or otherwise manage the growth associated with multiple acquisitions.
- We face risks associated with growth and acquisitions.
- Our results of operations and financial condition could be adversely affected by the occurrence of natural disasters, such as hurricanes, or other catastrophic events, including war, terrorism and terrorism, public health crises such as the COVID-19 pandemic.

Cybersecurity, Data Privacy and Technology Risks

- We rely on information technology, Internet infrastructure and other systems and platforms, and any failures, errors, defects or disruptions in our systems or platforms could diminish our brand and reputation, subject us to liability, disrupt our business, affect our ability to scale our technical infrastructure and adversely affect our operating results and growth prospects.
- Our business may be harmed from by cybersecurity and data privacy incidents.

Financing Risks

- Our debt agreements, the Regulatory Agreement and other future indebtedness contains contain or may contain restrictive covenants that may limit our operating flexibility.
- Servicing our indebtedness and funding our other obligations requires a significant amount of cash, and our ability to generate sufficient cash depends on many factors, some of which will be beyond our control.

Risks Related to our Common Stock

- The market price of our common stock could fluctuate significantly.
- Our largest shareholder owns a meaningful percentage of our outstanding common stock, which could limit the ability of other shareholders to influence corporate matters.
- We are not paying dividends and any decision to do so in the future will be at the discretion of our Board.

Our management identified material weaknesses in our internal control over financial reporting which could, if not remediated, result in material misstatements in our consolidated financial statements.

Our management is responsible for establishing and maintaining adequate internal controls over our financial reporting, as such term is defined in Rule 13a-15(f) under the Exchange Act. As disclosed in this report, we evaluated the effectiveness of our internal control over financial reporting and identified material weaknesses as of December 31, 2023. The material weaknesses are: (1) we have an insufficient number of personnel with the appropriate level of accounting knowledge, training and experience to appropriately analyze, record and disclose significant and complex accounting and tax matters timely and accurately, (2) we lack segregation of duties over the preparation, review, and recording

of journal entries within our International Interactive reportable segment, and (3) we did not effectively review account reconciliation and account analysis controls, including the controls to validate the completeness and accuracy of information used in the performance of those controls, at our International Interactive reportable segment.

A material weakness is defined as a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. If not remediated, the material weaknesses identified above could result in material misstatements in our consolidated financial statements.

General Economic Conditions

Our business is particularly sensitive to reductions in discretionary consumer spending.

Our business is particularly sensitive to reductions from time to time in discretionary consumer spending. Demand for entertainment and leisure activities, including gaming, can be affected by changes in the economy and consumer tastes, both of which are difficult to predict and beyond our control. Unfavorable changes in general economic conditions, including recessions, economic slowdowns, sustained high levels of unemployment and rising prices or the perception by consumers of weak or weakening economic conditions, may reduce our users' disposable income or result in fewer individuals engaging in entertainment and leisure activities, such as visiting casinos and casino hotel properties, F2P, sports betting, iCasino and online bingo. Moreover, we rely on the strength of regional and local economies in the US for the performance of each of our properties. As a result, we cannot ensure that demand for our offerings will remain constant. Adverse developments affecting economies throughout the world including a general tightening of the availability of credit, increasing energy costs, rising prices, inflation, acts of war or terrorism, natural disasters, declining consumer confidence, significant declines in the stock market or epidemics, pandemics or other health-related events or widespread illnesses, like the COVID-19 pandemic, could lead to a reduction in visitors to our properties, including those that stay in our hotels, or discretionary spending by our customers on entertainment and leisure activities, which could adversely affect our business, financial condition and results of operations.

A period of sustained inflation could impact consumer spending and result in higher operating costs.

A period of sustained inflation, particularly in the US and UK, could materially impact our business. The effects of inflation on discretionary consumer spending could result in the reduction of the demand for entertainment and leisure activities. In addition, inflation generally affects our business by increasing our cost of labor. In periods of sustained inflation, it may be difficult to effectively control such increases to our costs and retain key personnel. If we are unable to increase our fees or take other actions to mitigate the effect of resulting higher costs, our profitability and financial position could be impacted.

Competition

The gaming industry, including retail casinos and iGaming, is very competitive and increased competition, including through legislative legalization or expansion of gaming by states in or near where we own facilities or through Native American gaming facilities, could adversely affect our financial results.

We face significant competition in all of the areas in which we conduct our business. Increased competitive pressures may adversely affect our ability to continue to attract customers or affect our ability to compete efficiently.

Several of our casinos and resorts are located in jurisdictions that restrict gaming to certain areas and/or may be affected by state laws that currently prohibit or restrict gaming operations. We also face the risk that existing casino licensees will expand their operations and the risk that Native American gaming will continue to grow. Budgetary and other political pressures faced by state governments could lead to intensified efforts directed at the legalization of gaming in jurisdictions where it is currently prohibited. The legalization of gaming in such jurisdictions could be an expansion opportunity for our business, or create competitive pressures, depending on where the legalization occurs and our ability to capitalize on it. Our ability to attract customers to the existing casinos which we own could be significantly and adversely affected by the legalization or expansion of gaming in certain jurisdictions and by the development or expansion of Native American casinos in areas where our customers may visit.

In addition, our competitors may refurbish, rebrand, or expand their casino offerings, which could result in increased competition. Furthermore, changes in ownership may result in improved quality of our competitors' facilities, which may make such facilities more competitive. Certain of our competitors are large gaming companies with greater name recognition, and marketing efforts and financial resources. In some instances, particularly in the case of Native American casinos, our competitors pay lower taxes or no taxes. These factors create additional challenges for us in competing for customers and accessing cash flow or financing to fund improvements for our casino and entertainment products that enable us to remain competitive.

We expect to experience strong competition in hiring and retaining qualified property and corporate management personnel, including competition from Native American gaming facilities that are not subject to the same taxation regimes as we are and therefore may be willing and able to pay higher rates of compensation. From time to time, a number of vacancies in key corporate and property management positions can be expected. If we are unable to successfully recruit and retain qualified management personnel at our facilities or at the corporate level, our results of operations could be adversely affected.

We also compete with other forms of legalized gaming and entertainment such as bingo, pull-tab games, card parlors, sportsbooks, pari-mutuel or simulcast betting on horse and dog racing, state-sponsored lotteries, instant racing machines, VLTs (including racetracks that offer VLTs) and video poker terminals and, in the future, we may compete with gaming or entertainment at other venues. Further competition from Internet online lotteries and other Internet online wagering gaming services, which allow their customers to wager on a wide variety of sporting events and play Las Vegas-style casino games from home, could divert customers from the facilities we own and thus adversely affect our business. Such Internet online wagering services are likely to expand in future years and become more accessible to domestic gamblers as a result of US Department of Justice positions related to the application of federal laws to intrastate Internet online gaming and initiatives in some states to consider legislation to legalize intrastate Internet online wagering. The law in this area has been rapidly evolving, and additional legislative developments may occur at the federal and state levels that would accelerate the proliferation of certain forms of Internet online gaming in the US.

In addition, in May 2018, the US Supreme Court struck down as unconstitutional the Professional and Amateur Sports Protection Act of 1992, a federal statute enacted to stop the spread of state-sponsored sports gambling. This decision has the effect of lifting federal restrictions on sports wagering and thus allows states to determine by themselves the

legality of sports wagering. While new federal online gaming legislation has been introduced in Congress from time to time, there has been no federal legislative response to the US Supreme Court's decision.

As a result, numerous states, including states in which we have casino properties, have passed legislation authorizing fixed-odds sports betting, and certain of our properties now offer sports wagering pursuant to state law in each case.

We may also face competition from other gaming facilities which are able to offer sports wagering services (including mobile sports wagering) following the enactment of applicable legislation. Numerous states that border the states in which we operate have pending or proposed legislation which would allow for sports betting, each of which could have an adverse effect on our financial results.

The online gambling industry is highly competitive and we expect more competitors to enter the sector. With several thousand online gambling sites accessible to potential customers around the world with little product differentiation, there is arguably an excess of suppliers. Online and offline advertising is widespread, with operators competing for affiliates and customers who are attracted by sign-up bonuses and other incentives.

Existing and new competitors may also increase marketing spending, including to unprofitable levels, in an attempt to distort the online gambling market to build market share quickly. Some of our competitors have or will have significantly greater financial, technical, marketing and sales resources and may be able to respond more quickly to changes in customer needs. Additionally, these competitors may be able to devote a greater number of resources to the enhancement, promotion and sale of their games and gaming systems. Our future success is or will be dependent upon **its** ability to retain **its** current customers and to acquire new customers. Failure to do so could result in a material adverse effect on our business, financial condition and results of operations.

COVID-19 and Any Future Pandemic

The global COVID-19 pandemic materially impacted, and any worsening of the COVID-19 pandemic or any future pandemic could impact, our business, financial results and liquidity.

The global spread of the COVID-19 pandemic, which began in early 2020, resulted in governments, public institutions and other organizations imposing or recommending, and businesses and individuals implementing, restrictions on various activities or other actions to combat its spread, such as restrictions and bans on travel or transportation, stay-at-home directives, requirements that individuals wear masks or other face coverings, limitations on the size of gatherings, closures of work facilities, schools, public buildings and businesses, cancellation of events, including sporting events, concerts, conferences and meetings and quarantines and lock-downs. The pandemic and its consequences dramatically reduced travel and demand for hotel rooms and other casino resort amenities, which had a negative impact on our results in 2020 and 2021. While many restrictions have been relaxed at this point, there are no assurances that a resurgence of future COVID-19 variants or future pandemics will not cause similar disruptions that existed in 2020 and 2021. In addition, future demand for gaming activities may be negatively impacted by the adverse changes in the perceived or actual economic climate, including higher unemployment rates, declines in income levels and loss of personal wealth or reduced business spending due to the impact of the COVID-19 pandemic, any variant thereof or any future pandemic.

Our business would also be impacted if the disruptions from the COVID-19 pandemic, any variant thereof or any future pandemic impact construction projects, including our projects in Chicago and Centre County, Pennsylvania. There are certain limitations on our ability to mitigate the adverse financial impact of these disruptions, such as fixed property costs, reduced access to construction labor and unavailability of construction materials due to supply chain delays. Government measures intended to address the COVID-19 pandemic, any variant thereof or any future pandemic, such as mandatory quarantines, vaccine mandates and regular testing requirements, could also impact the availability of our employees or other workers or could lead to attrition of key employees or reduced willingness of customers to come to our properties. Any of these factors may disrupt our ability to staff our business adequately and could generally disrupt our operations or construction projects.

We may experience additional operating costs due to increased challenges with our workforce (including as a result of labor shortages, illness, absenteeism or government orders), access to supplies, capital and fundamental support services. Even after the COVID-19 pandemic has subsided, we may experience materially adverse impacts to our business due to any resulting supply chain disruptions and economic conditions. Furthermore, the impacts of potential worsening of global economic conditions, inflation resulting from government interventions and stimulus and disruptions to and volatility in the financial markets remain unknown.

Compliance, Regulatory and Legal Risks

We are subject to extensive laws, regulation and licensing, and gaming authorities have significant control over our operations, which could have an adverse effect on our business.

Our ownership and operation of casino gaming, horse racing facilities, sports betting, VLTs and online offerings are subject to extensive regulation, and regulatory authorities have broad powers with respect to the licensing of these businesses, and may revoke, suspend, condition, fail to renew or limit our gaming or other licenses, impose substantial fines and take other actions, each of which poses a significant risk to our business, results of operations and financial condition. We currently hold all **state and local** licenses and related approvals necessary to conduct our present operations but must periodically apply to renew many of these licenses and registrations and have the suitability of certain of our directors, officers and employees renewed. There can be no assurance that we will be able to obtain such renewals or that we will be able to obtain future approvals that would allow us to expand our gaming operations. Any failure to maintain or renew existing licenses, registrations, permits or approvals would have a material adverse effect on us. As we expand our gaming operations in our existing jurisdictions or to new areas, we may have to meet additional suitability requirements and obtain additional licenses, registrations, permits and approvals from gaming authorities in these jurisdictions. The approval process can be time-consuming and costly and we cannot be sure that we will be successful. In addition, the loss of a license in one jurisdiction could trigger the loss of a license or affect our eligibility for a license in another jurisdiction. Furthermore, if additional gaming laws or regulations are adopted in jurisdictions where we operate, these regulations could impose additional restrictions or costs that could have a significant adverse effect on us.

Gaming authorities **can** generally **can** require that any beneficial owner of our securities file an application for a finding of suitability. If a gaming authority requires a record or beneficial owner of our securities to file a suitability application, the owner must generally apply for a finding of suitability within 30 days or at an earlier time prescribed by the

gaming authority. The gaming authority has the power to investigate such an owner's suitability and the owner must pay all costs of the investigation. If the owner is found unsuitable, then the owner may be required by law to dispose of our securities.

Our officers, directors and key employees are also subject to a variety of regulatory requirements and various licensing and related approval procedures in the various jurisdictions in which we operate. If any applicable gaming authority were to find any of our officers, directors or key employees unsuitable for licensing or unsuitable to continue having a relationship with us, we would have to sever all relationships with that person. Furthermore, the applicable gaming authority may require us to terminate the employment of any person who refuses to file appropriate applications. Either result could adversely affect our gaming operations.

Applicable gaming laws and regulations may restrict our ability to issue certain securities, incur debt and undertake other financing activities. Such transactions would generally require notice and/or approval of applicable gaming authorities, and our financing counterparties, including lenders, might be subject to various licensing and related approval procedures in the various jurisdictions in which we **manage conduct gaming facilities operations**. Applicable gaming laws further limit our ability to engage in certain competitive activities and impose requirements relating to the composition of our Board and senior management personnel. If **state gaming** regulatory authorities were to find any person unsuitable with regard to their relationship to us or any of our subsidiaries, we would be required to sever our relationship with that person, which could materially adversely affect our business.

We are subject to numerous laws that may expose us to liabilities or have a significant adverse impact on our operations. Changes to any such laws could have a material adverse effect on our operations and financial condition.

Our business is subject to a variety of laws, rules, regulations, and ordinances. These laws and regulations include, but are not limited to, restrictions and conditions concerning alcoholic beverages, environmental matters, employees, currency transactions, taxation, **anti-money laundering measures, vulnerable customer protections, data privacy**, zoning and building codes and marketing and **advertising, advertising and game design**. Such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted. Material changes to any of the laws, rules, regulations or ordinances to which we are subject, new laws or regulations or material differences in interpretations by courts or governmental authorities could have an adverse effect on our business, financial condition and results of operations.

Many of our employees, especially those that interact with our customers, receive a base salary or wage that is established by applicable laws that establish a minimum hourly wage that is, in turn, supplemented through tips and gratuities from customers. From time to time, lawmakers have increased the minimum wage. It is difficult to predict when such increases may take place. Any such change to the minimum wage could have a material adverse effect on our business, financial condition and results of operations.

The sale of alcoholic beverages is a highly regulated and taxed business. In the US, federal, state and local laws and regulations govern the production and distribution of alcoholic beverages, including permitting, licensing, trade practices, labeling, advertising, marketing, distributor relationships and related matters. Federal, state and local governmental entities also levy various taxes, license fees and other similar charges and may require bonds to ensure compliance with applicable laws and regulations. Failure to comply with applicable federal, state or local laws and regulations could result in higher taxes, penalties, fees and suspension or revocation of permits, licenses or approvals and could have a material adverse effect on our business, financial condition and results of operations. From time to time, local and state lawmakers, as well as special interest groups, have proposed legislation that would increase the federal and/or state excise tax on alcoholic beverages or certain types of alcoholic beverages. If federal or state excise taxes are increased, we may have to raise prices to maintain our current profit margins. Higher taxes may reduce overall demand for alcoholic beverages, thus negatively impacting sales of our alcoholic beverages at our properties. Further federal or state regulation may be forthcoming that could further restrict the distribution and sale of alcohol products. Any material increases in taxes or fees or the adoption of additional taxes, fees or regulations could have a material adverse effect on our business, financial condition and results of operations.

Legislation in various forms to ban or substantially curtail indoor tobacco smoking in public places **has have** been enacted or introduced in many jurisdictions, including some of the jurisdictions in which we operate. We believe **the these** smoking restrictions can significantly impact business volumes. If additional smoking restrictions are enacted within jurisdictions where we operate or seek to do business, our financial condition, results of operations and cash flows could be adversely affected.

In addition, each restaurant we operate must obtain a food service license from local authorities. Failure to comply with such regulations could cause our licenses to be revoked or our related restaurant business or businesses to be forced to cease operations. Moreover, state liquor laws may prevent the expansion of restaurant operations into certain markets.

Failure to comply with the terms of the Regulatory Agreement could result in a breach and could harm our business.

We are currently a party to the Regulatory Agreement with Rhode Island regulatory agencies. The Regulatory Agreement imposes certain affirmative and negative covenants on us. For more detail on the Regulatory Agreement see the section entitled **"Government Governmental Gaming Regulation"** in "Item I. Business" of this Annual Report on Form 10-K. A failure to comply with the provisions in the Regulatory Agreement could subject us to injunctive or monetary relief, payments to the Rhode Island regulatory agencies and ultimately the revocation or suspension of our licenses to operate in Rhode Island. Any such remedy could adversely affect our business, financial condition and results of operations. Among other things, the Regulatory Agreement prohibits us and our subsidiaries from owning, operating, managing or providing gaming specific goods and services to any gaming facilities in Rhode Island (other than Bally's Twin River and Bally's Tiverton), Massachusetts, Connecticut or New Hampshire, which may adversely affect our growth and market opportunity in those states.

We are subject to extensive environmental regulation, which creates uncertainty regarding future environmental expenditures and liabilities.

We are subject to various **federal, state and local** environmental laws and regulations that govern activities that may have adverse environmental effects, such as discharges to air and water, as well as the management and disposal of solid, animal and hazardous wastes and exposure to hazardous materials. These laws and regulations, which are complex and subject to change, include US Environmental Protection Agency regulations. In addition, our horse racing facility in Colorado is subject to state laws and regulations that address the impacts of manure and wastewater generated by concentrated animal feeding operations ("CAFO") on water quality, including storm water discharges. CAFO regulations include permit requirements and water quality discharge standards. Enforcement of CAFO regulations has been receiving increased governmental attention. Compliance with these and other environmental laws can, in some circumstances, require significant capital expenditures. For example, we may incur future costs under existing and new laws and regulations pertaining to storm water and wastewater management at our racetracks. Moreover, violations can result in significant penalties and, in some instances, interruption or cessation of operations.

We are also subject to laws and regulations that create liability and cleanup responsibility for releases of regulated materials into the environment. Certain of these laws and regulations impose strict, and under certain circumstances joint and several, liability on **a** the current or previous owner or operator of property for the costs of remediating regulated materials on or emanating from our property. The costs of investigation, remediation or removal of those substances may be substantial. The presence of, or failure to remediate properly, such materials may adversely affect the ability to sell or rent such property or to borrow funds using such property as collateral. Additionally, as an owner or manager of real property, we could be subject to claims by third parties based on damages and costs resulting from environmental contamination at or emanating from third-party sites. These laws typically impose clean-up responsibility and liability without regard to whether the owner or manager knew of or caused the presence of the contaminants and the liability under those laws has been interpreted to be joint and several unless the harm is divisible and there is a reasonable basis for allocation of the responsibility. In addition, environmental requirements address the impacts of development on wetlands.

The possibility exists that contamination, as yet unknown, may exist on our properties. There can be no assurance that we will not incur expenditures for environmental investigations or remediation in the future.

We are or may become involved in legal proceedings that, if adversely adjudicated or settled, could impact our business and financial condition.

From time to time, we are named in lawsuits or other legal proceedings relating to our businesses. In particular, the nature of our business subjects us to the risk of lawsuits filed by customers, past and present employees, shareholders, competitors, business partners and others in the ordinary course of business. As with all legal proceedings, no assurances can be given as to the outcome of these matters. Moreover, legal proceedings can be expensive and time consuming, and we may not be successful in defending or prosecuting these lawsuits, which could result in settlements or damages that could adversely affect our business, financial condition and results of operations.

We or certain third parties that we rely on may fail to establish and maintain effective and compliant anti-money laundering ("AML"), counter terrorism financing, safer gambling, fraud detection, risk management and other regulatory policies, procedures and controls.

We handle significant amounts of cash in our operations and are subject to various reporting and AML laws and regulations. Recently, US governmental authorities and the British gambling regulator, the Great Britain Gambling Commission (the "GBGC"), have evidenced an increased focus on compliance with AML laws and regulations in the gaming industry. Any violation of AML laws or regulations could have a material adverse effect on our business, financial condition and results of operations. Internal control policies and procedures and employee training and compliance programs that we have implemented to deter prohibited practices may not be effective in prohibiting our customers, employees, contractors or agents from violating or circumventing our policies and the law. If we or our employees or agents fail to comply with applicable laws or our policies governing our operations, we may face investigations, prosecutions and other legal proceedings and actions which could result in civil penalties, administrative remedies and criminal sanctions. Any such government investigations, prosecutions or other legal proceedings or actions could have a material adverse effect on our business, financial condition and results of operations.

The regulatory framework which governs our business, and its interpretation, may be subject to change which we may fail to anticipate and/or respond to.

Online gambling operators licensed in the UK and other jurisdictions are obliged to establish and maintain compliant AML, anti-terrorism, safer gambling, fraud detection, risk management and other regulatory policies, procedures and controls to mitigate and effectively manage these risks. In the event that they fail to do so, they may be subject to enforcement action by gambling regulators or other governmental agencies or private action by affected third parties. In the event of a breach, a range of sanctions may be imposed, including financial penalties or regulatory settlements, public warnings, the imposition of special operating conditions **or license conditions** and the suspension or revocation of gambling licenses.

In addition, there is a risk that increased safer gambling and AML regulatory measures in the UK will prove to be challenging for us. For example, our highest value customers may be unwilling to provide the additional **detail information and/or documentation** required by us in the UK to ascertain their sources of wealth, the affordability of their leisure spending with us or their risk of gambling related harm or vulnerability, and to continue to verify such information.

We hold licenses issued by the GBGC. The holders of such licenses are bound to meet stringent compliance requirements relating to matters such as AML, safer gambling, data protection, advertising and consumer rights issues. Compliance with such requirements is incorporated into the relevant licenses as a licensing condition (or similar) with a corresponding requirement for us to comply with **such onerous various** requirements. In September 2022, the GBGC began the implementation of updated social responsibility licensing conditions. All licensees must now have in place effective systems and processes to monitor customer activity to identify harm or potential harm associated with gambling, from the point when an account is opened. The indicators licensees must use to identify harm or potential harm associated with gambling include customer spend, patterns of spend, time spent gambling, gambling behavior indicators, customer-led contact, use of gambling management tools and account indicators. These requirements may significantly impact our business if we are unable to establish the affordability of customers on the basis of available evidence and/or because customers are unwilling to provide the information requested.

The failure by any third-party providers or any relevant entity within the Company to establish and maintain effective and compliant AML, counter terrorism, anti-bribery, fraud detection, regulatory compliance and risk management processes may have a material adverse effect on our business, financial condition and results of operations.

In carrying out its functions, the GBGC is under a statutory duty to ensure that license holders are operating their businesses in ways that are reasonably consistent with the licensing objectives set out in the Gambling Act 2005 (**the (currently the** primary legislation governing the licensing and regulation of gambling in Great Britain) (the "Gambling Act"), which are: (1) preventing gambling from being a source of (or associated with) crime or disorder, or being used to support crime; (2) ensuring that gambling is conducted in a fair and open way; and (3) protecting children and other vulnerable people from being harmed or exploited by gambling.

While the objectives of regulation may remain largely stable, the methods that operators are required to employ to meet those objectives, **is and the interpretation of those objections by the regulator, are** in a state of constant evolution and development. We must respond adequately to the challenges this presents. If we are found to be in breach of our obligation to comply with such licensing requirements, then the GBGC may impose a financial penalty on us or impose other **penalties, sanctions**, including removing or imposing conditions on the relevant gambling licenses. Such action could have a material adverse effect on our financial performance.

New legislation governing the online gaming industry may be introduced in the UK which limits or restricts our operating model in that market.

In December 2020, the UK government commenced a review of the Gambling Act. The stated objective As a result of this review, in April 2023 the UK government is to ensure there is an appropriate balance between consumer freedoms and choice on the one hand and the prevention of harm to vulnerable groups on the other, and to ensure that consumers are suitably protected whenever they gamble. The review of the Gambling Act is extensive in scope. Key areas under review are:

- the effectiveness of the existing online protections in preventing gambling harm and an evidence-based consideration of, for example, imposing greater control on online product design such as stake, speed and prize limits and the introduction of deposit, loss and spend limits;
- the benefits or harms caused by allowing licensed gambling operators to advertise and make promotional offers and the positive or negative impact of gambling sponsorship arrangements across sports, e-sports and other areas;
- the effectiveness of the regulatory system currently in place, including consideration of whether the GBGC has sufficient investigative, enforcement and sanctioning powers to both regulate the licensed market and address the unlicensed market;
- the availability and suitability of redress arrangements in place for an individual consumer who considers they may have been treated unfairly by a gambling operator, including consideration of the introduction of other routes for consumer redress, such as a gambling ombudsman; and
- the effectiveness of current measures to prevent illegal underage gambling and consideration of what extra protections may be needed for young adults in the 18-25 age bracket.

It is anticipated that the UK government will issue its issued proposals to amend the Gambling Act, in the first half and these proposals are subject to a series of 2023. As yet, the implications for the industry as a whole and us, in particular, remain the subject of speculation. A variety of stakeholders continue to lobby the public consultations. The UK government proposals are structured around six main themes: (1) online player protections regarding players and products; (2) marketing and advertising; (3) the policies to be pursued by powers of the legislature have yet to be published. GBGC; (4) dispute resolution and consumer redress; (5) children and young adults; and (6) land-based gambling. There is a risk that the introduction of more stringent, safer gambling and/or AML regulatory measures in the UK market may prove operationally onerous for us. Moreover, the potential for the introduction of stake, speed and prize limits and the introduction of deposit, loss and spend limits may operate to impact our financial performance and reduce the long-term growth opportunities for us in the UK market. UK.

Our business is subject to a variety of US and foreign laws, many of which are unsettled and still developing, and which could subject us to claims or otherwise harm our business across jurisdictions. Any change in existing regulations or their interpretation, or the regulatory or prosecutorial climate applicable to our products and services, or changes in tax rules and regulations or interpretation thereof related to our products and services, could adversely impact our ability to operate our business as currently conducted or as we seek to operate in the future, which could have a material adverse effect on our financial condition and results of operations.

We are generally subject to laws and regulations relating to iGaming in the jurisdictions in which we conduct business, as well as the general laws and regulations that apply to all e-commerce businesses, such as those related to privacy and personal information, tax and consumer protection. These laws and regulations vary by jurisdiction, and future legislative and regulatory action, court decisions or other governmental action, which may be affected by, among other things, political pressures, attitudes and climates, as well as personal biases, may have a material impact on our operations and financial results. Some jurisdictions have introduced regulations attempting to restrict or prohibit online gaming, while others have taken the position that online gaming should be licensed and regulated and have adopted or are in the process of considering legislation and regulations to enable that to happen. The regulatory environment in any particular jurisdiction may change in the future and any such change could have a material adverse effect on our results of operations.

Future legislative and regulatory action, and court decisions or other governmental action, may have a material impact on our operations and financial results. Governmental authorities could view us as having violated local laws, despite our efforts to obtain all applicable licenses or approvals. There is also risk that civil and criminal proceedings, including class actions brought by or on behalf of prosecutors or public entities or incumbent monopoly providers, or private individuals, could be initiated against us, Internet service providers, credit card and other payment processors in the iGaming industry. Such potential proceedings could involve substantial litigation expense, penalties, fines, seizure of assets, injunctions or other restrictions being imposed upon our licensees or other business partners, while diverting the attention of key executives. Such proceedings could have a material adverse effect on our business, financial condition and results of operations, as well as impact our reputation.

There can be no assurance that legally enforceable legislation will not be proposed and passed in jurisdictions relevant or potentially relevant to our business to prohibit, legislate or regulate various aspects of the iGaming (or that existing laws in those jurisdictions will not be interpreted negatively). Compliance with any such legislation may have a material adverse effect on our business, financial condition and results of operations, either as a result of our determination that a jurisdiction should be blocked or because a local license or approval may be costly for us or our business partners to obtain and/or such licenses or approvals may contain other commercially undesirable conditions.

Our growth prospects depend on the legal status of real-money real money gaming in various jurisdictions and legalization may not occur in as many jurisdictions as we expect, or may occur at a slower pace than we anticipate. Additionally, even if jurisdictions legalize real money gaming, this may be accompanied by legislative or regulatory restrictions and/or taxes that make it impracticable or less attractive to operate in those jurisdictions, or the process of implementing regulations or securing the necessary licenses to operate in a particular jurisdiction may take longer than we anticipate, which could adversely affect our future results of operations and make it more difficult to meet our expectations for financial performance.

Several jurisdictions have legalized or are currently evaluating the legalization of real money gaming, and our business, financial condition, results of operations and business prospects are significantly dependent upon the status of legalization in these jurisdictions. Our business plan is partially based upon the legalization of real money gaming in additional jurisdictions and the legalization may not occur as anticipated. Additionally, if a large number of additional jurisdictions enact real money gaming legislation and we are unable to obtain, or are otherwise delayed in obtaining, the necessary licenses to operate iGaming websites in jurisdictions where such games are legalized, our future growth in iGaming could be materially impaired.

As we enter new jurisdictions, governments may legalize real money gaming in a manner that is unfavorable to us. As a result, we may encounter legal, regulatory and political challenges that are difficult or impossible to foresee and which could result in an unforeseen adverse impact on planned revenues or costs associated with the new opportunity. Jurisdictions also impose substantial tax rates on iGaming revenue. Tax rates, whether federal- or state-based, that are higher than we expect will make it more costly and less desirable for us to launch in a given jurisdiction, while tax increases in any of our existing jurisdictions may adversely impact profitability.

Therefore, even in cases in which a jurisdiction purports to license and regulate iGaming, the licensing and regulatory regimes can vary considerably in terms of business-friendliness, and at times may be intended to provide incumbent operators with advantages over new licensees. Therefore, some "liberalized" regulatory regimes are considerably more economically viable than others.

We derive meaningful revenues from players located in jurisdictions in which we do not hold a license.

In certain jurisdictions, online gambling is either not regulated at all, is subject to very limited regulation or its legality is unclear. These jurisdictions are commonly referred to in the gaming industry as "unregulated jurisdictions." Certain of our products are made available to players in unregulated jurisdictions, on either a B2B or B2C basis. The relevant transactions in such unregulated jurisdictions and the associated player relationships that underpin them are generally regulated in either Malta or Gibraltar which use "point of supply" gambling regimes. We and our commercial partners hold point-of-supply licenses in Malta and Gibraltar. Therefore, such transactions are in fact heavily regulated but are not themselves regulated in the jurisdiction within which the player is ultimately located.

Operators within the online gambling industry, including Bally's, have commonly taken a risk-based approach when supplying their online gambling services into jurisdictions in which it is not possible to obtain a gambling license. In these circumstances, online gambling operators may justify their remote supply of gambling services for a number of reasons, including a "country of origin" basis which asserts that it is lawful to supply online gambling services remotely from a jurisdiction in which a gambling license is held in another jurisdiction, unless there is something within the laws of that second jurisdiction that explicitly outlaws such provision and explicitly applies to such inward supply emanating from outside its borders. An example of this is Japan, Japan where we offer products on a B2B basis to a third party. Japan has been a focus of our international interactive International Interactive segment and has yet to introduce its own licensing regime applicable to our business.

There is a risk that such jurisdictions may enact regulations relating to online real money gaming and that we may be required to register our activities or obtain licenses (or obtain further registrations or licenses, as applicable), pay taxes, royalties or fees or that the operation of online gambling businesses in such jurisdictions may be prohibited entirely. The implementation of additional licensing or regulatory requirements, prohibitions or payments in such jurisdictions could have an adverse effect on the viability of our revenue, operations, business or financial performance. Where we or our partners fail to obtain the necessary registrations or licenses, make the necessary payments or operate in a jurisdiction where online gambling is deemed to be or becomes prohibited, we or our partners may be subject to investigation, penalties or sanctions or forced to discontinue operations entirely in relation to that jurisdiction. Any such actions may also have an adverse impact on the way our regulators regulate us in the jurisdictions in which we hold licenses.

Certain of our technology providers, payment processing partners or other suppliers of content or services (collectively, "Infrastructure Services") may cease to provide, or limit the availability of, such Infrastructure Services to the extent we derive revenue from, or makes such Infrastructure Services available to customers in, unregulated jurisdictions. There is no assurance that we would be able to identify suitable or economical replacements if such Infrastructure Services become unavailable.

There is also a risk that civil and criminal proceedings, including class actions brought by or on behalf of prosecutors or public entities, incumbent monopoly providers or private individuals, could be initiated against us or providers of our Infrastructure Services in unregulated markets, jurisdictions. Such potential proceedings could assert that online gambling services have not been lawfully supplied into the domestic market and could involve substantial litigation expense, penalties, fines, seizure of assets, injunctions or other restrictions being imposed on us or our business partners and may divert the attention of our key executives. If we become subject to any such investigations, proceedings and/or penalties in one jurisdiction, this may lead to investigations, proceedings and/or penalties arising in other jurisdictions in which we operate and/or hold a license. Such investigations, proceedings and/or penalties could have a material adverse effect on our business, financial condition and results of operations, as well as our reputation. We derive meaningful revenues from players located in jurisdictions in which we do a license from that jurisdiction is not hold a license. available.

We are exposed to exchange rate risks.

Foreign exchange risk arises when individual group entities enter into transactions denominated in a currency other than their functional currency. Our policy is, where possible, to allow our entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where our entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within Bally's. Apart from these particular cash flows, we aim to fund expenses and investments in the respective currency and to manage foreign exchange risk at a local level by matching the currency in which revenue is generated and expenses are incurred, as well as by matching the currency of our debt structure with the currency that cash is generated in. However, no assurance can be given that these policies will deliver all, or substantially all, of the expected benefits.

A vast majority of the revenues currently generated by Gamesys, our wholly owned subsidiary, are from the UK market and are conducted in British Pound Sterling ("GBP") and are therefore susceptible to any movements in exchange rates between GBP and US Dollars ("USD"). Any exchange rate risk may materially adversely affect our business, financial condition and results of operations.

Our substantial activities in foreign jurisdictions may be affected by factors outside of our control.

A significant portion of our operations are conducted in non-US jurisdictions. As such, our operations may be adversely affected by changes in foreign government policies and legislation (including gambling legislation) or social instability and other factors that are not within our control, including renegotiation or nullification of existing contracts or licenses, changes in gambling policies, regulatory requirements or the personnel administering them, currency fluctuations and devaluations, exchange controls, economic sanctions, tax increases, retroactive tax claims, changes in taxation policies, risk of terrorist activities, revolution, border disputes, implementation of tariffs and other trade barriers and protectionist practices, volatility of financial markets and fluctuations in foreign exchange rates, difficulties in the protection of intellectual property, labor disputes and other risks arising out of foreign governmental sovereignty over the areas in which operations are conducted. Our operations may also be adversely affected by laws and policies of such foreign jurisdictions affecting foreign trade, taxation and investment. Accordingly, our activities in foreign jurisdictions could be substantially affected by factors beyond our control, any of which could have a material adverse effect on our business, financial condition and results of operations.

In the event of a dispute arising in connection with operations in a foreign jurisdiction where we conduct business, we may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of the UK US or enforcing UK US judgments in such other jurisdictions. We may also be hindered or prevented from enforcing their rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity.

We may also enter into agreements and conduct activities outside of the jurisdictions in which we currently carry on business, which expansion may present challenges and risks as a result of the factors described above that we have not faced in the past, any of which could have a material adverse effect on our business, financial condition and results of operations.

The UK's withdrawal from the European Union (the "EU") and the wider political climate may have a negative effect on global economic conditions, financial markets and our business, financial condition and results of operations.

We are a multinational group with worldwide operations, including material revenues derived from the UK. The UK formally left the EU on January 31, 2020 ("Brexit"). The medium- and long-term consequences of Brexit may result in significant economic, political and social instability, not only in the UK and Europe, but across the globe generally. In particular, this has contributed to volatility in the value of GBP, which may affect our profitability.

Despite a new free trade agreement between the UK and the EU, lack of clarity about future UK laws and regulations as the UK determines which EU laws to replace or maintain, including financial laws and regulations, tax and free trade agreements, intellectual property rights, supply chain logistics, environmental, health and safety laws and regulations, immigration laws and employment laws, could decrease foreign direct investment in the UK, increase costs, depress economic activity and restrict our access to capital and impact revenues. In particular, Brexit may lead to material changes to the regulatory regimes that would be applicable to our operations in the UK in the future. This could increase our compliance and operating costs and have a material adverse effect on our business, financial condition and results of operations.

Further economic, political and social instability may also result from the Scottish public voting for Scotland to leave the UK, in any future referendum. Scotland's First Minister even if such vote has tabled draft legislation to set no legal effect absent formal approval from the rules for a second independence referendum (though any such referendum would be subject to UK government approval). The implications of any vote in favor of independence are uncertain, but could still be wide-ranging (for instance, in affecting the value of GBP, global markets and the ongoing relationship between Scotland and the rest of the UK and, potentially, the introduction of a discrete gambling regulatory regime in Scotland). Any of these factors could have a material adverse effect on our business, financial condition and results of operations.

Our activities are affected by the General Data Protection Regulation, as implemented in each of the UK and the EU ("GDPR" (collectively, "GDPR").

We are required to comply with the GDPR to the extent that we either: (1) have customers located in the UK and the EU or (2) conduct the processing of personal data in the UK and the EU. The impact of the GDPR is of particular relevance to our marketing activities and information technology security systems and procedures. The GDPR and associated e-privacy laws impose constraints on the ability of a data controller to profile and market to customers. Data subjects have the right to object to a controller processing their data in certain circumstances, including the right to object to their data being processed for the purposes of direct marketing. Controllers of personal data are required to maintain written records as to how they comply with the GDPR and provide more detailed information to data subjects in relation to how their data is being processed. In addition, updated e-privacy laws are under consideration in the UK and the EU to update the legislative rules applicable to digital and online data processing and to align e-privacy laws to the GDPR.

The GDPR also increased the level of fines which may be imposed for a breach of data protection laws, with the maximum fine (in the most serious cases of a breach of the GDPR) being the higher of €20 million (£17.5 million for the UK) or four percent of annual worldwide turnover. In certain instances, we could be held jointly responsible for breaches committed by the third-party service providers which we use or by other third parties with whom we share personal data.

Many of the obligations imposed on controllers by the GDPR are expressed as high-level principles, such as the obligation to act fairly with respect to the processing of personal data. The manner in which the data regulators and courts will interpret and apply the GDPR is and will continue to evolve over time. In addition, as a result of Brexit, the application of the GDPR in the UK and the EU will increasingly diverge, posing even greater compliance challenges for businesses operating in these jurisdictions. These procedures and policies may adversely affect our business by constraining our data processing activities or by increasing our operational and compliance costs. Additional updates to these policies and procedures and associated operational changes may be required and costs incurred to comply with updates to e-privacy laws.

If our or any third-party service providers' data processing activities breach the GDPR (or associated e-privacy laws), then we could, whether as a result of a failure to implement adequate policies and procedures or otherwise, face significant fines and/or the revocation of existing licenses and/ or the refusal of new applications for licenses, as well as claims by customers and reputational damage. The resultant losses suffered could materially adversely affect our business, financial condition and results of operations. There can be no assurances that we would be able to recoup such losses, whether in whole or in part, from our third-party service providers or insurers.

Business Operational Risks

We have expanded our business model, which makes it difficult for us to forecast our financial results, creates uncertainty as to how investors will evaluate our prospects, and increases the risk that we will not be successful.

We have expanded our product offering to include iGaming and sportsbook product offerings. In November 2020, we announced a long-term strategic partnership with Sinclair that combines our sports betting technology with their local broadcast television stations and regional sports networks. During 2021, our acquisitions included Bet.Works Corp, MKF, SportCaller, AVP, Telescope and Gamesys. These acquisitions represent an expanded business model and new offerings. Accordingly, it will be difficult for us to forecast our future financial results, and it will be uncertain how our expanded business model will affect investors' perceptions and expectations, which can be idiosyncratic and vary widely, with respect to our prospects. It may be difficult for investors to evaluate our business due to the lack of similarly situated competitors. Furthermore, our expanded business model may not be successful. Consequently, you should not rely upon our past quarterly financial results as indicators of our future financial performance, and our financial results and stock price may be negatively affected.

We will be reliant on effective payment processing services from a limited number of providers in each of the markets in which we operate.

The provision of convenient, trusted, fast and effective payment processing services to our customers and potential customers is critical to our business. If there is any deterioration in the quality of the payment processing services provided to these customers or any interruption to those services (including with respect to system intrusions, unauthorized access

or manipulation), or if such services are only available at an increased cost to us or our customers or are terminated and no timely and comparable replacement services are found, our customers and potential customers may be deterred from using our products. In addition, our inability to secure payment processing services in markets into which we intend to expand may seriously impair our growth opportunities and strategies. Any of these occurrences may have a material adverse effect on our business, financial condition and results of operations.

Furthermore, a limited number of banks and credit card companies process online gambling related payments as a matter of internal policy and any capacity to accept such payments may be limited by the regulatory regime of a given jurisdiction. The introduction of legislation or regulations restricting financial transactions with online gambling operators, other prohibitions or restrictions on the use of credit cards and other banking instruments for online gambling transactions may restrict our ability to accept payments from our customers. These restrictions may be imposed as a result of concerns related to fraud, payment processing, AML or other issues related to the provision of online gambling services. A number of issuing banks or credit card companies may from time to time reject payments to us that are attempted to be made by our customers. Should such restrictions and rejections become more prevalent, or any other restriction on payment processing be introduced, gambling activity by our customers could be adversely affected, which in turn could have a material adverse effect on our business, financial condition and results of operations.

In addition, we are subject to the risk of credit card chargebacks, which may also result in possible penalties. A chargeback is a credit card originated deposit transaction to a player account with an operator that is later reversed or repudiated. The risk of such chargeback transactions is greater in respect of certain markets and certain payment methods. We recognize revenue upon the first loss of the player on amounts tendered, and any credit card chargebacks are then deducted from their revenues. Even though security measures are in place, high rates of credit card chargebacks could result in credit card associations levying additional costs and fines or withdrawing their service and could have a material adverse effect on our business, financial condition and results of operations.

Our VLTs and table games hold percentages may fluctuate.

The gaming industry is characterized by an element of chance and our casino guests' winnings depend on a variety of factors, some of which are beyond our control. In addition to the element of chance, hold percentages (the ratio of net win to total amount wagered) are affected by other factors, including players' skill and experience, the mix of games played, the financial resources of players, the volume of bets placed and the amount of time played. The variability of our hold percentages has the potential to adversely affect our business, financial condition and results of operations.

Our profitability will be dependent, in part, on return to players.

The revenue from certain of our gaming products depends on the outcome of random number generators built into the gaming software running the games made available to customers. Return to player is measured by dividing the amount of real money won by players on a particular game by the total real money wagers over a particular period on that game. An increasing return to player may negatively affect revenue as it represents a larger amount of money being won by players. Return to player is driven by the overall random number generator outcome, the mechanics of different games and jackpot winnings. Each game utilizes a random number generating engine; however, generally the return to player fluctuates in the short-term based on large wins or jackpots or a large share of wagers made for higher-payout games. To the extent we are unable to set, or fail to obtain, a favorable return to player in our (or a third-party supplier's) gambling software which maximizes revenue, it could have a material adverse effect on our business, financial condition and results of operations.

The success, including win or hold rates, of existing or future sports betting and iGaming products depends on a variety of factors and is not completely controlled by us.

The sports betting and iGaming industries are characterized by an element of chance. Accordingly, we employ theoretical win rates to estimate what a certain type of sports bet or iGame, on average, will win or lose in the long run. Net win is impacted by variations in the hold percentages, or actual outcomes, on our iGames and sports betting we offer to our users. We use the hold percentages as an indicator of an iGame's or sports bet's performance against its expected outcome. Although each iGame or sports bet generally performs within a defined statistical range of outcomes, actual outcomes may vary for any given period. In addition to the element of chance, win rates (hold percentages) may also (depending on the game involved) be affected by the spread of limits and factors that are beyond our control, such as a user's skill, experience and behavior, the mix of games played, the financial resources of users, the volume of bets placed and the amount of time spent gambling. As a result of the variability in these factors, the actual win rates on our online iGames and sports bets may differ from the theoretical win rates we have estimated and could result in the winnings of our iGame's or sports bet's users exceeding those anticipated. The variability of win rates (hold rates) also have the potential to negatively impact our financial condition, results of operations and cash flows.

Our success also depends in part on our ability to anticipate and satisfy user preferences in a timely manner. As we will operate in a dynamic environment characterized by rapidly changing industry and legal standards, our products will be subject to changing consumer preferences that cannot be predicted with certainty. We will need to continually introduce new offerings and identify future product offerings that complement our existing platforms, respond to our users' needs and improve and enhance our existing platforms to maintain or increase our user engagement and growth of our business. We may not be able to compete effectively unless our product selection keeps up with trends in the digital sports entertainment and gaming industries in which we compete, or trends in new gaming products.

We extend credit to a portion of our customers, and we may not be able to collect gaming receivables from our credit customers.

We conduct our gaming activities on a credit and cash basis at many of our properties. Any such credit we extend is unsecured. Table game players typically are extended more credit than slot players, and high-stakes players typically are extended more credit than customers who tend to wager lower amounts. High-end gaming is more volatile than other forms of gaming, and variances in win-loss results attributable to high-end gaming may have a significant positive or negative impact on cash flow and earnings in a particular period. We extend credit to those customers whose level of play and financial resources warrant, in the opinion of management, an extension of credit. These large receivables could have a significant impact on our results of operations if deemed uncollectible. Gaming debts evidenced by a credit instrument, including what is commonly referred to as a "marker," and judgments on gaming debts are enforceable under the current laws of the jurisdictions in which we allow play on a credit basis, and judgments on gaming debts in such jurisdictions are enforceable in all US states under the Full Faith and Credit Clause of the US Constitution; however, other jurisdictions may determine that enforcement of gaming debts is against public policy. Although courts of some foreign nations will enforce gaming debts directly and the assets in the US of foreign debtors may be reached to satisfy a judgment, judgments on gaming debts from US courts are not binding on the courts of many foreign nations.

Declining popularity of games and changes in device preferences of players could have a negative effect on our business.

Revenue from online games tends to decline over time after reaching a peak of popularity and player usage. The speed of this decline is referred to as the decay rate of a game. As a result of this natural decline in the life cycle of our products, our business depends on our ability and the ability of our third-party partners to consistently and timely launch new games across multiple platforms and devices that achieve significant popularity. Our ability to successfully launch, sustain and expand games as applicable, largely will depend on our ability to, amongst other things: (1) anticipate and effectively respond to changing game player interests and preferences; (2) anticipate or respond to changes in the competitive landscape; (3) develop, sustain and expand games that are fun, interesting and compelling to play; (4) minimize launch delays and cost overruns on new games; (5) minimize downtime and other technical difficulties; (6) acquire leading technology and high quality personnel; and (7) comply with constraints on game design and/or functionality imposed by regulators. There is a risk that we may not launch any new games according to schedule, or that those games do not attract and retain a significant number of players, which could have a negative effect on our business, financial condition and results of operations.

Furthermore, more individuals are using non-PC/laptop devices to access the Internet and versions of our technology developed for these devices may not be widely adopted by users of such devices. The number of people who access the Internet through devices other than personal computers, including mobile telephones, tablets and television set-top devices, has increased over the past several years. If we are unable to attract and retain a substantial number of alternative device users to our gambling services or if we are slow to develop products and technologies that are more compatible with non-PC/laptop communications devices relative to our competitors, we may fail to capture a significant share of an increasingly important portion of the market for online gambling services.

In addition to offering popular new games, we must extend the life of the existing games which we make available to users, in particular the most successful games. While it is difficult to predict when revenues from any such existing games will begin to decline, for a game to remain popular, we must constantly enhance, expand or upgrade the relevant game with new features that players find attractive. There is a risk that we may not be successful in enhancing, expanding or upgrading our current games or any new games in the future and, in addition, regulators may introduce new rules that limit functionality within existing games. Should we not succeed in sufficiently offsetting the effects of declining popularity in the games we make available, this may have a material adverse effect on our business, financial condition and results of operations.

The casino, hotel and hospitality industry is capital intensive and we may not be able to finance development, expansion and renovation projects, which could put us at a competitive disadvantage.

Our casino and hotel properties have an ongoing need for renovations and other capital improvements to remain competitive, including room refurbishments, amenity upgrades and replacement, from time to time, of furniture, fixtures and equipment. We may also need to make capital expenditures to comply with applicable laws and regulations. Construction projects, such as our planned project construction of the permanent casino in Chicago, entail significant risks, which can substantially increase costs or delay completion of a project. Such risks include shortages of materials or skilled labor, unforeseen engineering, environmental or geological problems, work stoppages, weather interference and unanticipated cost increases. Most of these factors are beyond our control. In addition, difficulties or delays in obtaining any of the requisite licenses, permits or authorizations from regulatory authorities can increase the cost or delay the completion of an expansion or development. Significant budget overruns or delays with respect to expansion and development projects could adversely affect our business and results of operations.

Renovations and other capital improvements of casino properties in particular require significant capital expenditures. In addition, any such renovations and capital improvements usually generate little or no cash flow until the projects are completed. We may not be able to fund such projects solely from cash provided from operating activities. Consequently, we may have to rely upon the availability of debt or equity capital to fund renovations and capital improvements, and our ability to carry them out will be limited if we cannot obtain satisfactory debt or equity financing, which will depend on, among other things, market conditions. We cannot assure you that we will be able to obtain additional equity or debt financing on favorable terms or at all. Our failure to renovate and maintain gaming and entertainment venues from time to time may put us at a competitive disadvantage to gaming and entertainment venues offering more modern and better maintained facilities, which could adversely affect our business, financial condition and results of operations.

We may invest in or acquire other businesses, and our business may suffer if we are unable to successfully integrate acquired businesses into our company or otherwise manage the growth associated with multiple acquisitions.

We cannot assure you that our completed or any future acquisitions, will may not enhance our financial performance. Our ability to achieve the expected benefits of any acquisitions will depend on, among other things, our ability to effectively translate our strategies into revenue, our ability to retain and assimilate the acquired businesses' employees, our ability to retain existing customers and suppliers on terms similar to, or better than, those in place with the acquired businesses, our ability to attract new customers, the adequacy of our implementation plans, our ability to maintain our financial and internal controls and systems as we expand our operations, the ability of our management to oversee and operate effectively the combined operations and our ability to achieve desired operating efficiencies and revenue goals. The integration of the businesses that we acquire might also cause us to incur costs that are unforeseen or that exceed our estimates, which would lower our future earnings and would prevent us from realizing the expected benefits of such acquisitions. In some cases, the services provided by the sellers are critical to the ongoing efficient operation of the properties and may involve costly payments from us to the provider of the services. If the provision of these services by the sellers is disrupted or given insufficient attention by the sellers, our ability to operate the properties may be negatively impacted until such time as we are able to take full control over the services. Moreover, we must pay the sellers for these services and the costs to us for these services may exceed our estimates and these expenses will negatively impact the results of operations of these properties during these transition periods. Failure to achieve the anticipated benefits of these acquisitions could result in decreases in the amount of expected revenues and diversion of management's time and energy and could adversely affect our business, financial condition and operating results including, ultimately, a reduction in our stock price.

We face risks associated with growth and acquisitions.

As part of our business strategy, we regularly evaluate opportunities for growth through development of gaming operations in existing or new markets, through acquiring other gaming entertainment facilities or through redeveloping our existing gaming facilities. In the future, we may also pursue expansion opportunities, including joint ventures or partnerships, in jurisdictions where casino gaming is not currently permitted in order to be prepared to develop projects upon approval of casino gaming.

Although we only intend to engage in acquisitions that, if consummated, will be accretive to us and our shareholders, acquisitions require significant management attention and resources to integrate new properties, businesses and operations. Our ability to realize the anticipated benefits of acquisitions will depend, in part, on our ability to integrate the acquired businesses with our businesses. The combination of two independent companies is a complex, costly and time-consuming process. This process may disrupt the business of either or both of the companies and may not result in the full benefits expected. Potential difficulties we may encounter as part of the integration process that may negatively impact our earnings or otherwise adversely affect our business and financial results include, among other things, the following:

- the inability to successfully incorporate acquired assets in a manner that permits us to achieve the full revenue increases, cost reductions and other benefits anticipated to result from any acquisitions;
- complexities associated with managing the combined business, including difficulty addressing possible differences in cultures and management philosophies and the challenge of integrating complex systems, technology, networks and other assets of each of the companies in a seamless manner that minimizes any adverse impact on customers, suppliers, employees and other constituencies;
- the disruption of, or the loss of momentum in, each of our ongoing businesses;
- inconsistencies in standards, controls, procedures and policies; and
- potential unknown liabilities and unforeseen increased expenses associated with acquisitions.

Additionally, even if integration is successful, the overall integration of acquired assets and businesses may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of customer and other business relationships and diversion of management attention. There is also no guarantee that the acquired assets or businesses will generate any of the projected synergies and earnings growth, and the failure to realize such projected synergies and earnings growth may adversely affect our operating and financial results and derail any growth plans.

There can be no assurance that we will be able to identify, acquire, develop or profitably manage additional companies or operations or successfully integrate such companies or operations into our existing operations without substantial costs, delays or other problems. Additionally, there can be no assurance that we will receive gaming or other necessary licenses or approvals for new projects that we may pursue or that gaming will be approved in jurisdictions where it is not currently approved.

Ballot measures or other voter-approved initiatives to allow gaming in jurisdictions where gaming, or certain types of gaming (such as slots and sports wagering), was not previously permitted could be challenged, and, if such challenges are successful, these ballot measures or initiatives could be invalidated. Furthermore, there can be no assurance that there will not be similar or other challenges to legalized gaming in existing or current markets in which we may operate or have development plans, and successful challenges to legalized gaming could require us to abandon or substantially curtail our operations or development plans in those locations, which could have a material adverse effect on our financial condition and results of operations.

There can be no assurance that we will not face similar challenges and difficulties with respect to new development projects, such as **our planned the permanent casino** project in Chicago, or expansion efforts that we may undertake, which could result in significant sunk costs that we may not be able to fully recoup or that otherwise have a material adverse effect on our financial condition and results of operations. We may not be able to obtain additional financing on acceptable terms or at all. To the extent that we seek to acquire other businesses in exchange for our common stock, fluctuations in our stock price could adversely affect our ability to complete acquisitions.

We may not realize the anticipated benefits of existing or pending strategic alliances, joint ventures, acquisitions, divestitures or new business strategies.

We have invested in, formed strategic alliances with and announced proposed joint ventures with other companies, such as the **Rhode Island VLT Company, LLC, the joint venture with IGT in Rhode Island (the "Joint Venture"), RI Joint Venture**, and we may expand those relationships or enter into similar relationships with additional companies which may require various state approvals which may or may not be granted. These initiatives are typically complex, and we may not be able to complete anticipated alliance or joint venture transactions, the anticipated benefits of these transactions may not be realized or the benefits may be delayed. For example, we may not successfully integrate an alliance or joint venture with our operations, including the implementation of our controls, systems, procedures and policies, or unforeseen expenses or liabilities may arise that were not discovered during due diligence prior to an investment or entry into a strategic alliance, or a misalignment of interests may develop between us and the other party. Further, to the extent we share ownership, control or management with another party in a joint venture, our ability to influence such joint venture may be limited, and we may be unable to prevent misconduct or implement our compliance or internal control systems. In addition, implementation of a new business strategy may lead to the disruption of our existing business operations, including distracting management from current operations. Results of operations from new activities may be lower than our existing activities, and, if a strategy is unsuccessful, we may not recoup our investments in that strategy. Failure to successfully and timely realize the anticipated benefits of these transactions or strategies could have an adverse effect on our financial condition or results of operations.

With respect to the Joint Venture, any material unanticipated issues arising from the integration process could negatively impact our stock price, future business and financial results. Moreover, uncertainty about the effect of the proposed transaction on employees, customers, suppliers, distributors and other business partners may have an adverse effect on us and the Joint Venture. These uncertainties may impair our and/or the Joint Venture's ability to attract, retain and motivate key personnel to execute the Joint Venture's strategy, and could cause customers, suppliers, distributors and others who deal with us and/or the Joint Venture to seek to change or cancel existing business relationships with us and/or the Joint Venture or fail to renew existing relationships.

The Joint Venture will be subject to the risks associated with the Company's gaming business, approvals by the state of Rhode Island, in addition to the risks associated with IGT's machine gaming business, and the business, financial condition and results of operations of the Joint Venture may be affected by factors that are different from or in addition to those currently affecting the independent business, financial condition and results of operations of the Company's gaming business. Many of these factors are outside of our and the Joint Venture's control and could materially impact the business, financial condition and results of operations of the Joint Venture. Moreover, although we will have certain consent, board representation and other governance rights with respect to the Joint Venture, the Company will be a minority owner of the Joint Venture. As a result, we will not have complete control over the Joint Venture, its management or its policies and we may have business interests, strategies and goals that differ in certain respects from those of IGT or the Joint Venture.

Our business depends, in part, on strategic relationships with third parties. Overreliance on certain third parties or our inability to extend existing relationships or agree to new relationships may cause unanticipated costs for us and impact our financial performance in the future.

We have entered into strategic partnerships with Sinclair Broadcast Group, Inc. ("Sinclair"), the National Hockey League, and MLB Professional Development Leagues, LLC, among others, and may enter into relationships with advertisers, casinos and other third parties in order to attract users to our platform. These relationships along with providers of online services, search engines, social media, directories and other websites and e-commerce businesses direct consumers to our platform. In addition, parties with whom we have advertising arrangements provide advertising services to other companies, including other fantasy sports and gaming platforms with which we compete. While we believe there are other third parties that could drive users to our platform, adding or transitioning to them may disrupt our business and increase our costs. In the event that any of our existing relationships or our future relationships fails to provide services to us in accordance with the terms of our arrangement, or at all, and we are not able to find suitable alternatives, this could impact our ability to attract consumers cost effectively and harm our business, financial condition and results of operations.

In 2020, we acquired naming rights over Diamond Sports Group's ("Diamond") regional sports networks, and Diamond and Sinclair agreed to promote the Bally's brand over certain Sinclair networks. Our brand and naming rights are owned by us alone, we are not an obligor under Diamond's debt and Diamond holds no equity or other ownership rights in us. However, our Bally's Sports brand could be inaccurately associated with Diamond's credit issues by the media, our customers or others, which, among other things, could harm our reputation and we cannot predict the effects of a Diamond reorganization on us or our relationship with Diamond.

Our branded sites are heavily reliant on well-known brands owned by third parties.

We operate certain branded sites, including sites branded as Virgin Games, Double Bubble Bingo and Monopoly Casino. All such branded sites operated by us are reliant on the use of highly trusted and recognizable brands which are owned by third parties (the "Third Party Brands"). We operate the Third Party Brands pursuant to brand licensing arrangements with the relevant third party brand owner (the "Brand Owner"). We are contractually required to operate such branded sites in accordance with those brand licensing arrangements, and any material breach of those requirements may expose us to claims for breach of contract and/or may lead to the Brand Owner terminating or failing to renew the brand licensing arrangements. We own the player data in respect of such branded sites, and in the event that the brand licensing arrangements for any of such branded sites were to be terminated early or not renewed, then we would seek to migrate those players to a different gaming site operated by us. However, there is a risk that any replacement branded site offered by us may not successfully retain the custom of those players, and in the event that if we lose the right to use any of the Third Party Brands, our business, financial condition and results of operations may be materially adversely affected.

We are exposed to the risk that the reputation of the Third Party Brands may be adversely affected by the activities of third parties over whom we have no control. For example, we operate the Virgin Games site. The Virgin brand is used by a wide range of businesses. In the event that the reputation of the Virgin brand was to be adversely affected due to the actions of third parties, that may affect our business prospects.

Our online business model depends upon the continued compatibility between our apps and the major mobile operating systems and upon third-party platforms for the distribution of our product offerings, which depend on factors beyond our control such as the design of third-party operating systems and continued access to our apps on third-party distribution platforms like the Apple App Store.

Our digital business is dependent on the interoperability of our technology with popular mobile operating systems, technologies, networks and standards as our users access our online betting and gaming product offerings primarily on mobile devices. As a result, our business model depends upon the continued compatibility between our app and the major mobile operating systems, such as the Android and iOS operating systems, and we rely upon third-party platforms for distribution of our product offerings. We do not have formal or informal relationships with parties that control design of mobile devices and operating systems and there is no guarantee that popular mobile devices will start or continue to support or feature our product offerings. Any changes, bugs, technical or regulatory issues in such operating systems, our relationships with mobile manufacturers and carriers, or in their terms of service or policies that degrade our offerings' functionality, reduce or eliminate our ability to distribute our offerings, give preferential treatment to competitive products, limit our ability to deliver high quality offerings, or impose fees or other charges related to delivering our offerings, could adversely affect our product usage and monetization on mobile devices. In addition, if any of the third-party platforms used for distribution of our product offerings were to limit or disable the availability of our app or advertising on their platforms, our ability to generate revenue could be harmed. These changes could materially impact the way we do business, and if we are unable to adjust to those changes quickly and effectively, there could be an adverse effect on our business, financial condition, results of operations and prospects.

A portion of our casinos are located on leased property. If we default on one or more leases, the applicable lessors could terminate the affected leases and we could lose possession of the affected casino.

We currently lease certain parcels of land on which a portion of our properties are located. As a ground lessee, we have the right to use the leased land; however, we do not hold fee ownership of the underlying land. Accordingly, we have no interest in the leased land or improvements thereon at the expiration of the ground leases. If our use of the land underlying our casino properties is disrupted permanently or for a significant period of time, then the value of our assets could be impaired and our business and operations could be adversely affected. Our leases provide that they may be terminated for a number of reasons, including failure to pay rent, taxes or other payment obligations or the breach of other covenants contained in the leases. In particular, our leases with GLPI require annual rent payments of \$111.1-\$112.1 million in 2023, 2024, which is subject to escalation annually, and obligate us to make specified minimum capital expenditures with respect to the leased properties. If our business and properties fail to generate sufficient earnings, the payments required to service the rent obligations under our leases with GLPI could materially and adversely limit our ability to react to changes in our business and make acquisitions and investments in our properties. If we were to default on any one or more of these leases, the applicable lessors could terminate the affected leases and we could lose possession of the affected land and any improvements on the land, including the hotels and casinos. Further, in the event that any lessor of our leased properties, including GLPI, encounters financial, operational, regulatory or other challenges, there can be no assurance that such lessor will be able to comply with its obligations under the applicable lease.

We rely on other third-party sports data providers for real-time and accurate data for sporting events, and if such third parties do not perform adequately or terminate their relationships with us, our costs may increase and our business, financial condition and results of operations could be adversely affected.

We rely on third-party sports data providers to obtain accurate information regarding schedules, results, performance and outcomes of sporting events. We rely on this data to determine when and how sports bets are settled. We have experienced, and may continue to experience, errors in this data feed which may result in us incorrectly settling bets. If we cannot adequately resolve the issue with our users, our users may have a negative experience with our offerings, our brand or reputation may be negatively affected and our users may be less inclined to continue or resume utilizing our products or recommend our offerings to other potential users. As such, a failure or significant interruption in our service may harm our reputation, business and operating results.

Furthermore, if any of our sports data partners terminates its relationship with us or refuses to renew its agreement with us on commercially reasonable terms, we would need to find an alternate provider, and may not be able to secure similar terms or replace such providers in an acceptable time frame. Any of these risks could increase our costs and adversely affect our business, financial condition and results of operations. Further, any negative publicity related to any of our third-party partners, including any publicity related to regulatory concerns, could adversely affect our reputation and brand, and could potentially lead to increased regulatory or litigation exposure.

We conduct our business in an industry that is subject to high taxes and may be subject to higher taxes in the future.

In gaming jurisdictions in which we conduct our business, with the exception of Rhode Island, state and local governments raise considerable revenues from taxes based on casino revenues and operations. In Rhode Island, the state takes all of the gaming win that comes into our Rhode Island operations and then pays us a percentage of the gaming win. We also pay property taxes, occupancy taxes, sales and use taxes, payroll taxes, franchise taxes and income taxes. Our profitability will depend on generating enough revenues to cover variable expenses, such as payroll and marketing, as well as largely fixed expenses, such as property taxes and interest expense. From time to time, state and local governments have increased gaming taxes and such increases could significantly impact the profitability of our gaming operations.

Our operations in other states are generally subject to significant revenue-based taxes and fees in addition to normal federal, state and local income taxes, and such taxes and fees are subject to increase at any time. In addition, from time to time, federal, state and local legislators and officials have proposed changes in tax laws, or in the administration of such laws, affecting the gaming industry. Further, worsening economic conditions could intensify the efforts of applicable state and local governments to raise revenues through increases in gaming taxes and/or property taxes. It is not possible to determine with certainty the likelihood of changes in tax laws in these jurisdictions or in the administration of such laws. Such changes, if adopted, could adversely affect our business, financial condition and results of operations. The large number of state and local governments with significant current or projected budget deficits makes it more likely that those governments that currently permit gaming will seek to fund such deficits with new or increased gaming taxes and/or property taxes and worsening economic conditions could intensify those efforts. Any material increase, or the adoption of additional taxes or fees, could adversely affect our future financial results.

There can be no assurance that governments in jurisdictions in which we conduct our business, or the federal government, will not enact legislation that increases gaming tax rates. General economic pressures have the potential to reduce revenues of state governments from traditional tax sources, which may cause state legislatures or the federal government to be more inclined to increase gaming tax rates.

Future New and future changes to US and non-US tax laws could adversely affect our business.

The US Congress, the Organization for Economic Co-operation and Development (the "OECD") and other government agencies in jurisdictions where Bally's and its affiliates do business have had an extended focus on issues related to the taxation of multinational corporations. One example is in the area of "base erosion and profit shifting," including situations the OECD's "Two-Pillar" framework, which, among other changes, would generally provide for an effective global minimum corporate tax rate of 15% on profits generated by certain multinational companies. This minimum tax would be applied to profits in any jurisdiction where payments the effective tax rate, determined on a country-by-country basis and applying certain agreed-upon conventions, is below 15%. The OECD and its members are made between undertaking the coordinated implementation of the minimum tax. Although this initiative is subject to further developments in the countries where Bally's and its affiliates from do business, it is already in force or is expected to be in force in various jurisdictions, including the UK and the EU, for fiscal years beginning on and after January 1, 2024. We are continuing to evaluate the Two-Pillar framework and related legislation and the potential impact on our business. The adoption of the Two-Pillar framework by countries in which Bally's and its affiliates do business could adversely affect Bally's and its affiliates' effective tax rate and increase tax complexity and uncertainty. Furthermore, as a jurisdiction with high result of the Two-Pillar framework or other tax rates to a jurisdiction with lower tax rates. As a result, initiatives, the tax laws in the US, the UK and other countries in which Bally's and its affiliates do business could change on a prospective or retroactive basis, and any such changes could adversely affect Bally's and its affiliates.

In addition, the US government may enact significant changes to the taxation of business entities including, among others, an increase in the corporate income tax rate, an increase in the tax rate applicable to global intangible low-taxed income, the elimination of certain tax exemptions and the imposition of further minimum taxes or surtaxes on certain types of income. No specific Although a range of US tax legislation has been proposed, at this time and the likelihood of these changes being enacted or implemented is unclear. We are currently unable to predict whether such changes will occur and, if so, the ultimate impact on our business.

If we fail to detect fraud, theft or cheating, including by our customers and employees, our reputation may suffer which could harm our brand and reputation and negatively impact our business, financial condition and results of operations and can subject us to investigations and litigation.

We have in the past incurred, and may in the future incur, losses from various types of financial fraud, including use of stolen or fraudulent credit card data, claims of unauthorized payments by a user and attempted payments by users with insufficient funds. Bad actors use increasingly sophisticated methods to engage in illegal activities involving personal information, such as unauthorized use of another person's identity, account information or payment information and unauthorized acquisition or use of credit or debit card details, bank account information and mobile phone numbers and accounts. Under current credit card practices, we may be liable for use of funds on our platform with fraudulent credit card data, even if the associated financial institution approved the credit card transaction.

Acts of fraud may involve various tactics, including collusion. Successful exploitation of our systems could have negative effects on our product offerings, services and user experience and could harm our reputation. Failure to discover such acts or schemes in a timely manner could result in harm to our operations. In addition, negative publicity related to such schemes could have an adverse effect on our reputation, potentially causing a material adverse effect on our business, financial condition and results of operations. In the

event of the occurrence of any such issues with our existing platform or product offerings, substantial engineering and marketing resources and management attention, may be diverted from other projects to correct these issues, which may delay other projects and the achievement of our strategic objectives.

In addition, any misappropriation of, or access to, users' or other proprietary information or other breach of our information security could result in legal claims or legal proceedings, including regulatory investigations and actions, or liability for failure to comply with privacy and information security laws, including for failure to protect personal information or for misusing personal information, which could disrupt our operations, force us to modify our business practices, damage our reputation and expose us to claims from our users, regulators, employees and other persons, any of which could have an adverse effect on our business, financial condition and results of operations.

Despite measures we have taken to detect and reduce the occurrence of fraudulent or other malicious activity on our platform, we cannot guarantee that any of our measures will be effective or will scale efficiently with our business. Our failure to adequately detect or prevent fraudulent transactions could harm our reputation or brand, result in litigation or regulatory action and lead to expenses that could adversely affect our business, financial condition and results of operations.

We are largely dependent on the skill and experience of management and key personnel.

We expect to experience strong competition in hiring and retaining qualified property and corporate management personnel, including competition from Native American gaming facilities that are not subject to the same taxation regimes as we are and, therefore, may be willing and able to pay higher rates of compensation. From time to time, a number of vacancies in key corporate and property management positions can be expected. If we are unable to successfully recruit and retain qualified management personnel at our facilities or at the corporate level, our results of operations could be adversely affected.

In addition, our officers, directors and key employees are required to file applications with the gaming authorities in each of the jurisdictions in which we conduct our business and are required to be licensed or found suitable by these gaming authorities. If the gaming authorities were to find an officer, director or key employee unsuitable for licensing or unsuitable to continue having a relationship with us, we would have to sever all relationships with that person. Furthermore, the gaming authorities may require us to terminate the employment of any person who refuses to file appropriate applications. Either result could significantly impair our operations. The time and effort needed to successfully complete the application process could impact our ability to attract, hire and retain top talent.

We are subject to risks associated with labor relations, labor costs and labor disruptions.

We are subject to the costs and risks generally associated with labor disputes and organizing activities related to unionized labor. From time to time, our operations may be disrupted by strikes, public demonstrations or other coordinated actions and publicity. We may incur increased legal costs and indirect labor costs as a result of contractual disputes, negotiations or other labor-related disruptions.

Most of our employees in Rhode Island, Nevada and New Jersey are represented by a labor union and are subject to collective bargaining agreements with us. As of December 31, 2022, December 31, 2023, we had 29,322 collective bargaining agreements covering 2,755,304 employees. Our collective bargaining agreements generally have three-or-five-year terms. There can be no assurance that we will be able to extend or enter into replacement agreements. If we are able to extend or enter into replacement agreements, there can be no assurance as to whether the terms will be on comparable terms to the existing agreements. We may also face organizing activities that could result in additional employees becoming unionized. Furthermore, labor regulation and the negotiation of new or existing collective bargaining agreements may limit could lead to higher wage and benefit costs, changes in work rules that raise operating expenses and legal costs thereby affecting our profitability or interfering with the ability of our management to focus on executing our business strategies, and could impose limitations on our ability to reduce the size of our workforce during an economic downturn, which could put us at a competitive disadvantage.

Our obligation to fund multi-employer defined benefit pension plans to which we are a party may adversely affect us.

We must contribute to a number of multi-employer defined benefit pension plans under the terms of collective-bargaining agreements that cover certain union-represented employees. The risks of participating in these multi-employer plans are different from single-employer plans in the following aspects:

- assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers;
- if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers; and
- if we choose to stop participating in some of our multi-employer plans, we may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

In addition, the funding obligations for our pension plans will be impacted by the performance of the financial markets, particularly the equity markets and interest rates. Funding obligations are determined by government regulations and are measured each year based on the value of assets and liabilities on a specific date. If the financial markets do not provide the long-term returns that are expected, we could be required to make larger contributions. The equity markets can be very volatile, and during 2022 displayed meaningful volatility and, therefore, our estimate of future contribution requirements can change dramatically in relatively short periods of time. Similarly, changes in interest rates and legislation enacted by governmental authorities can impact the timing and amounts of contribution requirements. An adverse change in the funded status of the plans could significantly increase our required contributions in the future and adversely impact our liquidity.

We may incur impairments to goodwill, indefinite-lived intangible assets or long-lived assets.

We monitor the recoverability of our long-lived assets, such as buildings, and evaluate their carrying value for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable. We annually review goodwill to determine if impairment has occurred. Additionally, interim reviews are performed whenever events or changes in circumstances indicate that impairment may have occurred. If the testing performed indicates that impairment has occurred, we are required to record a non-cash impairment charge for the difference between the carrying value and fair value of the long-lived assets or the carrying value and fair value of the

reporting unit, in the period the determination is made. The testing of long-lived assets and goodwill for impairment requires us to make estimates that are subject to significant assumptions about our future revenue, profitability, cash flows, fair value of assets and liabilities, weighted average cost of capital, as well as other assumptions. Changes in these estimates, or changes in actual performance compared with these estimates, may affect the fair value of long-lived assets or reporting unit, which may result in an impairment charge.

We cannot accurately predict the amount or timing of any impairment of assets. Should the value of long-lived assets or goodwill become impaired, our financial condition and results of operations may be adversely affected.

Our operations have historically been subject to seasonal variations and quarterly fluctuations in operating results, and we can expect to experience such variations and fluctuations in the future.

Casino, hotel and racing operations in our markets are subject to seasonal variation. Seasonal weather conditions can frequently adversely affect transportation routes to each of our properties and may cause snowfall, flooding and other effects that result in the closure of our properties. In addition, our sports betting business may experience seasonality based on the relative popularity of certain sports at different parts of the year. As a result, unfavorable seasonal conditions could have a material adverse effect on our business, financial condition and results of operations.

Our business is particularly sensitive to energy prices and a rise in energy prices could harm our operating results.

We are a large consumer of electricity and other energy and, therefore, higher energy prices may have an adverse effect on our results of operations. Accordingly, increases in energy costs may have a negative impact on our operating results. Additionally, higher electricity and gasoline prices that affect our customers may result in reduced visitation to our properties and a reduction in our revenues. We may be indirectly impacted by regulatory requirements aimed at reducing the impacts of climate change directed at up-stream utility providers, as we could experience potentially higher utility, fuel and transportation costs.

Expectations relating to environmental, social and governance considerations expose us to potential liabilities, reputational harm and other unforeseen adverse effects on our business.

Many governments, regulators, investors, employees, customers and other stakeholders are increasingly focused on environmental, social and governance considerations relating to businesses, including climate change and greenhouse gas emissions, human capital and diversity, equity and inclusion. We make statements about our environmental, social and governance goals and initiatives through information provided on our website, press statements and other communications. Responding to these environmental, social and governance considerations and implementation of these goals and initiatives involves risks and uncertainties and requires ongoing investments. The success of our goals and initiatives may be impacted by factors that are outside our control. In addition, some stakeholders may disagree with our goals and initiatives and the focus and views of stakeholders may change and evolve over time and vary depending on the jurisdictions in which we operate. Any failure, or perceived failure, by us to achieve our goals, further our initiatives, adhere to our public statements, comply with federal, state or international environmental, social and governance laws and regulations, or meet evolving and varied stakeholder expectations and views could materially adversely affect our business, financial condition and results of operations.

Our insurance and self-insurance programs may not be adequate to cover future claims.

Although we maintain insurance that we believe is customary and appropriate for our business, we cannot assure you that such insurance programs will be available or adequate to cover all losses and damage to which our business or our assets might be subjected. We use a combination of insurance and self-insurance to provide for potential liabilities, including employee healthcare benefits, up to certain stop-loss amounts which limit our exposure above the amounts we have self-insured. We estimate the liabilities and required reserves associated with the risks we retain. Any such estimates and actuarial projection of losses is subject to a considerable degree of variability. A considerable increase in claims as a result of a pandemic, including as a result of the COVID-19 pandemic, could have a material adverse effect on our business, financial condition or results of operations. If actual losses incurred are greater than those anticipated, our reserves may be insufficient and additional costs could be recorded in our consolidated financial statements. If we suffer a substantial loss that exceeds our self-insurance reserves, and any excess insurance coverage, the loss and attendant expenses could harm our business, financial condition or results of operations. The lack of adequate insurance for certain types or levels of risk could expose us to significant losses in the event that a catastrophe occurred for which we are uninsured or underinsured. Any losses we incur that are not adequately covered by insurance may decrease our future operating income, require us to find replacements or repairs for destroyed property and reduce the funds available for payments of our obligations. We renew our insurance policies on an annual basis. The cost of coverage may become so high that we may need to further reduce our policy limits, further increase our deductibles or agree to certain exclusions from our coverage.

Our results of operations and financial condition could be adversely affected by the occurrence of natural disasters, such as hurricanes, or other catastrophic events, including war, terrorism and terrorism. public health crises such as the COVID-19 pandemic.

Natural disasters, such as major hurricanes, typhoons, tornados, floods, fires and earthquakes, could adversely affect our business and operating results. Hurricanes are common in the areas in which our Mississippi and Louisiana properties are located, and the severity of such natural disasters is unpredictable.

Catastrophic events, such as terrorist attacks and global and regional conflicts (e.g., the war in Ukraine and conflict in the US and elsewhere, Middle East), have had a negative effect on travel and leisure expenditures, including lodging, gaming (in some jurisdictions) and tourism. We cannot accurately predict the extent to which such events may affect us, directly or indirectly, in the future.

Public health crises may also significantly impact our business. For example, the global spread of the COVID-19 pandemic, which began in early 2020, resulted in governments, public institutions and other organizations imposing or recommending, and businesses and individuals implementing, restrictions on various activities or other actions to combat its spread, such as restrictions and bans on travel or transportation, stay-at-home directives, requirements that individuals wear masks or other face coverings, limitations on the size of gatherings, closures of work facilities, schools, public buildings and businesses, cancellation of events, including sporting events, concerts, conferences and meetings and quarantines and lock-downs. The pandemic and its consequences dramatically reduced travel and demand for hotel rooms and other casino resort amenities, which had a negative

impact on our results in 2020 and 2021. There are no assurances that a resurgence of future COVID-19 variants or future pandemics will not cause similar disruptions that existed in 2020 and 2021.

There can be no assurance that we will be able to obtain or choose to purchase any insurance coverage with respect to occurrences of terrorist acts and any losses that could result from these acts, catastrophic events, such as those described above. If there is a prolonged disruption at our facilities due to natural disasters, terrorist attacks, wars, public health crises or other catastrophic events, our results of operations and financial condition would be adversely affected.

We may be unable to obtain business interruption coverage for casualties resulting from severe weather such as hurricanes, and there can be no assurance that we will be able to obtain casualty insurance coverage at affordable rates, if at all, for casualties resulting from severe weather.

Cybersecurity and Technology Risks

We rely on information technology and other systems and platforms, and any failures, errors, defects or disruptions in our systems or platforms could diminish our brand and reputation, subject us to liability, disrupt our business, affect our ability to scale our technical infrastructure and adversely affect our operating results and growth prospects.

We or one of our regulatory bodies, engage a number of third parties to provide gaming operating systems for the facilities we own. As a result, we rely on such third parties to provide uninterrupted services in order to run our business efficiently and effectively. In the event one of these third parties experiences a disruption in its ability to provide such services (whether due to technological or financial difficulties or power problems), this may result in a material disruption to the wagering activity at the casinos which we own and have a material adverse effect on our business, operating results and financial condition.

If our user base and engagement continue to grow, and the amount and types of offerings continue to grow and evolve, we will need an increasing amount of technical infrastructure, including network capacity and computing power, to continue to satisfy our users' needs. Such infrastructure expansion may be complex, and unanticipated delays in completing these projects or availability of components may lead to increased project costs, operational inefficiencies or interruptions in the delivery or degradation of the quality of our offerings. In addition, there may be issues related to this infrastructure that are not identified during the testing phases of design and implementation, which may only become evident after we have started to fully use the underlying equipment or software, that could further degrade the user experience or increase our costs. As such, we could fail to continue to effectively scale and grow our technical infrastructure to accommodate increased demands. In addition, our business may be subject to interruptions, delays or failures resulting from adverse weather conditions, other natural disasters, power loss, terrorism, cyber-attacks, public health emergencies (such as the coronavirus) or other catastrophic events. Any unscheduled interruption in our technology services is likely to result in an immediate, and possibly substantial, loss of revenues due to a shutdown of our gaming operations, cloud computing and lottery systems.

We believe that if our users have a negative experience with our offerings, or if our brand or reputation is negatively affected, users may be less inclined to continue or resume utilizing our products or recommend our platform to other potential users. As such, a failure or significant interruption in our service would harm our reputation, business and operating results.

We are reliant on the reliability and viability of Internet internet infrastructure, which is out of our control, and the proper functioning of our own network systems.

The growth of Internet internet usage has caused interruptions and delays in processing and transmitting data over the Internet internet. There can be no assurance that Internet internet infrastructure or our own network systems will continue to be able to support the demands placed on them by the continued growth of the Internet internet, the overall online gambling industry or that of our customers. The Internet's internet's viability could be affected by delays in the development or adoption of new standards and protocols to handle increased levels of Internet internet activity or by increased government regulation. The introduction of legislation or regulations requiring Internet internet service providers in any jurisdiction to block access to our websites and products may restrict the ability of our customers to access products and services offered by us. Such restrictions, should they be imposed, could have a material adverse effect on our business, financial condition and results of operations.

If critical issues concerning the commercial use of the Internet internet are not favorably resolved (including security, reliability, cost, ease of use, accessibility and quality of service), if the necessary infrastructure is not sufficient or if other technologies and technological devices eclipse the Internet internet as a viable channel, this may negatively affect Internet internet usage, and our business, financial condition and results of operations will be materially adversely affected. Additionally, the increasing presence of viruses and cyber-attacks may affect the viability and infrastructure of the Internet internet and/or the proper functioning of our network systems and could materially adversely affect our business, financial condition and results of operations.

Our business may be harmed from cybersecurity incidents and we may be subject to legal claims if there is loss, disclosure or misappropriation of or access to our customers', business partners' or our own information or other breaches of information security.

We make extensive use of online services and centralized data processing, including through third-party service providers. We have experienced certain cyber-attacks, attempts to breach our systems and other similar incidents. The secure maintenance and transmission of customer information is a critical element of our operations. Our information technology and other systems, or those of service providers and business partners, that maintain and transmit customer or employee information may be compromised by a malicious third-party penetration of our network security, or that of a third-party service provider or business partner or impacted by intentional or unintentional actions or inactions by our employees, or those of a third-party service provider or business partner. As a result, our customers' or employee's information may be lost, disclosed, accessed, or taken without our customers' or employees' consent.

In addition, third-party service providers and other business partners process and maintain proprietary business information and data related to our employees, customers, suppliers and other business partners. Our information technology and other systems that maintain and transmit this information, or those of service providers or business partners, may also be compromised by a malicious third-party penetration of our network security or that of a third-party service provider or business partner, or impacted by intentional or unintentional

actions or inactions by our employees or those of a third-party service provider or business partner. As a result, our business information or customer, supplier and other business partner data may be lost, disclosed, accessed or taken without consent.

Any such loss, disclosure, or misappropriation of, or access to, customers' or business partners' information or other breach of our information security can result in legal claims or legal proceedings, including regulatory investigations and actions, may have a serious impact on our reputation and may adversely affect our business, operating results and financial condition. Furthermore, the loss, disclosure or misappropriation of our business information may adversely affect our reputation, business, operating results, and financial condition.

Financing Risks

Our debt agreements and the Regulatory Agreement contain restrictive covenants that may limit our operating flexibility.

Our current debt agreements and the Regulatory Agreement include, and our future debt agreements and regulatory agreements will likely include numerous financial and other covenants, imposing financial and operating restrictions on our business. Our ability to comply with these provisions may be affected by general economic conditions, industry conditions and other events beyond our control. There can be no assurance that we will be able to comply with these covenants. The failure to comply with a financial covenant or other restriction contained in the agreements governing our indebtedness or in the Regulatory Agreement may result in an event of default under such agreements or sanctions or fines under the Regulatory Agreement. An event of default under our debt agreements could result in acceleration of some or all of the applicable indebtedness as well as other indebtedness of ours and the inability to borrow additional funds. We do not have, and cannot be certain we would be able to obtain, sufficient funds to repay any such indebtedness if it is accelerated. Restrictions in our debt agreements or in the Regulatory Agreement might affect our ability to operate our business, might limit our ability to take advantage of potential business opportunities as they arise and might adversely affect the conduct of our current business, including by restricting our ability to finance future operations and capital needs and limiting our ability to engage in other business activities.

Our existing and future indebtedness may limit our operating and financial flexibility.

As of ~~December 31, 2022~~ December 31, 2023, we had approximately ~~\$3.56 billion~~ \$3.73 billion of total indebtedness outstanding consisting of ~~\$1.93 billion~~ \$1.91 billion outstanding under our term loan facility (the "Term Loan") pursuant to the terms of a credit agreement we entered into on October 1, 2021 (the "Credit Agreement") with Deutsche Bank AG New York Branch, as administrative agent and collateral agent, and the lenders party thereto, and \$1.5 billion in aggregate principal amount of outstanding 5.625% senior notes due 2029 and 5.875% senior notes due 2031 (collectively, the "Senior Notes"). As of ~~December 31, 2022~~ December 31, 2023, we have a \$620.0 million revolving credit facility (the "Revolving Credit Facility" or "Revolver" and, together with the Term Loan, the "Credit Facility"), of which there were ~~\$137.0~~ \$335.0 million in borrowings as of that date. This indebtedness may have important negative consequences for us, including:

- limiting our ability to satisfy obligations;
- increasing vulnerability to general adverse economic and industry conditions;
- limiting flexibility in planning for, or reacting to, changes in our businesses and the markets in which we conduct business;
- increasing vulnerability to, and limiting our ability to react to, changing market conditions, changes in industry and economic downturns;
- limiting our ability to obtain additional financing to fund working capital requirements, capital expenditures, debt service, general corporate or other obligations;
- subjecting us to a number of restrictive covenants that, among other things, limit our ability to pay dividends and distributions, make acquisitions and dispositions, borrow additional funds and make capital expenditures and other investments;
- limiting our ability to use operating cash flow in other areas of our business because we must dedicate a significant portion of these funds to make principal and/or interest payments on outstanding debt;
- exposing us to interest rate risk due to the variable interest rate on borrowings under our Credit Facility;
- causing our failure to comply with the financial and restrictive covenants contained in our current or future indebtedness, which could cause a default under that indebtedness (and other indebtedness of ours) and which, if not cured or waived, could adversely affect us; and
- affecting our ability to renew gaming and other licenses necessary to conduct our business.

Though we have significant amounts of indebtedness outstanding, as of December 31, 2023, we have the ability to borrow the entire \$620.0 million remaining \$256.1 million available under our Revolving Credit Facility and may issue or incur additional indebtedness to fund our operations, including as necessary to execute on our growth strategy. Further, we may incur other liabilities that do not constitute indebtedness under the Credit Facility. The risks that we face based on our outstanding indebtedness may intensify if we incur additional indebtedness or financing obligations in the future.

Servicing our indebtedness and funding our other obligations requires a significant amount of cash, and our ability to generate sufficient cash depends on many factors, some of which will be beyond our control.

Our ability to make payments on and refinance our indebtedness and to fund our operations and capital expenditures depends upon our ability to generate cash flow and secure financing in the future. Our ability to generate future cash flow depends, among other things, upon:

- general economic conditions;
- competition;
- legislative and regulatory factors affecting our operations and businesses; and
- our future operating performance.

Some of these factors will be beyond our control. There can be no assurance that our business will generate cash flow from operations, or that future debt or equity financings will be available to us to enable us to pay our indebtedness or to fund other needs. If our operating results and available cash are insufficient to meet our debt service obligations, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. We may not be able to consummate those dispositions or to obtain the proceeds that we could realize from them, and these proceeds may not be adequate to meet any debt service obligations then due. The inability to generate cash flow could result in us needing to refinance all or a portion of our indebtedness on or before maturity, including through the issuance of additional debt or equity securities. If needed, there can be no assurance that we will be able to refinance any of our indebtedness on favorable terms, or at all. Any inability to generate sufficient cash flow or refinance our indebtedness on favorable terms could adversely affect our financial condition.

Our variable rate indebtedness exposes us to interest rate volatility, which could cause our debt service obligations to increase significantly.

Borrowings under our Credit Facility are at variable rates of interest and expose us to interest rate volatility. If interest rates increase, our debt service obligations on certain of our variable rate indebtedness will increase even though the amount borrowed remains the same.

In addition, at June 2023, with the end discontinuation of 2021, the administrator for London Interbank Inter-Bank Offered Rate ("LIBOR") ceased publishing one-week and two-month U.S. dollar LIBOR and will cease publishing all remaining U.S. dollar LIBOR tenors in 2023, reference rate, the Credit Facility was amended to incorporate a Secured Overnight Financing Rate ("SOFR"). The consequence use of this development with respect SOFR based rates as alternatives to LIBOR cannot is relatively new. There could be entirely predicted unanticipated difficulties or disruptions with the calculation and may result in the level publication of interest payments on the portion of our indebtedness that bears interest at variable SOFR based rates, to be affected, which may adversely impact the amount of our interest payments under such debt. could affect borrowing costs.

A market downturn may negatively impact our access to financing.

A downturn in the financial markets or market volatility (like those now being experienced) could negatively impact our ability to access capital and financing (including financing necessary for acquisitions or to refinance our existing indebtedness) on acceptable terms and prices, that we would otherwise need in connection with the operation of our business.

Risks Related to our Common Stock

The market price of our common stock could fluctuate significantly.

There have been and are periods of time when the US securities markets have experienced significant price fluctuations. These price fluctuations may be day-to-day or they may last for extended periods of time. Significant price fluctuations in the securities markets as a whole have caused, and may continue to cause, the market price of our common stock to be volatile and subject to wide fluctuations. The trading volume of our common stock may fluctuate and cause significant price variations to occur. Additional factors that could cause fluctuations in, or adversely affect, our stock price or trading volume include:

- general market and economic conditions, including market conditions in the gaming and hotel industries;
- actual or expected variations in quarterly operating results;
- differences between actual operating results and those expected by investors and analysts;
- sales of our common stock by current shareholders seeking liquidity in the public market;
- changes in recommendations by securities analysts;
- operations and stock performance of competitors;
- accounting charges, including charges relating to the impairment of goodwill;
- significant acquisitions or strategic alliances by us or by competitors;
- sales of our common stock by our directors and officers or significant investors; and
- recruitment or departure of key personnel.

There can be no assurance that the stock price of our common stock will not fluctuate or decline significantly in the future. In addition, the stock market in general can experience considerable price and volume fluctuations that may be unrelated to our performance.

Our largest shareholder owns a meaningful percentage of our outstanding common stock, which could limit the ability of other shareholders to influence corporate matters.

Standard General L.P. ("Standard General"), our largest shareholder, beneficially owned 22.7% 26.4% of our outstanding common stock as of February 14, 2023 February 14, 2024. Standard General's Managing Partner and Chief Investment Officer serves as the Chairman of our Board. Standard General is authorized by Rhode Island regulatory authorities to acquire up to 40% of our outstanding common stock.

On March 11, 2024, Standard General proposed to acquire all Bally's common stock not owned by Standard General or its affiliates at \$15.00 per share. The proposal was subject to various conditions, including among others the entry into definitive documents and the approval of a committee of our independent directors. There can be no assurance that any transaction will result or, if so, as to the timing or terms thereof, any alternative transaction or the impact on other shareholders.

We are not paying dividends and any decision to do so in the future will be at the discretion of our Board.

The timing, declaration, amount, and payment of any future dividends will be at the discretion of our Board and will depend upon, among other factors, our earnings, cash requirements, financial condition, requirements to comply with the covenants under our debt agreements and the Regulatory Agreement, legal considerations and other factors that

our Board deems relevant. If we do not pay cash dividends on our common stock in the future, then the return on an investment in our common stock will depend upon our future stock price and other forms of returning capital. There is no guarantee that our common stock will maintain its value or appreciate in value.

We are a holding company and will depend on our subsidiaries for dividends, distributions and other payments.

We are structured as a holding company, a legal entity separate and distinct from our subsidiaries. Our only significant asset is the capital stock or other equity interests of our operating subsidiaries. As a holding company, we will conduct all of our business through our subsidiaries. Consequently, our principal source of cash flow including cash flow to pay dividends, will be dividends and distributions from our subsidiaries. If our subsidiaries are unable to make dividend payments or distributions to us and sufficient cash or liquidity is not otherwise available, we may not be able to pay dividends. In addition, our right to participate in a distribution of assets upon a subsidiary's liquidation or reorganization will be subject to the prior claims of the subsidiary's creditors.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

We have established policies and processes for assessing, identifying, and managing material risks from cybersecurity threats, and have integrated these processes into our overall risk management systems and practices. We routinely assess material risks from cybersecurity threats, including any potential unauthorized attack on, or use of, our information systems that may result in adverse effects on the confidentiality, integrity, or availability of our information systems or any information stored therein.

Our data breach management policy classifies potential threats by risk levels, and we typically prioritize our threat mitigation and impact evaluation efforts based on those risk classifications, while focusing on maintaining the resiliency of our systems. These risk assessments include identifying reasonably foreseeable potential internal and external risks, the likelihood of occurrence and any potential damage that could result from such risks, and the sufficiency of existing policies, procedures, systems, controls, and other safeguards in place to manage such risks.

Following these risk assessments, we design, implement, and maintain reasonable safeguards to minimize the identified risks; reasonably address any identified gaps in existing safeguards; update existing safeguards as necessary; and monitor the effectiveness of our safeguards. Some of the other steps we have taken to detect, identify, assess, classify, and attempt to mitigate data security and privacy risks include:

- Adopting and periodically reviewing and updating information security and privacy policies;
- Conducting targeted audits and penetration tests throughout the year, using both internal and external resources;
- Complying with the Payment Card Industry Data Security Standard (PCI-DSS);
- Implementing an Information Security Management System (ISMS) and Privacy Information Management System (PIMS) which are certified as meeting the requirements of the ISO 27001 & ISO 27701 standards, respectively;
- Engaging an industry-leading, suitably qualified and experienced third party to independently evaluate our information security systems on a regular basis;
- Adopting a vendor risk management program, which includes receiving the results of cybersecurity and data privacy audits conducted on certain vendors engaged in high-risk data processing;
- Providing security and data protection training and awareness to our employees, contractors and key partners with access to any sensitive information and systems; and
- Maintaining cyber liability insurance.

We also understand the importance of collecting, storing, using, sharing, and disposing of personal information in a manner that complies with all applicable laws. To facilitate compliance with those laws, we have privacy policies in place regarding our treatment of customer data in both our offline and online environments, as well as policies relating to the protection of employee and vendor data. Our policies provide explanations of the types of information we collect, the rationale for such collection, how we use and share information, and generally describe the measures we take to protect the security of that information. Our policies also describe how customers may initiate inquiries and raise concerns regarding the collection, storage, sharing and use of their personal data.

At this time, we have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition. For additional information regarding risks from cybersecurity threats, please refer to Item 1A "Risk Factors -Cybersecurity and Technology Risks."

Governance

Cybersecurity and data protection falls under our overall risk management and oversight. Our Board of Directors periodically receives reports from our operations committee, cybersecurity management, external professional advisors, and other relevant Company personnel regarding various types of risks faced by the Company and the Company's risk mitigation efforts related thereto, including cybersecurity risks and related mitigation efforts.

The Board also receives presentations from management regarding trends in cybersecurity risks and risk mitigation initiatives and plans, including briefings on recent breaches at other companies and key takeaways and lessons learned that are applicable to our business. The Board will also periodically review key cybersecurity-related benchmarks for the Company.

The Company has a dedicated Security Forum and a Data Protection Committee comprising members from our senior leadership that convene on a regular basis to receive updates from our operations committee, cybersecurity management, external professional advisors, and other relevant Company personnel about the Cybersecurity & Privacy programs we have in place; discuss and assess material risks and planned risk mitigation, incidents and planned remediation efforts, trends observed, consider cybersecurity-related proposals, and review and adopt changes in cybersecurity policies.

Management's Responsibilities

In the event we identify a potential cybersecurity or data privacy issue, we have defined procedures for responding to such issues, including procedures that address when and how to engage with Company management, our Board of Directors, other stakeholders, and law enforcement when responding to such issues. We have a dedicated management team overseeing our cybersecurity and data privacy initiatives, led by our Chief Information Officer, our Vice President and Global Data Privacy Officer, and our Vice President of Cybersecurity, each in consultation with professional advisors. Our Chief Information Officer has over 25 years' experience overseeing and managing information technology teams and complex IT systems, and our Vice President of Cybersecurity has over 15 years' experience developing and managing cybersecurity functions and strategies. Our Vice President of Global Data Privacy is a recognized leader in the industry with over ten years of experience in managing global data privacy programs. Our cybersecurity and data privacy management team regularly meets with senior executives and other team members to provide oversight with respect to our cybersecurity and data privacy risk detection, identification, assessment, classification, and mitigation efforts.

ITEM 2. PROPERTIES

The Company's Casinos & Resorts reportable segment consists of 16 18 properties managed/owned by Bally's as of December 31, 2022 December 31, 2023, as shown in the table below:

Property	Property	Location	Type	Built/Acquired	Gaming		Table	Food and Beverage		Racebook	Sportsbook	Property	Location	Type	Built/Acquired	Gaming	Slot	
					Square	Footage		Slot	Hotel							Square	Machines	
Bally's	Bally's											Bally's						
Twin River	Twin River											Twin River						
Lincoln	Lincoln											Lincoln						
Casino	Casino		Casino and									Casino		Casino and				
Resort(1)	Resort(1)	Lincoln, RI	Resort	2004	162,420	3,802	114	136	21	Yes	Yes	Resort(1)	Lincoln, RI	Resort	2004	188,070	3,900	3,900 114
Hard Rock	Hard Rock											Hard Rock						
Hotel &	Hotel &											Hotel &						
Casino	Casino		Casino and									Casino		Casino and				
Biloxi(1)(3)	Biloxi(1)(3)	Biloxi, MS	Resort	2014	50,984	977	55	479	15	No	Yes	Biloxi(1)(3)	Biloxi, MS	Resort	2014	50,984	977	977 55
Bally's	Bally's											Bally's						
Tiverton	Tiverton											Tiverton						
Casino &	Casino &		Casino and									Casino &		Casino and				
Hotel(1)(3)	Hotel(1)(3)	Tiverton, RI	Hotel	2018	33,840	1,000	32	83	7	Yes	Yes	Hotel(1)(3)	Tiverton, RI	Hotel	2018	33,840	1,000	1,000 32
Bally's	Bally's											Bally's						
Dover	Dover											Dover						
Casino	Casino		Casino, Resort									Casino		Casino, Resort				
Resort(1)(3)	Resort(1)(3)	Dover, DE	and Raceway	2019	84,075	1,918	30	500	8	Yes	Yes	Resort(1)(3)	Dover, DE	and Raceway	2019	84,075	2,053	2,053 28
Bally's	Bally's											Bally's						
Black	Black	Black										Black	Black					
Hawk(1)(2)(3)	Hawk(1)(2)(3)	Hawk, CO	Three Casinos	2020	34,632	577	33	—	7	No	Yes	Hawk(1)(2)(3)	Hawk, CO	Three Casinos	2020	34,632	546	546 33
Bally's	Bally's											Bally's						
Kansas	Kansas											Kansas						
City	City	Kansas										City	Kansas					
Casino(1)	Casino(1)	City, MO	Casino	2020	42,288	906	24	—	4	No	No	Casino(1)	City, MO	Casino	2020	42,288	907	907 24
Bally's	Bally's											Bally's						
Vicksburg	Vicksburg	Vicksburg,	Casino and									Vicksburg	Vicksburg,	Casino and				
Casino(1)	Casino(1)	MS	Hotel	2020	32,608	453	7	89	2	No	Yes	Casino(1)	MS	Hotel	2020	32,608	458	458 7
Bally's	Bally's											Bally's						
Atlantic	Atlantic											Atlantic						
City	City											City						
Casino	Casino	Atlantic	Casino and									Casino	Atlantic	Casino and				
Resort(1)	Resort(1)	City, NJ	Resort	2020	84,236	1,189	88	1,205	12	No	Yes	Resort(1)	City, NJ	Resort	2020	82,979	1,171	1,171 84
Bally's	Bally's											Bally's						
Shreveport	Shreveport											Shreveport						
Casino &	Casino &	Shreveport,	Casino and									Casino &	Shreveport,	Casino and				
Hotel(1)	Hotel(1)	LA	Hotel	2020	30,000	1,186	40	403	6	No	Yes	Hotel(1)	LA	Hotel	2020	30,000	965	965 52

Bally's Lake Tahoe Casino Resort	Bally's Lake Tahoe Casino Resort	Lake Tahoe, NV	Casino and Resort	2021	48,425	399	20	438	7	Yes	Yes	Bally's Lake Tahoe Casino Resort	Lake Tahoe, NV	Casino and Resort	2021	46,665	392	392	20
Bally's Evansville Casino & Hotel ⁽¹⁾⁽³⁾	Bally's Evansville Casino & Hotel ⁽¹⁾⁽³⁾	Evansville, IN	Casino and Hotel	2021	46,265	948	30	338	4	No	Yes	Bally's Evansville Casino & Hotel ⁽¹⁾⁽³⁾	Evansville, IN	Casino and Hotel	2021	46,265	940	940	30
Bally's Quad Cities Casino & Hotel ⁽¹⁾⁽³⁾	Bally's Quad Cities Casino & Hotel ⁽¹⁾⁽³⁾	Rock Island, IL	Casino and Hotel	2021	39,604	813	20	205	5	No	No	Bally's Quad Cities Casino & Hotel ⁽¹⁾⁽³⁾	Rock Island, IL	Casino and Hotel	2021	42,300	782	782	22
Tropicana Las Vegas Casino and Resort ⁽¹⁾⁽³⁾	Tropicana Las Vegas Casino and Resort ⁽¹⁾⁽³⁾	Las Vegas, NV	Casino and Resort	2022	37,904	597	33	1,470	5	No	Yes	Tropicana Las Vegas Casino and Resort ⁽¹⁾⁽³⁾	Las Vegas, NV	Casino and Resort	2022	37,904	576	576	20
Bally's Chicago Casino ⁽⁴⁾	Bally's Chicago Casino ⁽⁴⁾	Chicago, IL	Casino	2023	34,894							Bally's Chicago Casino ⁽⁴⁾	Chicago, IL	Casino	2023	34,894		791	
Bally's Arapahoe Park	Bally's Arapahoe Park	Aurora, CO	Racetrack/OTB Site	2004	—	—	—	—	5	Yes	No	Bally's Arapahoe Park	Aurora, CO	Racetrack/OTB Site	2004	—	—	—	—
Bally's Golf Links at Ferry Point	Bally's Golf Links at Ferry Point	Bronx, NY	Golf Course	2023	—							Bally's Golf Links at Ferry Point	Bronx, NY	Golf Course	2023	—		—	

- (1) The properties noted above are required to be mortgaged under and are encumbered under our Credit Agreement.
- (2) These properties include Bally's Black Hawk North Casino, Bally's Black Hawk West Casino and Bally's Black Hawk East Casino.
- (3) Properties leased from GLPI. Refer to Note 16 17 "Leases" for further information.
- (4) Temporary casino facility, as a permanent casino resort is being constructed.

As of December 31, 2022 December 31, 2023, Bally's had approximately 285,000 265,000 square feet of office space, including the corporate headquarters located in Providence, Rhode Island. Our interactive businesses operate primarily in leased office space located in the UK, US, Malta, Canada, US, Estonia, Sweden, Gibraltar, Isle of Man, Philippines, Hong Kong and Ceuta, Philippines.

ITEM 3. LEGAL PROCEEDINGS

We are party to various legal proceedings which have arisen in the normal course of our business. Such proceedings can be costly, time consuming and unpredictable and, therefore, no assurance can be given that the final outcome of such proceedings will not materially impact our consolidated financial condition or results of operations. While we maintain insurance coverage that we believe is adequate to mitigate the risks of such proceedings, no assurance can be given that the amount or scope of existing insurance coverage will be sufficient to cover losses arising from such matters. Estimated losses are accrued for these proceedings when the loss is probable and can be estimated. The current liability for the estimated losses associated with these proceedings is not material to our consolidated financial condition and those estimated losses are not expected to have a material impact on our results of operations.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

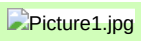
ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information for Our Common Stock

Our common stock is listed on the NYSE under the symbol "BALY."

Stock Performance Graph

Our shares of common stock began trading on the NYSE on March 29, 2019. Accordingly, no comparative stock performance information is available prior to this date. The performance graph below compares the cumulative total return on our common stock to the cumulative total return of the Standard & Poor's 500 Stock Index ("S&P 500") and the Dow Jones US Gambling Index. The performance graph assumes that \$100 was invested on March 29, 2019 in each of our common stock, the S&P 500 and the Dow Jones US Gambling Index, and that all dividends were reinvested. The stock price performance shown in this graph is neither necessarily indicative of, nor intended to suggest, future stock price performance.



COMPARISON OF 45 MONTH CUMULATIVE TOTAL RETURN*
Among Bally's Corporation, the S&P 500 Index
and the Dow Jones US Gambling Index
0001747079-23-000031baly-20221231_g2.jpg

*\$100 invested on March 29, 2019 in stock or index, including reinvestment of dividends.

Fiscal year ending December 31.

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Dividend Policy

We do not currently intend to pay any dividends on our common stock in the foreseeable future. Any future determinations relating to our dividend policies will be made at the discretion of our Board and will depend on conditions then existing, including our financial condition, results of operations, contractual restrictions, capital and regulatory requirements and other factors our Board may deem relevant.

Holders

At February 14, 2023 February 14, 2024, there were 240 234 holders of record of our common stock, although we believe there are a significantly larger number of beneficial owners of our common stock because many shares are held by brokers and other institutions on behalf of shareholders.

Issuer Purchases of Equity Securities

On June 14, 2019, we announced that the Board approved a capital return program (the "Capital Return Program") under which we may expend a total of up to \$250 million for a share repurchase program and payment of dividends. On February 10, 2020, and October 4, 2021, the Board approved an additional \$100 million and \$350 million for stock repurchases and payment of dividends, respectively.

Share repurchases under publicly announced programs may be effected in various ways, which could include open-market or private repurchase transactions, accelerated share repurchase programs, tender offers or other transactions. The amount, timing and terms of any capital transactions will be determined based on prevailing market conditions and other factors and may be suspended or discontinued at any time. There is no fixed time period to complete the capital returns.

The following table provides information about share repurchases made by the Company of its common stock during the quarter ended December 31, 2022 December 31, 2023 (in thousands, except Average Price Paid per Share):

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs
			Publicly Announced Plans or Programs	
October 1, 2022 - October 31, 2022	50	\$ 19.81	50	\$ 214,392
November 1, 2022 - November 30, 2022	337	24.02	337	206,296
December 1, 2022 - December 31, 2022	516	22.76	516	194,558
	903	\$ 23.07 ^(a)	903	\$ 194,558

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs
			Publicly Announced Plans or Programs	
October 1, 2023 - October 31, 2023	—	\$ —	—	\$ 164,100
November 1, 2023 - November 30, 2023	3,113	10.78	3,113	130,531
December 1, 2023 - December 31, 2023	2,694	13.01	2,694	95,477
	5,807	\$ 11.81 ^(a)	5,807	\$ 95,477

(a) Weighted-average. Weighted average.

Changes to Authorized Shares

On May 18, 2021, following receipt of required shareholder approvals, the Company amended its Certificate of Incorporation to increase the number of authorized shares of common stock from 100 million to 200 million, and to authorize the issuance of up to 10 million shares of preferred stock. As of December 31, 2022 December 31, 2023, no shares of preferred stock have been issued.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and the related notes and other financial information included elsewhere in this Annual Report on Form 10-K. Some of the information contained in this discussion and analysis or set forth elsewhere in this Annual Report on Form 10-K, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review Item 1A. "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in this Annual Report on Form 10-K for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Executive Overview

During 2022, 2023, we continued to grow our business by actively pursuing the acquisition and development of new gaming opportunities and reinvesting in our existing operations. We completed

In our acquisition Casinos & Resorts segment, we:

- announced a binding deal with the Oakland Athletics of Tropicana Major League Baseball to site their new ballpark on a portion of our Bally's Las Vegas providing us with a presence property;
- opened our temporary casino at the Medinah Temple in Chicago, Illinois and are on the Las Vegas Strip. We signed an agreement track to break ground to develop Bally's Chicago, a permanent flagship destination casino resort in downtown Chicago, Illinois. We made significant progress on Illinois;
- opened our capital improvement and property expansion projects at our Bally's Atlantic City, Bally's Lincoln, and Bally's Kansas City properties focusing on enhancing and Bally's Twin River, which provides for enhanced amenities to improve the customer experience. We experience; and
- we acquired Bally's Golf Links at Ferry Point in the Bronx, New York.

In our International Interactive and North America Interactive segments, we:

- rolled out our new Bally Bet sportsbook app with our new partners, Kambi and White Hat Gaming in seven US states;
- launched iGaming app in Pennsylvania;
- launched Bally Casino, an iCasino iGaming app, and Bally Bet Sportsbook & Casino, our first combined casino and sportsbook app. app; and
- anticipate launching a new iGaming app in Rhode Island following the legalization of iGaming in Rhode Island.

These steps continue to position us as a prominent, full-service, vertically integrated iGaming company, with physical casinos and online gaming solutions united under a single, leading brand.

Acquisitions and Development Projects

Our acquisitions and business development projects are summarized above in "Our Strategy and Business Developments" section above and in Note 6 "Business Combinations" to our consolidated financial statements presented in Part II, Item 8 of this Annual Report on Form 10-K.

Macroeconomic and Other Factors

Our business is subject to risks caused by global economic challenges, including those caused by public health crises such as the COVID-19 pandemic, the impact of the war in Ukraine, global and regional conflicts, rising inflation, rising interest rates and supply-chain disruptions, that can cause economic uncertainty and volatility. These challenges can negatively impact discretionary consumer spending and could result in a reduction in visitors to our properties, including those that stay in our hotels, or discretionary spending by our customers on entertainment and leisure activities. In addition, inflation generally affects our business by increasing our cost of labor. In periods of sustained inflation, it may be difficult to effectively control such increases to our costs and retain key personnel.

Key Performance Indicators

The key performance indicator used in managing our business is adjusted earnings before interest, taxes, depreciation consolidated Adjusted EBITDA and amortization ("segment Adjusted EBITDA"), a EBITDAR which are non-GAAP measure. measures. Adjusted EBITDA is defined as earnings, or loss, for the Company, or where noted its reporting segments, before, in each case, interest expense, net of interest income, provision (benefit) for income taxes, depreciation and amortization, non-operating income, (income) expense, acquisition and other transaction related costs, share-based compensation and certain other gains or losses as well as, when presented for our reporting segments, an adjustment related to the allocation of corporate cost among segments. Segment Adjusted EBITDAR is Adjusted EBITDA (as defined above) for the Company's reportable

segments, plus rent expense associated with triple net operating leases with GLPI for the real estate assets used in the operation of the Bally's casinos and the assumption of the lease for real estate and land underlying the operations of the Bally's Lake Tahoe property.

We use consolidated Adjusted EBITDA and segment Adjusted EBITDAR to analyze the performance of our business and it is they are used as a determining factor factors for performance based performance-based compensation for members of our management team. We have historically used use consolidated Adjusted EBITDA and segment Adjusted EBITDAR when evaluating operating performance because we believe that the inclusion or exclusion of certain recurring and non-recurring items is necessary to provide a more fulsome understanding of our core operating results and as a means to evaluate period-to-period performance. Also, we present consolidated Adjusted EBITDA and segment Adjusted EBITDAR because it is they are used by some investors and creditors as an indicator indicators of the strength and performance of ongoing business operations, including our ability to service debt, and to fund capital expenditures, acquisitions and operations. These calculations are commonly used as a basis for investors, analysts and credit rating agencies to evaluate and compare operating performance and value companies within our industry. Consolidated Adjusted EBITDA and segment Adjusted EBITDAR information is presented because management believes that it is a they are commonly used measure measures of performance in the gaming industry and that it is they are considered by many to be a key indicator indicators of our operating results.

Consolidated Adjusted EBITDAR is used outside of our financial statements solely as a valuation metric. Consolidated Adjusted EBITDAR is defined as consolidated Adjusted EBITDA for our Casinos & Resorts segment plus rent expense associated with triple net operating leases. Consolidated Adjusted EBITDAR is an additional metric used by analysts in valuing gaming companies subject to triple net leases since it eliminates the effects of variability in leasing methods and capital structures. This metric is included as supplemental disclosure because (i) we believe Consolidated Adjusted EBITDAR is used by gaming operator analysts and investors to determine the equity value of gaming operators and (ii) financial analysts refer to Consolidated Adjusted EBITDAR when valuing our business. We believe Consolidated Adjusted EBITDAR is useful for equity valuation purposes because (i) its calculation isolates the effects of financing real estate, and (ii) using a multiple of Consolidated Adjusted EBITDAR to calculate enterprise value allows for an adjustment to the balance sheet to recognize estimated liabilities arising from operating leases related to real estate.

Consolidated Adjusted EBITDA and segment Adjusted EBITDAR should not be construed as an alternative alternatives to net income, the most directly comparable GAAP measure, as an indicator indicators of our performance. In addition, consolidated Adjusted EBITDA and segment Adjusted EBITDAR as used by us may not be defined in the same manner as other companies in our industry, and, as a result, may not be comparable to similarly titled non-GAAP financial measures of other companies. Consolidated Adjusted EBITDAR should not be viewed as a measure of overall operating performance or considered in isolation or as an alternative to net income, because it excludes the rent expense associated with our triple net operating leases with GLPI and the lease for real estate and land underlying the operations of the Bally's Lake Tahoe property.

Beginning in the third quarter ended September 30, 2022, we revised our calculation of Adjusted EBITDA to exclude adjustments for launch costs and preopening expenses. The tables below within "Adjusted EBITDA and Adjusted EBITDAR by Segment" have been revised to reflect this new presentation for applicable periods.

Results of Operations

In connection with the finalization of the financial close process for the year ended December 31, 2023, and subsequent to the publication of the Company's unaudited Statements of Operations and Balance Sheet data included within its earnings press release on February 21, 2024, the Company recorded additional impairment charges of \$18.1 million as it relates to its annual impairment test on indefinite-lived intangible assets, a balance sheet reclassification resulting in a \$12.9 million increase to restricted cash from other current assets and, a \$3.2 million net adjustment to the provision for income taxes reflecting the tax effect of these and other adjustments. Amounts included in the audited financial statements in this Annual Report on Form 10-K reflect the effect of these adjustments and no other amounts presented in the earnings release have been revised.

The following table presents, for the periods indicated, certain revenue and income items:

(In millions)	(In millions)	Years Ended December 31,			(In millions)	Years Ended December 31,		
		2022	2021	2020		2023	2022	2021
Total revenue	Total revenue	\$2,255.7	\$1,322.4	\$372.8				
(Loss) income from operations		(293.0)	93.4	(18.4)				
Income (loss) from operations								
Net loss	Net loss	(425.5)	(114.7)	(5.5)				

The following table presents, for the periods indicated, certain income and expense items expressed as a percentage of total revenue:

		Years Ended December 31,				Years Ended December 31,		
		2022	2021	2020		2023	2022	2021
Total revenue	Total revenue	100.0 %	100.0 %	100.0 %	Total revenue	100.0 %	100.0 %	100.0 %
Gaming and non-gaming expenses	Gaming and non-gaming expenses	44.7 %	40.5 %	37.2 %	Gaming and non-gaming expenses	45.1 %	44.7 %	40.5 %
General and administrative	General and administrative	34.4 %	41.2 %	55.3 %	General and administrative	45.5 %	36.6 %	45.2 %

Gain from sale-leaseback, net					Gain from sale-leaseback, net	(15.3) %	(2.3) %	(4.0) %
Impairment charges	Impairment charges	20.6 %	0.4 %	2.3 %	Impairment charges	6.1 %	20.6 %	0.4 %
Depreciation and amortization	Depreciation and amortization	13.3 %	10.9 %	10.2 %	Depreciation and amortization	14.3 %	13.3 %	10.9 %
Total operating costs and expenses	Total operating costs and expenses	113.0 %	92.9 %	104.9 %	Total operating costs and expenses	95.8 %	113.0 %	92.9 %
(Loss) income from operations	(13.0)%	7.1 %	(4.9)%					
Income (loss) from operations					Income (loss) from operations	4.2 %	(13.0) %	7.1 %
Other income (expense):	Other income (expense):				Other income (expense):			
Interest expense, net	Interest expense, net	(9.2)%	(8.9)%	(16.8)%	Interest expense, net	(11.3) %	(9.2) %	(8.9) %
Other non-operating expenses, net		2.1 %	(7.1)%	1.7 %				
Other non-operating income (expense), net					Other non-operating income (expense), net	(0.5) %	2.1 %	(7.1) %
Total other expense, net	Total other expense, net	(7.2)%	(16.1)%	(15.1)%	Total other expense, net	(11.8) %	(7.2) %	(16.1) %
Loss before provision for income taxes		(20.1)%	(9.0)%	(20.1)%				
Benefit for income taxes		(1.3)%	(0.3)%	(18.6)%				
Loss before income taxes					Loss before income taxes	(7.6) %	(20.1) %	(9.0) %
Provision (benefit) for income taxes					Provision (benefit) for income taxes	0.1 %	(1.3) %	(0.3) %
Net loss	Net loss	(18.9)%	(8.7)%	(1.5)%	Net loss	(7.7) %	(18.9) %	(8.7) %

Note: Amounts in table may not subtotal due to rounding.

Segment Information

The Company has three reportable segments: Casinos & Resorts, North America International Interactive and International North America Interactive. Refer to "Our Operating Structure" in Part I, Item 1 "Business" of this Annual Report on Form 10-K and Note 21 23 "Segment Reporting" to our consolidated financial statements presented in Part II, Item 8 of this Annual Report on Form 10-K for additional information on our segment reporting structure . structure. The following table sets forth certain financial information associated with results of operations for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021. Non-gaming revenue includes hotel, food and beverage and retail, entertainment and other revenue. Non-gaming expenses include hotel, food and beverage and retail, entertainment and other expenses.

	2022	2021
	over	over
Years Ended December 31,	2021	2020
Years Ended December 31,		
Years Ended December 31,		
Years Ended December 31,	2023 over 2022	2022 over 2021

(In thousands, except percentages)	(In thousands, except percentages)	2022	2021	2020	\$ Change	\$ Change
Revenue:	Revenue:					
Revenue:						
Revenue:						
Gaming						
Gaming						
Gaming	Gaming					
Casinos & Resorts	Casinos & Resorts	\$ 907,431	\$ 803,940	\$298,070	\$103,491	\$505,870
Casinos & Resorts						
Casinos & Resorts						
International Interactive						
International Interactive						
International Interactive						
North America Interactive	North America Interactive	38,759	10,442	—	28,317	10,442
International Interactive		899,934	239,110	—	660,824	239,110
North America Interactive						
North America Interactive						
Total Gaming revenue						
Total Gaming revenue						
Total Gaming revenue	Total Gaming revenue	1,846,124	1,053,492	298,070	792,632	755,422
Non-gaming	Non-gaming					
Non-gaming						
Non-gaming						
Casinos & Resorts	Casinos & Resorts	320,132	228,888	74,722	91,244	154,166
Casinos & Resorts						
Casinos & Resorts						
International Interactive						
International Interactive						
International Interactive						
North America Interactive	North America Interactive	42,941	27,910	—	15,031	27,910
International Interactive		46,508	12,153	—	34,355	12,153
North America Interactive						
North America Interactive						
Total Non-gaming revenue						
Total Non-gaming revenue						
Total Non-gaming revenue	Total Non-gaming revenue	409,581	268,951	74,722	140,630	194,229
Total revenue	Total revenue	\$2,255,705	\$1,322,443	\$372,792	\$933,262	\$949,651
Total revenue						
Total revenue						
Operating costs and expenses:						
Operating costs and expenses:						

Operating costs and expenses:	Operating costs and expenses:					
Gaming	Gaming					
Gaming						
Gaming						
Casinos & Resorts	Casinos & Resorts	\$ 313,569	\$ 263,751	\$ 95,901	\$ 49,818	\$167,850
Casinos & Resorts						
Casinos & Resorts						
International Interactive						
International Interactive						
International Interactive						
North America Interactive	North America Interactive	48,018	10,721	—	37,297	10,721
International Interactive		451,331	132,560	—	318,771	132,560
North America Interactive						
North America Interactive						
Total Gaming expenses						
Total Gaming expenses						
Total Gaming expenses	Total Gaming expenses	812,918	407,032	95,901	405,886	311,131
Non-gaming	Non-gaming					
Non-gaming						
Non-gaming						
Casinos & Resorts	Casinos & Resorts	147,575	110,090	42,768	37,485	67,322
Casinos & Resorts						
Casinos & Resorts						
International Interactive						
International Interactive						
International Interactive						
North America Interactive	North America Interactive	14,538	9,299	—	5,239	9,299
International Interactive		34,205	8,658	—	25,547	8,658
North America Interactive						
North America Interactive						
Total Non-gaming expenses						
Total Non-gaming expenses						
Total Non-gaming expenses	Total Non-gaming expenses	196,318	128,047	42,768	68,271	85,279
General and administrative	General and administrative					
General and administrative						
General and administrative						
Casinos & Resorts	Casinos & Resorts	460,163	343,639	173,249	116,524	170,390
Casinos & Resorts						
Casinos & Resorts						
International Interactive						
International Interactive						
International Interactive						

North America	North America					
Interactive	Interactive	113,913	46,908	—	67,005	46,908
International Interactive		149,168	43,015	—	106,153	43,015
North America Interactive						
North America Interactive						
Other	Other	51,696	110,959	32,759	(59,263)	78,200
Other						
Other						
Total General and administrative						
Total General and administrative						
Total General and administrative	Total General and administrative	\$ 774,940	\$ 544,521	\$ 206,008	\$ 230,419	\$ 338,513
Margins:	Margins:					
Margins:						
Margins:						
Gaming expenses as a percentage of Gaming revenue						
Gaming expenses as a percentage of Gaming revenue						
Gaming expenses as a percentage of Gaming revenue	Gaming expenses as a percentage of Gaming revenue	44 %	39 %	32 %		
Non-gaming expenses as a percentage of Non-gaming revenue	Non-gaming expenses as a percentage of Non-gaming revenue	48 %	48 %	57 %		
Non-gaming expenses as a percentage of Non-gaming revenue						
Non-gaming expenses as a percentage of Non-gaming revenue						
General and administrative as a percentage of Total revenue	General and administrative as a percentage of Total revenue	34 %	41 %	55 %		
General and administrative as a percentage of Total revenue						
General and administrative as a percentage of Total revenue						

Year ended **December 31, 2022** December 31, 2023 compared to year ended **December 31, 2021** December 31, 2022

Total revenue

Our total revenue for the years ended **December 31, 2022** December 31, 2023 and **2021** 2022 consisted of the following (in thousands):

		2022	2021	\$ Change	% Change		2023		2022		\$ Change		% Change
Gaming	Gaming	\$1,846,124	\$1,053,492	\$792,632	75.2 %	Gaming	\$1,992,041	\$	\$1,846,124	\$	\$145,917	7.9	7.9 %
Hotel	Hotel	153,750	95,356	58,394	61.2 %	Hotel	200,650	153,750	153,750	46,900	46,900	30.5	30.5 %
Food and beverage	Food and beverage	115,322	92,906	22,416	24.1 %	Food and beverage	143,521	115,322	115,322	28,199	28,199	24.5	24.5 %
Retail, entertainment and other	Retail, entertainment and other	140,509	80,689	59,820	74.1 %	Retail, entertainment and other	112,861	140,509	140,509	(27,648)	(27,648)	(19.7)	(19.7) %

Total revenue	Total revenue	\$2,255,705	\$1,322,443	\$933,262	70.6 %	Total revenue	\$2,449,073	\$	\$2,255,705	\$	\$193,368	8.6	8.6	%
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Revenue for the year ended December 31, 2023 increased 8.6% compared to the year ended December 31, 2022. We saw gaming hotel, food and beverage, and retail, entertainment and other revenues grow, as revenue increase across all reporting segments year over year through organic growth. Additionally, we were able to operate with fewer restrictions across saw incremental revenue from our properties compared to the prior year period as a result of developments in the COVID-19 pandemic and an increase in consumer confidence. Incremental revenues from the recent acquisition acquisitions of Tropicana Las Vegas, Bally's Golf Links and the acquisitions completed in 2021, including Gamesys, Bally's Evansville, Bally's Lake Tahoe, Bally's Quad Cities and our North America Interactive acquisitions Casino Secret (collectively the "2021 "Recent Acquisitions"), contributed, in the aggregate, \$868.7 million as well as our Bally's Chicago temporary casino property which commenced operations on September 9, 2023.

Gaming and non-gaming expenses

Gaming and non-gaming expenses for the year ended December 31, 2022 December 31, 2023 increased \$405.9 million \$76.0 million and \$68.3 million, respectively, \$19.9 million. The increased gaming expense from the prior year was primarily due attributable to the acquisition expenses related to the launch of Tropicana Las Vegas our mobile iGaming and Bally Bet sportsbook apps across several North American jurisdictions. The inclusion of expenses from our 2021 Acquisitions which contributed, in recently opened Bally's Chicago temporary casino property and the aggregate, \$419.2 million to incremental gaming expenses from our Recent Acquisitions also contributed to the increase in both gaming and \$55.1 million non-gaming expenses compared to non-gaming expense, prior year.

General and administrative

General and administrative expenses for the year ended December 31, 2022 December 31, 2023 increased \$230.4 million \$288.3 million from \$544.5 million \$825.7 million, in 2021, 2022. These increases were primarily due attributable to inclusion the Diamond Sports Group ("Diamond") legal reserve, higher operating lease expenses, severance charges in connection with the Interactive restructuring plan, and incremental general and administrative expenses attributable to our Recent Acquisitions and the opening of expenses from our acquisition of Tropicana Las Vegas and our 2021 Acquisitions which contributed, in the aggregate, \$201.7 million, Bally's Chicago temporary casino property.

Impairment Charges charges

In 2022, 2023, we recorded total impairment charges of \$464.0 million \$149.8 million which included \$390.7 million as a result of our annual goodwill and asset impairment analysis related to our North America Interactive segment and \$73.3 million \$54.0 million in the International Interactive segment related to a long-standing indefinite lived trademark acquired as part of the Gamesys acquisition that is being de-emphasized for other newer brands in Asia and Rest of World, World, impairment charges of \$9.4 million and \$4.0 million on goodwill and intangible assets held for sale, respectively, \$5.7 million of impairment charges related to our interactive restructuring program representing the impairment of certain technology which will no longer be utilized, and \$76.7 million of impairment on gaming licenses in connection with our Casinos and Resorts segment.

Depreciation and amortization

Depreciation and amortization for the year ended December 31, 2022 December 31, 2023 was \$300.6 million \$350.4 million, compared to \$144.8 million \$300.6 million in 2021 2022. This increase was largely driven by the inclusion of incremental expense from our acquisition of Tropicana Las Vegas and property where we recorded accelerated depreciation on assets as a result of our 2021 Acquisitions, which contributed, recently announced impending closure in April 2024. These accelerated depreciation charges will extend through the aggregate, \$159.4 million year-over-year, first quarter of 2024.

Income (loss) from operations

Loss Income from operations was \$293.0 million \$104.0 million for the year ended December 31, 2022 December 31, 2023 compared to income loss from operations of \$93.4 million \$293.0 million in 2021. This change 2022. These changes year-over-year was primarily were driven by a gain on sale-leaseback recorded during the current year related to our Hard Rock Biloxi and Bally's Tiverton properties, organic revenue growth, benefits from our recently opened Bally's Chicago temporary casino property and Recent Acquisitions, offset by increased general and administrative expenses and impairment charges, as noted above, partially offset by an overall benefit of \$14.7 million from our acquisition of Tropicana Las Vegas and our 2021 Acquisitions, above.

Other (income) expense

Total other expense, net decreased increased to \$161.5 million \$289.7 million for the year ended December 31, 2022 December 31, 2023 from \$212.5 million in 2021. This decrease was driven by a loss on extinguishment of debt in the prior year of \$103.0 million in connection with the termination of our obligations under our prior revolving credit facility and prior term loan facility and the redemption of our 6.75% senior notes due 2027 in connection with our credit facility entered into on October 1, 2021, coupled with a foreign exchange loss of \$33.5 million in the prior year, compared to a gain of \$0.5 million \$161.5 million in 2022. These decreases were offset This increase was driven by increased interest expense on our debt, due coupled with an increase in the value of our commercial rights liabilities, and a foreign exchange loss in the current year, compared to a gain in the timing of borrowings and interest rates, prior year.

Benefit Provision (benefit) for income taxes

Benefit Provision for income taxes for the years year ended December 31, 2022 and 2021 December 31, 2023 was \$1.8 million, compared to a benefit for income tax of \$28.9 million and \$4.4 million, respectively, in 2022. The effective tax rate for the year ended December 31, 2022 December 31, 2023 was 6.4% (0.9)% compared to 3.7% 6.4% in 2021, 2022. The 2023 year to date effective tax rate differed from the US federal statutory tax rate of 21%, creating a provision for income tax on the Company's Loss before income taxes, largely due to an increase in the valuation allowance and the impact of the federal tax on global intangible low-taxed income, partially offset by the rate differential created by our foreign entities.

On December 15, 2022, the European Union ("EU") Member States formally adopted the EU's Pillar Two Directive, which generally provides for a minimum effective tax rate of 15%, as established by the Organization for Economic Co-operation and Development Pillar Two Framework that was due to increases supported by over 130 countries worldwide. The EU effective dates are January 1, 2024 and January 1, 2025, for different aspects of the directive. A significant number of other countries are also implementing similar legislation. The Company is currently in state tax expense and nondeductible costs related to the acquisition process of Gamesys during 2021 offset by evaluating the impact of a current year goodwill impairment charge and a valuation allowance established associated with the potential to not be able to utilize certain deferred tax assets in the future. Lower bargain purchase gains activity and less CARES act related tax benefits in 2022 as compared to 2021 also contributed to the increase in the effective tax rate, this on its consolidated financial statements.

Net loss and loss per share

Net loss for the year ended December 31, 2022 December 31, 2023 was \$425.5 million \$187.5 million compared to \$114.7 million \$425.5 million in 2021 2022. As a percentage of revenue, net loss increased decreased from 8.7% 18.9% for the year ended December 31, 2021 December 31, 2022 to a net loss of 18.9% 7.7% for the year ended December 31, 2022 December 31, 2023. Diluted loss per share for the year ended December 31, 2022 December 31, 2023 and 2021 2022 was \$7.32 \$3.51 and \$2.31, \$7.32, respectively, and was impacted by the factors noted above.

Adjusted EBITDA and Adjusted EBITDAR by Segment

Consolidated Adjusted EBITDA was \$548.5 million \$527.3 million for the year ended December 31, 2022 December 31, 2023, an increase a decrease of \$218.6 million \$21.2 million, or 66.3% 3.9%, from \$329.9 million \$548.5 million in 2021 2022.

Adjusted EBITDA EBITDAR for the Casinos & Resorts segment for the year ended December 31, 2022 increased \$27.9 million December 31, 2023 was \$429.0 million, an increase of \$30.0 million, or 8.8% 7.5%, to \$345.6 million from \$317.7 million in 2021. Casinos & Resorts Adjusted EBITDAR was \$398.9 million for the year ended December 31, 2022, which further adjusts Adjusted EBITDA for rent expense associated with December 31, 2023 compared to \$398.9 million in 2022. The increase from the prior year is mainly attributable to the inclusion of our operating leases, as defined below. The growth Bally's Chicago temporary casino and Tropicana Las Vegas properties and strong performance at Bally's Atlantic City in 2022 was primarily driven by increases in customer volumes at certain casino properties, the current year, partially offset by local regulatory changes, such as smoking bans, adversely impacting softening in the performance of certain other properties, market from decreased consumer spend.

Adjusted EBITDA EBITDAR for the International Interactive segment for the year ended December 31, 2023 was \$343.6 million, an increase of \$21.9 million, or 6.8%, compared to \$321.7 million, mainly due to stronger performance in the United Kingdom year-over-year.

Adjusted EBITDAR loss for the North America Interactive segment for the year ended December 31, 2022 December 31, 2023 was \$(65.7) million \$55.7 million compared to \$(12.4) million \$65.7 million in 2021 2022. The decrease from prior year is attributable to reduction in adjusted EBITDAR losses are largely driven by stronger performance in mobile iGaming in New Jersey coupled with cost-savings in connection with the acquisition execution of various businesses throughout 2021, as well as costs the restructuring plan of launching in new markets.

Adjusted EBITDA for the International Interactive segment for the year ended December 31, 2022 increased \$251.7 million, or 359.9%, to \$321.7 million from \$69.9 million in 2021, directly attributable to our acquisition of Gamesys on October 1, 2021, interactive segments.

The following tables reconcile Adjusted EBITDA and table presents segment Adjusted EBITDAR, non-GAAP measures, which is our reportable segment GAAP measure and our primary measure for profit or loss for our reportable segments, and reconciles Adjusted EBITDAR on a consolidated basis to net income as derived from our (loss). The Other category is included in the following tables in order to reconcile the segment information to the Company's consolidated financial statements (in thousands): statements.

Year Ended December 31, 2022 (in thousands)	Casinos & Resorts	North America Interactive	International Interactive	Other	Total
Net income (loss)	\$ 182,574	\$ (428,099)	\$ 69,498	\$ (249,519)	\$ (425,546)
Interest expense, net of interest income	43	(17)	(212)	208,339	208,153
Provision (benefit) for income taxes	57,657	(82,788)	(3,320)	(472)	(28,923)
Depreciation and amortization	65,982	26,823	174,180	33,574	300,559
Non-operating (income) expense ⁽¹⁾	—	122	(2,707)	(43,591)	(46,176)
Foreign exchange (gain) loss, net	—	(1,466)	977	(27)	(516)
Transaction costs ⁽²⁾	6,079	16,182	9,484	53,859	85,604
Share-based compensation	—	—	—	27,912	27,912
Gain on sale-leaseback	(50,766)	—	—	—	(50,766)
Impairment charges	—	390,656	73,322	—	463,978
Planned business divestiture ⁽³⁾	—	5,585	—	—	5,585
Other, net ⁽⁴⁾	1,719	4,926	429	1,577	8,651
Allocation of corporate costs	82,329	2,347	—	(84,676)	—
Adjusted EBITDA	\$ 345,617	\$ (65,729)	\$ 321,651	\$ (53,024)	\$ 548,515
Rent expense associated with triple net operating leases ⁽⁵⁾	53,313	—	—	—	53,313

Adjusted EBITDAR	\$ 398,930
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(in thousands)	Year Ended December 31,		
	2023	2022	2021
Adjusted EBITDAR			
Casinos & Resorts	\$ 428,968	\$ 398,930	\$ 345,276
International Interactive	343,559	321,651	69,944
North America Interactive	(55,653)	(65,729)	(12,413)
Other	(63,770)	(53,024)	(45,334)
Total	653,104	601,828	357,473
Rent expense associated with triple net operating leases ⁽¹⁾	(125,775)	(53,313)	(27,571)
Adjusted EBITDA	527,329	548,515	329,902
Interest expense, net of interest income	(277,561)	(208,153)	(117,924)
(Benefit) provision for income taxes	(1,762)	28,923	4,377
Depreciation and amortization	(350,408)	(300,559)	(144,786)
Non-operating (income) expense ⁽²⁾	(12,688)	46,176	(61,071)
Foreign exchange (gain) loss	(11,019)	516	(33,461)
Transaction costs ⁽³⁾	(80,376)	(85,604)	(84,543)
Restructuring charges ⁽⁴⁾	(31,014)	—	—
Decommissioning costs ⁽⁵⁾	(2,583)	—	—
Share-based compensation	(24,074)	(27,912)	(20,143)
Gain on sale-leaseback, net	374,321	50,766	53,425
Planned business divestiture ⁽⁶⁾	(2,089)	(5,585)	—
Impairment charges ⁽⁷⁾	(149,825)	(463,978)	(4,675)
Diamond Sports Group non-cash liability ⁽⁸⁾	(144,883)	—	—
Contract termination expense ⁽⁹⁾	—	—	(30,000)
Other ⁽¹⁰⁾	(868)	(8,651)	(5,798)
Net loss	\$ (187,500)	\$ (425,546)	\$ (114,697)

(1) Non-operating (income) expense for the applicable periods include: (i) change in value of naming rights liabilities, (ii) adjustment on bargain purchases and, (iii) other (income) expense, net.

(2) Includes acquisition costs, integration costs related to our Interactive business, financing related expenses, Bally's Chicago costs, and restructuring costs.

(3) Losses related to a North America Interactive business that Bally's is marketing as held-for-sale as of December 31, 2022.

(4) Other includes the following non-recurring items: (i) non-routine legal expenses, net of recoveries for matters outside the normal course of business, (ii) rebranding expenses in connection with Bally's corporate name change, and (vi) other individually de minimis expenses.

(5) Consists of the operating lease components contained within our triple net master lease dated June 4, 2021 with GLPI for the real estate assets used in the operation of Bally's Evansville, Bally's Dover, Bally's Quad Cities, and Bally's Black Hawk, Hard Rock Biloxi and Bally's Tiverton, the individual triple net lease with GLPI for the land underlying the operations of Tropicana Las Vegas, and the triple net lease assumed in connection with the acquisition of Bally's Lake Tahoe for real estate and land underlying the operations of the Bally's Lake Tahoe facility.

Year Ended December 31, 2021 (in thousands)	Casinos & Resorts	North America Interactive	International Interactive	Other	Total
Net income (loss)	\$ 186,287	\$ (36,879)	\$ 24,337	\$ (288,442)	\$ (114,697)
Interest expense, net of interest income	37	(15)	(27)	117,929	117,924
Provision (benefit) for income taxes	72,128	(8,281)	(4,261)	(63,963)	(4,377)
Depreciation and amortization	54,120	18,096	46,341	26,229	144,786
Non-operating (income) ⁽¹⁾	—	—	(3)	61,074	61,071
Foreign exchange loss, net	—	355	643	32,463	33,461
Transaction costs ⁽²⁾	—	12,682	1,444	70,417	84,543
Share-based compensation	—	—	—	20,143	20,143
Gain on sale-leaseback	(53,425)	—	—	—	(53,425)
Contract termination expense	—	—	—	30,000	30,000
Impairment charges	4,675	—	—	—	4,675
Other, net ⁽³⁾	(16,334)	—	1,470	20,662	5,798
Allocation of corporate costs	70,217	1,629	—	(71,846)	—

Adjusted EBITDA	\$ 317,705	\$ (12,413)	\$ 69,944	\$ (45,334)	\$ 329,902
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- (1) (2) Non-operating income (expense) (income) expense includes: (i) change in value of naming commercial rights liabilities, and (ii) gain on bargain purchases, (iii) (gain) loss on extinguishment of debt, (iii) non-operating items of equity method investments including our share of net income or loss on an investment and depreciation expense related to our Rhode Island joint venture, (iv) (gain) adjustment on bargain purchases, and (v) other (income) expense, net.
- (2) (3) Includes acquisition, integration and restructuring other transaction related costs, financing costs incurred in connection with sale lease-back transactions, the prior year tender offer process, and costs incurred to address the Standard General takeover bid.
- (4) Restructuring charges representing the severance and employee related benefits related to the amended credit agreement, and a lump sum one-time contribution announced Interactive business restructuring initiatives.
- (5) Costs related to the decommissioning of \$12.5 million to support a referendum campaign to legalize the Company's sports betting platform in favor of outsourcing the platform solution to third parties.
- (6) Losses related to a North America Interactive business that Bally's is marketing as held-for-sale as of December 31, 2023.
- (7) Non-cash impairment charges for 2023 included \$54.0 million in the State International Interactive segment related to a long-standing indefinite lived trademark acquired as part of California, the Gamesys acquisition, \$76.7 million impairment on indefinite-lived gaming licenses in our Casinos & Resorts segment, \$5.7 million of impairment charges related to our interactive restructuring program representing the impairment of certain technology which will no longer be utilized, and \$9.4 million and \$4.0 million of impairment on goodwill and intangible assets, respectively, held for sale. Non-cash impairment charges for 2022 included \$390.7 million related to our North America Interactive segment as part of our annual goodwill and asset impairment analysis and \$73.3 million in the International Interactive segment related to a long-standing indefinite lived trademark acquired as part of the Gamesys acquisition.
- (3) (8) Non-cash reserve to reflect the remaining Diamond commercial rights intangible asset offset by forgiveness of the liability. Refer to Note 22 "Commitments and Contingencies" to our consolidated financial statements presented in Part II, Item 8 of this Annual Report on Form 10-K.
- (9) Contract termination expense related to the early termination of retail and online sportsbook operating agreements with William Hill at certain of our casino properties.
- (10) Other includes the following items: (i) non-routine legal expenses and settlement charges for matters outside the normal course of business, (ii) storm related insurance and business interruption recoveries, (iii) rebranding expenses in connection with Bally's corporate name change, (iv) professional fees and other costs incurred to establish the partnership with Sinclair and acquire Bally Interactive, (ii) storm related gains related to insurance recoveries received due to the effects of Hurricane Zeta on the Company's Hard Rock Biloxi property, (iii) rebranding expenses in connection with Bally's corporate name change, (iv) business interruption related recoveries, and (v) other individually de minimis expenses.

Year Ended December 31, 2020 (in thousands)	Casinos & Resorts			Other		Total	
Net income (loss)	\$	28,555	\$	(34,042)	\$	(5,487)	
Interest expense, net of interest income		34		62,602		62,636	
Provision (benefit) for income taxes		(16,018)		(53,306)		(69,324)	
Depreciation and amortization		37,786		56		37,842	
Non-operating (income) expense ⁽¹⁾		—		(6,211)		(6,211)	
Transaction costs ⁽²⁾		20		14,030		14,050	
Share-based compensation		—		17,706		17,706	
Impairment charges		8,659		—		8,659	
Other, net ⁽²⁾		10,362		(978)		9,384	
Allocation of corporate costs		20,515		(20,515)		—	
Adjusted EBITDA	\$	89,913	\$	(20,658)	\$	69,255	

- (1) Non-operating income (expense) includes: (i) change in value of naming rights liabilities and (ii) gain on bargain purchase.
- (2) Includes acquisition, integration and restructuring costs and costs incurred related to the amended credit agreement.
- (3) Other includes the following non-recurring items: (i) rebranding (ii) Employee Retention Credits related to the COVID-19 pandemic, (iv) non-routine legal expenses, (v) storm related losses, and (vi) other individually de minimis expenses.

Year ended December 31, 2021 December 31, 2022 compared to year ended December 31, 2020 December 31, 2021

This information can be found under Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Year ended December 31, 2021 December 31, 2022 compared to year ended December 31, 2020 December 31, 2021" in our Annual Report on Form 10-K/A 10-K for the year ended December 31, 2021 December 31, 2022.

Liquidity and Capital Resources

Overview

We are a holding company. Our ability to fund our obligations depends on existing cash on hand, cash flow from our subsidiaries and our ability to raise capital. Our primary sources of liquidity and capital resources have been cash on hand, cash flow from operations, borrowings under our Revolving Credit Facility (as defined herein) and proceeds from the issuance of debt and equity securities. We assess liquidity in terms of the ability to generate cash or obtain financing in order to fund operating, investing and debt service requirements. Our primary ongoing cash requirements include the funding of operations, capital expenditures, acquisitions and other investments in line with our business strategy and debt repayment obligations and interest payments. Our strategy has been to maintain moderate leverage and substantial capital resources in order to take advantage of opportunities, to invest in our businesses and acquire properties at what we believe to be attractive valuations. As such, we have continued to invest in our land-based casino business and build on our interactive/iGaming gaming business. We believe that existing cash balances, operating cash flows and availability under our Revolving Credit Facility, as explained below, will be sufficient to meet funding needs for operating, capital expenditure and debt service purposes.

Cash Flows Summary

Years Ended December 31,					Years Ended December 31,		
Years Ended December 31,					Years Ended December 31,		
(In thousands)	(In thousands)	2022	2021	2020	(In thousands)	2023	2022
							2021

Net cash provided by operating activities	Net cash provided by operating activities	\$270,971	\$ 82,754	\$ 19,502
Net cash used in investing activities	Net cash used in investing activities	(302,922)	(2,296,904)	(444,846)
Net cash provided by financing activities	Net cash provided by financing activities	43,237	2,404,598	366,397
Effect of foreign currency on cash and cash equivalents	Effect of foreign currency on cash and cash equivalents	(20,722)	(42,163)	—
Change in cash and cash equivalents and restricted cash classified as assets held for sale	Change in cash and cash equivalents and restricted cash classified as assets held for sale	(220)	—	—
Net change in cash and cash equivalents and restricted cash	Net change in cash and cash equivalents and restricted cash	(9,656)	148,285	(58,947)
Cash and cash equivalents and restricted cash, beginning of period	Cash and cash equivalents and restricted cash, beginning of period	274,840	126,555	185,502
Cash and cash equivalents and restricted cash, end of period	Cash and cash equivalents and restricted cash, end of period	\$265,184	\$ 274,840	\$126,555

A description of changes in cash flows comparing the years ended **December 31, 2021**, **December 31, 2022** and **2020** **2021** can be found in Part II. Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources" of our Annual Report on Form **10-K/A** **10-K** for the year ended **December 31, 2021**, **December 31, 2022**.

Operating Activities

The **increase decrease** in cash provided by operating activities was primarily attributable to **total a decrease in net loss increased gains on sale-leaseback transactions, coupled with decreased impairment charges of \$464.0 million in 2022 resulting from our goodwill and asset impairment analysis related compared to our North America Interactive segment and an impairment charge related to an indefinite lived trademark acquired as part of the Gamesys acquisition, coupled with increased amortization in 2022 related to our 2021 Acquisitions, prior year. These negative effects on cash provided by operating activities were partially offset by a year-over-year decrease in net loss, the loss on extinguishment of debt recorded increased Diamond legal reserve, and increased in the prior year. depreciation and amortization.**

Investing Activities

The decrease Net cash used in investing activities for 2023 was driven by capital expenditures and \$135.3 million of gaming license fees in connection with the opening of our Bally's Chicago temporary casino and cash paid for acquisitions in the year, offset by proceeds from our Tiverton and Hard Rock Biloxi sale-leaseback transactions. In 2022, cash used in investing activities was primarily driven by a decrease in cash paid for acquisitions year-over-year, coupled with a \$200.0 million advance deposit received in connection with our transaction with GLPI for our Bally's Tiverton and Hard Rock Biloxi properties, which closed in January 2023. These decreases were offset by increased capital expenditures mainly attributable to our expansion and renovation projects at Bally's Atlantic City, Bally's Twin River and Bally's Kansas City. City and cash paid for acquisitions.

Financing Activities

The decrease in cash Cash provided by financing activities was driven by increased year-over-year due to a decrease in stock repurchases coupled with the change decrease in our repayments of long-term debt, borrowings, partially offset by repayments, as follows:

	Years Ended December 31,	
	2022	2021
Revolver proceeds	\$ 597,000	\$ 375,000
Term loan proceeds	—	1,925,550
Senior note proceeds	—	1,487,003
Issuance of long-term debt	\$ 597,000	\$ 3,787,553
Revolver repayments	\$ (545,000)	\$ (325,000)
Term loan repayments	(19,450)	(569,125)
Senior note repayments	—	(525,000)
Repayment of Gamesys' debt	—	(458,450)
Repayments of long-term debt	\$ (564,450)	\$ (1,877,575)

In addition, a decrease in 2021, we received proceeds from equity issuances from our public offering and the issuance of Sinclair penny warrants, coupled with increased spending in 2022 on share repurchases under our capital return program. long-term debt year-over-year.

Capital Return Program

We have a Board approved capital return program under which we may expend a total of up to \$700 million for a share repurchases and payment of dividends.

During the year ended **December 31, 2022, December 31, 2023** we **completed a modified Dutch auction tender offer (the "Offer") and repurchased 4.7 million common shares at a price of \$22.00 per common share, at an aggregate purchase price of \$103.3 million. We also repurchased 6,621,841 7,581,428 common shares for an aggregate purchase price of \$153.4 million during the year ended December 31, 2022 \$99.1 million.** As of **December 31, 2022 December 31, 2023**, there was **\$194.6 million \$95.5 million** available for use under the Capital Return Program, subject to limitations in our regulatory and debt agreements. Future share repurchases may be effected in various ways, which could include open-market or private repurchase transactions, accelerated stock repurchase programs, tender offers or other transactions. The amount, timing and terms of any return of capital transaction will be determined based on prevailing market conditions and other factors. There is no fixed time period to complete share repurchases.

We did not pay cash dividends during the year ended **December 31, 2022 December 31, 2023**, nor do we currently intend to pay any dividends on our common stock in the foreseeable future. Any future determinations relating to our dividend policies will be made at the discretion of our Board and will depend on conditions then existing, including our financial condition, results of operations, contractual restrictions, capital and regulatory requirements and other factors our Board may deem relevant.

Senior Notes

On August 20, 2021, we issued \$750.0 million aggregate principal amount of 5.625% senior notes due 2029 and \$750.0 million aggregate principal amount of 5.875% Senior Notes due 2031 (together, the "Senior Notes"). On October 1, 2021, upon the closing of the Gamesys acquisition, we assumed the issuer obligation under the Senior Notes.

The indenture contains covenants that limit the ability of the Company and its restricted subsidiaries to, among other things, (i) incur additional indebtedness, (ii) pay dividends on or make distributions in respect of capital stock or make certain other restricted payments or investments, (iii) enter into certain transactions with affiliates, (iv) sell or otherwise dispose of assets, (v) create or incur liens and (vi) merge, consolidate or sell all or substantially all of the Company's assets. These covenants are subject to exceptions and qualifications set forth in the indenture.

Credit Facility

On October 1, 2021, we entered into the Credit Agreement providing for a senior secured term loan facility in an aggregate principal amount of \$1.945 billion (the "Term Loan Facility"), which will mature in 2028, and a senior secured revolving credit facility in an aggregate principal amount of \$620.0 million (the "Revolving Credit Facility"), which will mature in 2026.

The credit facilities allow us to increase the size of the Term Loan Facility or request one or more incremental term loan facilities or increase commitments under the Revolving Credit Facility or add one or more incremental revolving facilities in an aggregate amount not to exceed the greater of \$650 million and 100% of the Company's consolidated EBITDA for the most recent four-quarter period plus or minus certain amounts as specified in the Credit Agreement, including an unlimited amount subject to compliance with a consolidated total secured net leverage ratio.

The credit facilities contain covenants that limit the ability of the Company and its restricted subsidiaries to, among other things, incur additional indebtedness, pay dividends or make certain other restricted payments, sell assets, make certain investments, and grant liens. These covenants are subject to exceptions and qualifications set forth in the Credit Agreement. The Revolving Credit Facility contains also includes certain financial covenants the Company is required to maintain throughout the term of the credit facility. These financial covenants include a financial covenant regarding a maximum first lien net leverage ratio that applies when provision where, in the event borrowings under the Revolving Credit Facility exceed 30% of the total revolving commitment, commitment, the Company is required to maintain a first lien secured indebtedness to Adjusted EBITDA ratio of 5.00 to 1.00. As of December 31, 2023, the Company was in compliance with all applicable covenants and expects to be in compliance for the next twelve months.

During 2023, the Company entered into certain currency swaps to synthetically convert \$500 million of its Term Loan Facility to an equivalent fixed-rate Euro-denominated instrument, due October 2028, with a weighted average fixed interest rate of approximately 6.69% per annum. The Company also entered into additional currency swaps to synthetically convert \$200 million, notional, of its floating rate Term Loan Facility, to an equivalent GBP-denominated floating rate instrument, due October 2026. Additionally, as part of the Company's risk management program to manage its overall interest rate exposure, the Company entered into a notional aggregate amount of \$500 million interest rate collar arrangements maturing in 2028 where the Company's SOFR floating rate interest under its Term Loan Facility is capped at 4.25%, with a weighted average SOFR floor rate of 3.22%, pursuant to the interest rate collar arrangements.

Refer to Note 14 16 "Long-Term Debt" in Item 8 of this Annual Report on Form 10-K for further information.

Operating leases

The Company is committed under various operating lease agreements for real estate and property used in operations. Minimum rent payable under operating leases was \$1.71 billion \$2.31 billion as of December 31, 2022 December 31, 2023, of which \$82.7 million \$138.1 million is due within the next twelve months. Refer to Note 15 17 "Leases" in Item 8 of this Annual Report on Form 10-K for further information.

GLPI leases

As of December 31, 2022 December 31, 2023, the Company's Bally's Evansville, Bally's Dover, Bally's Quad Cities, and Bally's Black Hawk, Bally's Tiverton and Hard Rock Biloxi properties were leased under the terms of a master lease agreement (the "Master Lease") with GLPI. The Master Lease has an initial term of 15 years and includes four, five-year options to renew and requires combined minimum annual payments of \$52.0 \$100.5 million, subject to a minimum 1% annual escalation or greater escalation dependent on CPI. On

During 2023, the Company's Bally's Tiverton and Hard Rock Biloxi properties were added to the master lease on January 3, 2023, we completed as a result of a transaction with GLP Capital, L.P., the operating partnership of GLPI, related to the land and real estate assets of Bally's Tiverton and Hard Rock Biloxi for a total consideration of \$635.0 million \$625.4 million. The transaction was structured as a tax-free capital contribution and a substantial portion of the proceeds will be applied were used to reduce the Company's debt. These properties will be added to increased the minimum annual payments under the Master Lease increasing minimum annual payments by \$48.5 million.

In addition to the properties under the Master Lease, the Company has also entered into a sale-leaseback transaction with GLPI for the non-land assets of Tropicana Las Vegas, which the Company acquired during the fourth quarter of 2022. This lease has an initial term of 50 years (with a maximum term of 99 years with renewal options) at annual rent of \$10.5 million, subject to minimum 1% annual escalation or greater escalation dependent on CPI.

Financing Obligation

Bally's Chicago Operating Company, LLC, an indirect wholly-owned subsidiary of the Company, has entered into an agreement to lease the land on which Bally's Chicago will be built. The lease commenced November 18, 2022 and has a 99-year term followed by ten separate 20-year renewals at the Company's option. As of December 31, 2022, the The Company has recorded this lease as with a corresponding long-term financing obligation of \$200.0 million, as of December 31, 2023 and 2022.

Capital Expenditures

Capital expenditures are accounted for as either project, maintenance or capitalized software expenditures. Project capital expenditures are for fixed asset additions that expand an existing facility or create a new facility. Maintenance capital expenditures are expenditures to replace existing fixed assets with a useful life greater than one year that are obsolete, worn out or no longer cost effective to repair, along with spending on other small projects that do not fit into the project category. Capitalized software expenditures relate to the creation, production and preparation of software for use in our online gaming operations.

For the year ended December 31, 2022 December 31, 2023, capital expenditures were \$212.3 million \$311.5 million compared to \$97.5 million \$212.3 million in 2021. 2022. In 2022 2023, we continued our spending on maintenance and our planned projects at and maintenance of our casino properties, making significant progress on our Bally's Chicago, Bally's Twin River and Bally's Atlantic Kansas City properties. We expect that significant capital expenditures, outside of our planned development of the Bally's Chicago permanent facility, will be relatively flat in 2023 will decrease as 2024 compared to 2022 2023 as we continue our focus on generating cash flows to invest in long-term growth opportunities for the entire Bally's portfolio.

Bally's Twin River - In connection with our partnership with IGT, we have committed to invest \$100 million in Bally's Twin River over the term of our master contract, ending in 2043, with Rhode Island to expand the property and add additional amenities along with other capital improvements. As a major component of this, we have constructed and opened a 14,000 square foot Korean-style spa, and are currently in the process of constructing a 40,000 square foot casino expansion, for a combined investment both of approximately \$60 million. The spa which opened in January 2023, the first half of 2023. Approximately \$64 million of the committed investment remains as of December 31, 2023. With the addition of the live dealer studio to the property and other customer facing growth initiatives, we expect to apply approximately \$5 million of expenditures in 2024 towards the expanded casino is expected to open in the second quarter of 2023, master contract commitment.

Bally's Atlantic City - Construction on our Bally's Atlantic City property commenced in 2021. We are committed to invest approximately \$100 million over five years to refurbish and upgrade Bally's Atlantic City's facilities and expand its amenities, including renovated hotel rooms and suites, an outdoor beer hall and lobby bar. Spending in 2023 is estimated at approximately \$20 million. Approximately \$7.7 million of the committed investment remains as of December 31, 2023.

Bally's Kansas City - We began construction on the planned redevelopment project of Bally's Kansas City in November 2021. 2021 and completed the project in the third quarter of 2023. We believe the redevelopment of the property, which includes a 40,000 square foot land-based building, restaurant, bar and retail space, will improve has improved the property and guest experience and will drive growth and our return on investment. investment in the coming years. Spending on the project is estimated to be during 2023 was approximately \$50 million, with a target completion date in the summer of 2023. \$37 million.

Centre County, PA - On December 31, 2020, we signed a framework agreement with entities affiliated with an established developer to design, develop, construct and manage a Category 4 licensed casino in Centre County, Pennsylvania. Subject to receipt of regulatory approvals, which remain pending, it will house up to 750 slot machines and 30 table games. The casino will also provide, subject to receipt of separate licenses and certificates, retail sports betting, online sports betting and online gaming. We estimate the total cost of the project, including construction, licensing and iGaming/sports betting operations, to be approximately \$120 million. If completed, we will acquire a majority equity interest in the partnership, including 100% of the economic interests of all retail sports betting, online sports betting and iGaming activities associated with the project.

Bally's Chicago - On June 9, 2022, a wholly-owned indirect subsidiary of the Company, Bally's Chicago Operating Company, LLC (the "Developer"), signed a host community agreement with the City of Chicago to develop a \$1.7 billion destination casino resort, to be named Bally's Chicago, in downtown Chicago, Illinois. Among other features and amenities, Bally's Chicago Illinois that will include approximately 3,400 slots, slot machines, 170 table games, 10 food and beverage venues, a 500-room 500 hotel tower with rooftop bar, rooms, a 3,000 seat, 65,000 square foot entertainment and event center, a 20,000 square foot feet of exhibition space, 3,300 parking spaces and an outdoor green space including an expansive public riverwalk with a water taxi stop. space. The project also provides the Developer Company with the exclusive right to operate a temporary casino for up to three years while the permanent casino resort is constructed. The temporary casino is expected commenced operations on September 9, 2023 at the Medinah Temple and includes approximately 800 gaming positions and 3 food and beverage venues. The Company currently estimates the permanent casino construction to open in be completed by the second half end of 2023, subject 2026. In 2024, we estimate spending of approximately \$100 to regulatory approval 200 million primarily dedicated to demolition and other customary conditions. site preparation.

In connection with the entry into the host community agreement with the City of Chicago, the Company made a one-time up-front payment to the City of Chicago equal to \$40.0 million, and . Beginning on the Developer date of operations commencement, the Company will be required to make ongoing payments based on certain performance and time-based thresholds detailed in the pay annual fixed host community agreement. impact fees of \$4.0 million. Additionally, in connection with the host community agreement, the Company provided the City of Chicago with a performance guaranty whereby the Company agreed to have and maintain available financial resources in an amount reasonably sufficient to allow the Developer to complete its obligations under the host community agreement. In addition, upon notice from the City of Chicago that the Developer has failed to perform various obligations under the host community agreement, the Company has indemnified the City of Chicago against any and all liability, claim or reasonable and documented expense the City of Chicago may suffer or incur by reason of any nonperformance of any of the Developer's obligations.

In furtherance of these obligations, the host community agreement requires us to spend at least \$1.34 billion on the design, construction and outfitting of our temporary casino and our permanent resort and casino. The actual cost of the development may exceed this minimum capital investment requirement. In addition, land acquisition costs and financing costs, among other types of costs, do not count towards satisfying such minimum expenditure.

Other Contractual Obligations

Sponsorship Commitments - The Company has entered into several sponsorship agreements with various professional sports leagues and teams, allowing the Company use of official league marks for branding and promotions, among other rights. As of December 31, 2022 December 31, 2023, obligations related to these agreements were \$83.3 million \$135.0 million, of which \$18.1 million is expected to be paid in 2024, with contracts extending through June 2036, 2036

Interactive Technology Partnerships - The Company has certain multi-year agreements with its various market access and content providers, as well as its online sports betting platform partners, that require the Company to pay variable fees based on revenue, with minimum annual guarantees. The cumulative minimum obligation committed in these agreements is approximately \$55.4 million, of which \$14.1 million is expected to be paid in 2024, extending through 2028.

Critical Accounting Estimates

The preparation of our consolidated financial statements in accordance with US GAAP requires us to make estimates and apply judgments that affect reported amounts. These estimates and judgements are based on past events and/or expectations of future outcomes. Actual results may differ from our estimates. We discuss our significant accounting policies used in preparing the financial statements in Note 2 of our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K. The following is a summary of our critical accounting estimates and how they are applied in preparation of our consolidated financial statements.

Goodwill and Intangible Assets

Assessing goodwill and indefinite-lived intangible assets for impairment is a process that involves significant judgment and requires a qualitative and quantitative analysis with many assumptions which fluctuate based on our business. We review goodwill and indefinite-lived intangible assets at least annually and between annual test dates if events or changes in circumstances indicate that it is more likely than not that the asset is impaired. We have elected to perform our annual tests for indications of impairment as of the first day of the fourth quarter of each year. The evaluation of goodwill and indefinite-lived intangible assets requires the use of estimates about future operating results of each reporting unit to determine the estimated fair value of the reporting unit and the indefinite lived intangible assets. The Company must make various assumptions and estimates in performing its impairment testing, including assumptions and estimates about future cash flows. Changes in estimates and assumptions used in estimating future cash flows could produce significantly different results. If our ongoing estimates of future cash flows are not met, we may have to record impairment charges in future periods.

When assessing goodwill for impairment, first, qualitative factors are assessed to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. A qualitative impairment assessment involves analyzing relevant events and circumstances, with greater weight assigned to events and circumstances that most affect the fair value or the carrying amounts of a reporting unit's assets. Items that are generally considered include, but are not limited to, the following: macroeconomic conditions, industry and market conditions and overall financial performance. If the results of the qualitative assessment are not conclusive, a quantitative goodwill test is performed. For the quantitative goodwill impairment test, we estimate the fair value of the reporting unit and asset group using both income and market-based approaches. Specifically, the Company applies the discounted cash flow ("DCF") model under the income approach and the guideline company method under the market approach and weighs the results of the two valuation methodologies based on the facts and circumstances surrounding the reporting unit. For the DCF model, we rely on the present value of expected future cash flows, including terminal value, utilizing a market-based weighted average cost of capital ("WACC") determined separately for the reporting unit as of the valuation date. The determination of fair value under the DCF model involves the use of significant estimates and assumptions, including revenue growth rates driven by future gaming activity, operating margins, capital expenditures, working capital requirements, tax rates, terminal growth rates, and discount rates. For the market approach, we utilize a comparison of the reporting unit to comparable publicly-traded companies and transactions and, based on the observed earnings multiples, ultimately selects multiples to apply to the reporting unit. We then compare the fair value of our reporting units to the carrying amounts. If the carrying amount of the reporting unit exceeds the fair value, an impairment is recorded equal to the amount of the excess (not to exceed the amount of goodwill allocated to the reporting unit).

Assumptions and estimates about future cash flow levels and multiples by individual reporting units are complex and subjective. The Company continuously monitors for events and circumstances that could negatively impact the key assumptions in determining the fair value of goodwill, including long-term revenue growth projections, profitability, discount rates, external factors, such as industry, market and macro-economic conditions, and internal factors, such as changes in the Company's business strategy, which may re-allocate capital and resources to different or new opportunities but, in turn, may be to the detriment of an individual reporting unit.

The Company completed its annual assessment for goodwill impairment as of October 1, 2022 and October 1, 2023, which resulted in no impairment charges to goodwill. Reporting units with goodwill which were identified as having less than a substantial cushion were subject to a sensitivity analysis to determine the potential impairment losses. The carrying value of the International Interactive reporting unit was \$2.3 billion as of December 31, 2022 and the estimated fair value exceeded this amount by 8% 7%. The most sensitive inputs to the estimated fair value of the International Interactive reporting unit were the discount rate and terminal growth rate. A hypothetical 100 basis point decline in the discount rate or a 50 100 basis point decline in the terminal growth rate would not have resulted in an impairment charge. The carrying value for the North America Interactive reporting unit exceeded its fair value as of October 1, 2022 and the Company recorded an impairment loss during the year ended December 31, 2022. The most sensitive input to the estimated fair value of the North America Interactive reporting unit was forecasted revenue. A hypothetical 10% decline in forecasted revenues for the reporting unit would have resulted in an additional goodwill impairment charge of \$10 million. Material changes in these estimates could occur and result in additional impairment in future periods.

We consider certain of our gaming licenses and tradenames as indefinite-lived intangible assets that do not require amortization based on our future expectations to operate our gaming properties indefinitely as well as our historical experience in renewing these intangible assets at minimal cost with various state commissions. Rather, these intangible assets are tested annually for impairment, or more frequently if indicators of impairment exist, by comparing the fair value of the recorded assets to their carrying amount. If the carrying amounts of the indefinite-lived intangible assets exceed their fair value, an impairment loss is recognized. We assess the fair value of our gaming licenses and tradenames using the Greenfield Method and relief-from-royalty method, respectively, both under the income approach.

Based on the annual impairment assessment of intangible assets, the Company identified indefinite lived trademarks totaling \$206.3 million in the International Interactive segment that did not significantly exceed their respective carrying values. The Company recognized an impairment loss of \$73.3 million \$54.0 million related to one of trademark used within the trademarks acquired as part of the Gamesys acquisition. This International Interactive segment. The trademark was determined to no longer have an indefinite life and is being de-emphasized for other newer brands in Asia, and Rest of World, resulting in a decline in actual and projected revenues attributable to the trademark as compared to when the fair value was determined during the purchase price allocation of the Gamesys acquisition. previously determined. The fair value of the trademarks trademark was determined using a relief from royalty method, which utilized Level 3 inputs such as projected revenue, discount rates, long term growth rates and royalty rates. To the extent revenues associated with these trademarks the trademark decline in the near future, discount rates increase significantly, or selected royalty rates decline, we may recognize further impairments, and such impairments could be material. The selected royalty rate represents the most sensitive input in our estimates and a hypothetical increase decrease of 50 bps basis points in the royalty rates would result in additional impairment of approximately \$10.6 million \$0.4 million.

Additionally, the Company recognized an impairment loss of \$76.7 million on three gaming licenses within the assets Casinos & Resorts segment. The impairment was triggered by declines in actual revenues and operating cash flows compared to when the licenses were originally valued at acquisition. The Company valued the gaming licenses using the Greenfield Method under the income approach which estimates the fair value of the gaming license using a discounted cash flow model assuming the Company built a new casino with similar utility to that do not significantly exceed their carrying values. Additionally, of the existing casino. The primary inputs to the valuation involve estimating projected revenues and operating cash flows, estimated construction costs, and pre-opening expenses and is discounted at a rate that reflects the level of risk associated with receiving cash flows attributable to the license. The most sensitive inputs to the estimated fair value of the licenses are the discount rate and terminal growth rates applied. A hypothetical 10% 50 basis point increase in the discount rate or a 50 basis point decline in projected revenue derived from the trademarks terminal growth rate would result have resulted in additional incremental impairment charges of approximately \$5.6 million on the assets that do not significantly exceed their carrying values. \$21.3 million or \$19.8 million, respectively.

Income Taxes

We prepare our income tax provision in accordance with Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statements carrying amounts of existing assets and liabilities and their respective tax ~~bases~~ basis and operating loss and tax credit carryforwards.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that the rate change is enacted. A valuation allowance is required when it is "more likely than not" that all or a portion of the deferred ~~taxes~~ tax assets will not be realized. The consolidated financial statements reflect expected future tax consequences of uncertain tax positions presuming the taxing authorities' full knowledge of the position and all relevant facts. We assessed our deferred tax liabilities arising from taxable temporary differences and concluded such liabilities are not a sufficient source of income for the realization of deferred tax assets, including indefinite life taxable temporary differences which offset, subject to limitation, deferred tax assets with unlimited carryovers, such as the Section 163(j) interest limitation. Accordingly, a \$60.1 million the Company's valuation allowance has been established as of December 31, 2022 \$154.9 million reflects an increase of \$94.9 million recorded during the year ended December 31, 2023.

The allocation of shared costs and intangible assets among our subsidiaries in various U.S. domestic, state and international jurisdictions is an estimate based on the principles of IRC Section 482, 1060 and 338 which is a critical estimate in the computation of U.S. and international tax provisions.

The interpretation of the IRC regulations related to the Tax Cuts and Jobs Acts, as it pertains to Section 163(j), is a critical estimate in the computation of U.S. federal taxes, and conforming states.

Recently Issued Accounting Pronouncements

For a discussion of recently issued financial accounting standards, refer to Note 4 "Recently Issued Accounting Pronouncements," of Part II. Item 8 of this Annual Report on Form 10-K for further detail.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates and foreign currency exchange rates. We are exposed to changes in interest rates primarily from variable rate long-term debt arrangements and foreign currency risk attributable to our operations outside of the US. Inflation generally affects us by increasing our cost of labor. Bally's does not believe that inflation had a material effect on our business, financial condition or results of operations during the years ended December 31, 2022 December 31, 2023, 2021 2022 or 2020, 2021.

Interest Rate Risk

As of December 31, 2022 December 31, 2023, interest on borrowings under our credit facility was subject to fluctuation based on changes in short-term interest rates. On December 31, 2022 December 31, 2023, we had \$2.06 \$2.24 billion of variable rate debt outstanding under our Term Loan and Revolving Credit Facilities and \$1.50 billion \$1.49 billion of unsecured senior notes. Based upon a sensitivity analysis of our debt levels on December 31, 2022 December 31, 2023, a hypothetical increase of 1% in the effective interest rate would cause an increase in interest expense of approximately \$20.6 million \$22.4 million over the next twelve months while a decrease of 1% in the effective interest rate, not to exceed the interest rate floor, would cause a decrease in interest expense of approximately \$20.6 million \$22.4 million over the same period.

We evaluate our exposure to market risk by monitoring interest rates in the marketplace and we have on occasion, utilized derivative financial instruments to help manage this risk. As part of the Company's risk management and hedging program, the Company utilizes interest rate swaps and collars used to hedge and offset, respectively, the variable interest rates on the credit facility as described in Note 11, "Derivative Instruments" to our consolidated financial statements presented in Part II, Item 8 of this Annual Report on Form 10-K.

We have not historically utilized derivative financial instruments for trading purposes. We do not believe that fluctuations in interest rates had a material effect on our business, financial condition or results of operations during the years ended December 31, 2022 December 31, 2023, 2021 2022 or 2020, 2021.

Foreign Currency Risk

We are exposed to fluctuations in currency exchange rates as a result of our net investments and operations in countries other than the US. A vast majority of our revenues are from the UK market and are conducted in GBP and are therefore susceptible to any movements in exchange rates between the GBP and USD. Foreign currency transaction losses for the year ended December 31, 2023 were \$11.0 million. Foreign currency transaction gains for the year ended December 31, 2022 were \$0.5 million. Foreign currency transaction losses for the year ended December 31, 2021 were \$33.5 million. Movements in currency exchange rates could impact the translation of assets and liabilities of these foreign operations which are translated at the exchange rate in effect on the balance sheet date. We have not historically used utilized operational hedges or forward currency exchange rate contracts, as well as derivative financial instruments, such as cross currency swaps, to manage the impact of currency exchange rate fluctuations on earnings and cash flows.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements listed below are filed as part of this Annual Report on Form 10-K.

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The accompanying audited consolidated financial statements of Bally's Corporation (and together with its subsidiaries, the "Company" or "Bally's") have been prepared in accordance with the instructions to Form 10-K and Regulation S-X and include all information and footnote disclosures necessary for complete financial statements in conformity with accounting principles generally accepted in the US ("US GAAP"). Financial statement schedules have been omitted because they are not applicable, or the required information is included in the consolidated financial statements or the notes thereto.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Bally's Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Bally's Corporation and subsidiaries (the "Company" "Company") as of December 31, 2022 December 31, 2023 and 2021, 2022, the related consolidated statements of operations, comprehensive loss, income (loss), stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2022 December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 December 31, 2023 and 2021, 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's Company's internal control over financial reporting as of December 31, 2022 December 31, 2023, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 1, 2023 March 15, 2024, expressed an unqualified adverse opinion on the Company's Company's internal control over financial reporting, reporting because of material weaknesses.

Basis for Opinion

These financial statements are the responsibility of the Company's Company's management. Our responsibility is to express an opinion on the Company's Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter Matters

The critical audit matter matters communicated below is a matter are matters arising from the current-period audit of the financial statements that was were communicated or required to be communicated to the audit committee and that (1) relates relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter matters below, providing a separate opinion opinions on the critical audit matter matters or on the accounts or disclosures to which it relates, they relate.

Goodwill – International Interactive and North America Interactive Reporting Units Unit – Refer to Notes 2 and 10 to the financial statements statements.

Critical Audit Matter Description

The Company's goodwill is tested annually for impairment, or more frequently if indicators of impairment exist, by comparing the fair value of the respective reporting units to their carrying value. The Company determines the fair value of its reporting units in consideration of the income-based and market-based approaches. The key inputs in determining the fair value of the International Interactive reporting unit include expected cash flows and projected financial results, including forecasted revenues (collectively the "International Interactive forecasts"), the selection of the discount rate, and market multiples. As of December 31, 2022 December 31, 2023, the carrying value of the International Interactive

reporting unit goodwill is \$1,497.2 million. The key inputs in determining the fair value of the North America Interactive reporting unit include forecasted revenues and market multiples. As of December 31, 2022, the carrying value of the North America Interactive reporting unit goodwill is \$39.7 million \$1,586.6 million.

The Company's fair value determination of its International Interactive and North America Interactive reporting units unit required management to make significant estimates and assumptions of International Interactive forecasts, discount rates, and market multiples, and of North America Interactive forecasted revenue and market multiples. Therefore, performing audit procedures to evaluate the reasonableness of these estimates and assumptions involved a high degree of auditor judgment and increased extent of effort, including the need to involve our fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the International Interactive forecasts, discount rates, and market multiples and the North America Interactive forecasted revenue and market multiples used by management to estimate the fair value of the International Interactive and North America Interactive reporting units unit included the following, among others:

- We tested the effectiveness of controls over determining the fair value of the Company's International Interactive and North America Interactive reporting units, unit, including controls over the International Interactive forecasts discount rates, and market multiples, and the North America Interactive forecasted revenue selection of discount rates and market multiples.
- We evaluated management's ability to accurately project the International Interactive forecasts and the North America Interactive forecasted revenue by performing a retrospective review of actual results to management's historical forecasts.
- We evaluated the reasonableness of management's projected International Interactive forecasts and the North America Interactive forecasted revenue by:
 - Comparing the International Interactive forecasts and the North America Interactive forecasted revenue to information included in the Company's communications to the Board of Directors, industry reports, and analyst reports for the Company and certain of its peer companies;
 - Comparing the International Interactive forecasts and the North America Interactive forecasted revenue to historical financial results;
 - Evaluating the impact of changes in the regulatory environment on management's projections, forecasts;
 - Conducting inquiries with management; and
 - Evaluating whether the International Interactive forecasts and the North America Interactive forecasted revenue were consistent with evidence obtained in other areas of the audit.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the International Interactive discount rate and market multiples and the North America Interactive market multiples by:
 - Testing the inputs underlying the determination of the discount rate and testing the mathematical accuracy of the calculation, calculation;
 - Developing a range of independent estimates and comparing those to the discount rate selected by management, management;
 - Testing the source information underlying the determination of the market multiples; and
 - Developing a range of independent estimates and comparing those to the market multiples selected by management.

Gaming Licenses – Refer to Notes 2 and 10 to the financial statements.

Critical Audit Matter Description

The Company has three indefinite-lived gaming licenses in the Casinos & Resorts segment that were determined to have indicators of impairment based on declines in results compared to those projected when the gaming licenses were originally valued at acquisition. The Company assesses the fair value of these gaming licenses using the Greenfield Method under the income approach, which estimates the fair value using the discounted cash flow model assuming the Company built a casino with similar utility to that of the existing casino. The key inputs in determining the fair value, among others, include forecasted revenue and operating cash flows and the discount rates utilized to reflect the level of risk associated with receiving future cash flows attributable to the licenses.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to forecasted revenue and operating cash flows and the determination of discount rates used by management to estimate the fair value of the three gaming licenses in the Casinos & Resorts segment with indicators of impairment included the following, among others:

- We tested the effectiveness of controls over determining the fair value of the gaming licenses, including controls over forecasts of revenue and operating cash flows and the selection of the discount rates.
- We evaluated management's ability to accurately project revenues and operating cash flows by performing a retrospective review of actual results to management's historical forecasts.
- We evaluated the reasonableness of management's projected revenue and operating cash flow forecasts by:
 - Comparing the revenue and operating cash flow forecasts to information included in the Company's communications to the Board of Directors, industry reports, and certain of its peer companies;
 - Comparing the revenue and operating cash forecasts to historical financial results;
 - Evaluating the impact of changes in the regulatory environment and market competition on management's forecasts;
 - Conducting inquiries with management; and
 - Evaluating whether the forecasts were consistent with evidence obtained in other areas of the audit.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the discount rates by:
 - Testing the inputs underlying the determination of the discount rate and testing the mathematical accuracy of the calculation; and
 - Developing a range of independent estimates and comparing those to the discount rate selected by management.

/s/ Deloitte & Touche LLP
New York, New York
March 1, 2023 15, 2024

We have served as the Company's auditor since 2015.

BALLY'S CORPORATION
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

		December 31,		December 31,	
		2022	2021	2023	2022
<u>Assets</u>	<u>Assets</u>	<u>Assets</u>			
Cash and cash equivalents	Cash and cash equivalents	\$ 212,515	\$ 206,193		
Restricted cash	Restricted cash	52,669	68,647		
Accounts receivable, net	Accounts receivable, net	71,673	48,178		
Inventory	Inventory	14,191	11,489		
Tax receivable	Tax receivable	53,771	128,217		
Prepaid expenses and other current assets	Prepaid expenses and other current assets	100,717	104,463		
Assets held for sale	Assets held for sale	17,177	—		
Total current assets	Total current assets	522,713	567,187		
Property and equipment, net	Property and equipment, net	1,202,102	838,651		
Right of use assets, net	Right of use assets, net	808,926	507,843		
Goodwill, net		1,746,202	2,122,653		
Goodwill					
Intangible assets, net	Intangible assets, net	1,961,938	2,477,952		
Deferred tax asset	Deferred tax asset	25,544	11,922		
Other assets	Other assets	32,688	27,009		
Total assets	Total assets	\$6,300,113	\$6,553,217		
<u>Liabilities and Stockholders' Equity</u>	<u>Liabilities and Stockholders' Equity</u>				
Current portion of long-term debt	Current portion of long-term debt	\$ 19,450	\$ 19,450		
Current portion of long-term debt					
Current portion of long-term debt					
Current portion of lease liabilities					
Current portion of lease liabilities					

Current portion of lease liabilities	Current portion of lease liabilities	32,929	24,506
Accounts payable	Accounts payable	70,071	87,540
Accrued income taxes	Accrued income taxes	56,012	37,208
Accrued liabilities	Accrued liabilities	573,931	401,428
Liabilities related to assets held for sale	Liabilities related to assets held for sale	3,409	—
Total current liabilities	Total current liabilities	755,802	570,132
Long-term debt, net	Long-term debt, net	3,469,105	3,426,777
Long-term portion of financing obligation	Long-term portion of financing obligation	200,000	—
Long-term portion of lease liabilities	Long-term portion of lease liabilities	803,212	506,475
Deferred tax liability	Deferred tax liability	138,017	214,467
Naming rights liabilities		109,807	168,929

Deferred tax liability

Deferred tax liability

Commercial rights liabilities

Other long-term liabilities	Other long-term liabilities	17,923	50,635
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Other long-term liabilities

Other long-term liabilities

Total liabilities	Total liabilities	5,493,866	4,937,415
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Commitments and contingencies (Note 20)

Commitments and contingencies (Note 22)

Commitments and contingencies (Note 22)

Stockholders' equity:	Stockholders' equity:		
Common stock (\$0.01 par value; 200,000,000 shares authorized; 46,670,057 and 53,050,055 shares issued; 46,670,057 and 52,254,477 shares outstanding)		466	530

Common stock (\$0.01 par value; 200,000,000 shares authorized; 39,973,202 and 46,670,057 shares issued; 39,973,202 and 46,670,057 shares outstanding)

Common stock (\$0.01 par value; 200,000,000 shares authorized; 39,973,202 and 46,670,057 shares issued; 39,973,202 and 46,670,057 shares outstanding)			
Common stock (\$0.01 par value; 200,000,000 shares authorized; 39,973,202 and 46,670,057 shares issued; 39,973,202 and 46,670,057 shares outstanding)			
Preferred stock (\$0.01 par value; 10,000,000 shares authorized; no shares outstanding)	Preferred stock (\$0.01 par value; 10,000,000 shares authorized; no shares outstanding)	—	—
Additional paid-in-capital	Additional paid-in-capital	1,636,366	1,849,068
Treasury stock, at cost, 0 and 795,578 shares as of December 31, 2022 and 2021, respectively		—	(29,166)
Retained deficit		(535,373)	(181,581)
Treasury stock, at cost, no shares outstanding as of December 31, 2023 and 2022			
Accumulated deficit			
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(295,640)	(26,809)
Total Bally's Corporation stockholders' equity	Total Bally's Corporation stockholders' equity	805,819	1,612,042
Non-controlling interest	Non-controlling interest	428	3,760
Total stockholders' equity	Total stockholders' equity	806,247	1,615,802
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	\$6,300,113	\$6,553,217

The accompanying notes are an integral part of these consolidated financial statements.

BALLY'S CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

Years Ended December 31,			Years Ended December 31,		
2022	2021	2020	2023	2022	2021

Revenue:	Revenue:				Revenue:
Gaming	Gaming	\$1,846,124	\$1,053,492	\$ 298,070	
Non-gaming	Non-gaming	409,581	268,951	74,722	
Total revenue	Total revenue	2,255,705	1,322,443	372,792	
Operating costs and expenses:					
Operating (income) costs and expenses:					
Operating (income) costs and expenses:					
Operating (income) costs and expenses:					
Gaming					
Gaming					
Gaming	Gaming	812,918	407,032	95,901	
Non-gaming	Non-gaming	196,318	128,047	42,768	
General and administrative	General and administrative	774,940	544,521	206,008	
Gain from sale-leaseback, net					
Impairment charges	Impairment charges	463,978	4,675	8,659	
Depreciation and amortization	Depreciation and amortization	300,559	144,786	37,842	
Total operating costs and expenses	Total operating costs and expenses	2,548,713	1,229,061	391,178	
(Loss) income from operations		(293,008)	93,382	(18,386)	
Income (loss) from operations					
Other income (expense):					
Other (expense) income:					
Other (expense) income:					
Other (expense) income:					
Interest expense, net	Interest expense, net	(208,153)	(117,924)	(62,636)	
Other non-operating expenses, net		46,692	(94,532)	6,211	
Interest expense, net					
Interest expense, net					
Other non-operating income (expense), net					
Total other expense, net	Total other expense, net	(161,461)	(212,456)	(56,425)	
Loss before provision for income taxes		(454,469)	(119,074)	(74,811)	
Benefit for income taxes		(28,923)	(4,377)	(69,324)	

Loss before income taxes				
Loss before income taxes				
Loss before income taxes				
Provision (benefit) for income taxes				
Net loss	Net loss	\$ (425,546)	\$ (114,697)	\$ (5,487)
Net loss				
Net loss				
Basic loss per share				
Basic loss per share				
Basic loss per share	Basic loss per share	\$ (7.32)	\$ (2.31)	\$ (0.18)
Weighted average common shares outstanding, basic	Weighted average common shares outstanding, basic	58,111,699	49,643,991	31,315,151
Diluted loss per share	Diluted loss per share	\$ (7.32)	\$ (2.31)	\$ (0.18)
Diluted loss per share				
Diluted loss per share				
Weighted average common shares outstanding, diluted	Weighted average common shares outstanding, diluted	58,111,699	49,643,991	31,315,151

The accompanying notes are an integral part of these consolidated financial statements.

BALLY'S CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS INCOME (LOSS)
(In thousands)

	Years Ended December 31,		
	2022	2021	2020
Net loss	\$ (425,546)	\$ (114,697)	\$ (5,487)
Other comprehensive income (loss):			
Foreign currency translation adjustments, net of tax	(270,151)	(25,833)	—
Defined benefit pension plan:			
Gains (losses) arising during the period	1,911	3,040	(1,844)
Reclassification adjustments	—	104	—
Tax effect	(591)	(976)	588
Net of tax amount	1,320	2,168	(1,256)
Comprehensive loss	(268,831)	(23,665)	(1,256)
Total comprehensive loss	\$ (694,377)	\$ (138,362)	\$ (6,743)

	Years Ended December 31,		
	2023	2022	2021
Net loss	\$ (187,500)	\$ (425,546)	\$ (114,697)
Other comprehensive income (loss):			
Foreign currency translation adjustments	118,781	(270,151)	(25,833)

Defined benefit pension plan adjustments, net of tax	542	1,320	2,168
Net unrealized derivative loss on cash flow hedges, net of tax	(11,246)	—	—
Net unrealized derivative loss on net investment hedges, net of tax	(21,995)	—	—
Other comprehensive income (loss)	86,082	(268,831)	(23,665)
Total comprehensive loss	<u>\$ (101,418)</u>	<u>\$ (694,377)</u>	<u>\$ (138,362)</u>

The accompanying notes are an integral part of these consolidated financial statements.

BALLY'S CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands, except shares)

	BALLY'S CORPORATION									Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings (Deficit)	Accumulated Other Comprehensive Loss	Non- controlling Interest	Total Stockholders' Equity
	Common Stock		Additional Paid-in Capital	Treasury Stock	Retained Earnings (Deficit)	Other Comprehensive Loss	Non- controlling Interest	Total								
	Shares	Amount														
		Outstanding	Amount													
Balance as of December 31, 2019	32,113,328	\$ 412	\$ 185,544	\$(223,075)	\$ 250,418	\$ (1,888)	\$ —	\$ 211,411								
Release of restricted stock, net	365,439	4	(9,766)	—	—	—	—	(9,762)								
Dividends and dividend equivalents - \$0.10 per share	—	—	—	—	(3,174)	—	—	(3,174)								
Share-based compensation	—	—	17,706	—	—	—	—	17,706								
Retirement of treasury shares	—	(109)	(49,351)	256,367	(206,907)	—	—	—								
Share repurchases	(1,812,393)	—	—	(33,292)	—	—	—	(33,292)								
Stock options exercised	19,564	—	84	—	—	—	—	84								
Issuance of penny warrants for naming rights	—	—	150,426	—	—	—	—	150,426								
Adoption of ASU 2016-13	—	—	—	—	(58)	—	—	(58)								
Other comprehensive income	—	—	—	—	—	(1,256)	—	(1,256)								
Net loss	—	—	—	—	(5,487)	—	—	(5,487)								
Balance as of December 31, 2020	Balance as of December 31, 2020	30,685,938	307	294,643	—	34,792	(3,144)	—	326,598							
Release of restricted stock and other stock awards, net	121,379	1	(3,260)	(116)	—	—	—	(3,375)								
Balance as of December 31, 2020																
Balance as of December 31, 2020																
Issuance of restricted stock and other stock awards																
Share-based compensation	Share-based compensation	—	—	20,143	—	—	—	—	20,143							
Retirement of treasury shares	Retirement of treasury shares	—	(35)	(71,574)	173,285	(101,676)	—	—	—							
Share repurchases	Share repurchases	(2,188,532)	—	—	(87,024)	—	—	—	(87,024)							
Stock options exercised	Stock options exercised	70,000	—	301	—	—	—	—	301							
Reclassification of Sinclair options	Reclassification of Sinclair options	—	—	59,724	—	—	—	—	59,724							
Penny warrants exercised	Penny warrants exercised	932,949	9	—	(9)	—	—	—	—							

Sinclair shares exchanged for penny warrants	Sinclair shares exchanged for penny warrants	(2,086,908)	—	114,717	(114,717)	—	—	—	—
Sinclair issuance of penny warrants	Sinclair issuance of penny warrants	—	—	50,000	—	—	—	—	50,000
Issuance of penny warrants - MKF		—	—	64,694	—	—	—	—	64,694
Issuance of MKF penny warrants									
Shares issued for purchase of SportCaller	Shares issued for purchase of SportCaller	221,391	2	11,774	—	—	—	—	11,776
Bally's Interactive equity issuance	Bally's Interactive equity issuance	2,074,723	21	121,479	(585)	—	—	—	120,915
Common stock offering	Common stock offering	12,650,000	127	667,746	—	—	—	—	667,873
Shares issued for purchase of Gamesys	Shares issued for purchase of Gamesys	9,773,537	98	518,681	—	—	—	—	518,779
Acquired non-controlling interest	Acquired non-controlling interest	—	—	—	—	—	—	3,760	3,760
Other comprehensive loss	Other comprehensive loss	—	—	—	—	—	(23,665)	—	(23,665)
Net loss	Net loss	—	—	—	—	(114,697)	—	—	(114,697)
Balance as of December 31, 2021	Balance as of December 31, 2021	52,254,477	530	1,849,068	(29,166)	(181,581)	(26,809)	3,760	1,615,802
Release of restricted stock and other stock awards, net		458,603	4	(5,957)	429	—	—	—	(5,524)
Issuance of restricted stock and other stock awards									
Share-based compensation	Share-based compensation	—	—	27,912	—	—	—	—	27,912
Retirement of treasury shares	Retirement of treasury shares	—	(74)	(253,783)	182,103	71,754	—	—	—
Share repurchases (including tender offer)	Share repurchases (including tender offer)	(6,621,841)	—	—	(153,366)	—	—	—	(153,366)
Stock options exercised	Stock options exercised	20,000	—	86	—	—	—	—	86
Penny warrants exercised	Penny warrants exercised	383,934	4	—	—	—	—	—	4
Issuance of penny warrants - MKF		—	—	12,010	—	—	—	—	12,010
Issuance of MKF penny warrants									

Settlement of consideration to SportCaller	Settlement of consideration to SportCaller	107,832	1	3,699	—	—	—	—	3,700
Conversion of non-controlling interest - Telescope	Conversion of non-controlling interest - Telescope	67,052	1	3,331	—	—	—	(3,332)	—
Other comprehensive loss	Other comprehensive loss	—	—	—	—	—	(268,831)	—	(268,831)
Net loss	Net loss	—	—	—	—	(425,546)	—	—	(425,546)
Balance as of December 31, 2022	Balance as of December 31, 2022	46,670,057	\$ 466	\$1,636,366	\$ —	\$ (535,373)	\$ (295,640)	\$ 428	\$ 806,247
Issuance of restricted stock and other stock awards									
Share-based compensation									
Retirement of treasury shares									
Share repurchases									
Penny warrants exercised									
Issuance of MKF penny warrants									
Settlement of consideration to SportCaller									
Settlement of consideration - Bally's Interactive									
Other comprehensive income									
Net loss									
Balance as of December 31, 2023									

The accompanying notes are an integral part of these consolidated financial statements.

BALLY'S CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

		Years Ended December 31,						
		2022	2021	2020				
		Years Ended December 31,			Years Ended December 31,			
		2023			2023	2022	2021	
Cash flows from operating activities:	Cash flows from operating activities:							Cash flows from operating activities:
Net loss	Net loss	\$ (425,546)	\$ (114,697)	\$ (5,487)				

Adjustments to reconcile net loss to net cash provided by operating activities:	Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	Depreciation and amortization			
Depreciation and amortization	Depreciation and amortization	300,559	144,786	37,842
Non-cash lease expense	Non-cash lease expense	32,438	14,924	804
Share-based compensation	Share-based compensation	27,912	20,143	17,706
Impairment charges	Impairment charges	463,978	4,675	8,659
Amortization of debt discount and debt issuance costs	Amortization of debt discount and debt issuance costs	10,896	7,557	4,636
Loss on extinguishment of debt		—	103,007	—
(Gain) loss on extinguishment of debt				
Gain from insurance recoveries	Gain from insurance recoveries	(1,265)	(18,660)	—
Storm related losses		—	—	14,408
Gain on sale-leaseback, net		(50,766)	(53,425)	—
Gain from sale-leaseback, net				
Diamond Sports Group non-cash liability				
Contract termination	Contract termination	—	30,000	—
Deferred income taxes	Deferred income taxes	(88,129)	(5,217)	1,191
(Gain) loss on assets and liabilities measured at fair value		(3,251)	21,440	—
Change in value of naming rights liabilities		(32,577)	(17,029)	57,660
Loss (gain) on assets and liabilities measured at fair value				
Net gain on equity method investments				
Change in value of commercial rights liabilities				
Change in contingent consideration payable	Change in contingent consideration payable	(10,747)	(23,503)	—

Adjustment (gain) on bargain purchase	Adjustment (gain) on bargain purchase	107	(22,841)	(63,871)
Foreign exchange (gain) loss		(516)	33,461	—
Foreign exchange loss (gain)				
Other operating activities	Other operating activities	10,764	19,712	982
Changes in current operating assets and liabilities	Changes in current operating assets and liabilities	37,114	(61,579)	(55,028)
Net cash provided by operating activities	Net cash provided by operating activities	270,971	82,754	19,502
Cash flows from investing activities:	Cash flows from investing activities:			
Cash paid for acquisitions, net of cash acquired	Cash paid for acquisitions, net of cash acquired	(146,317)	(2,274,221)	(425,063)
Cash paid for acquisitions, net of cash acquired				
Cash paid for acquisitions, net of cash acquired				
Proceeds from sale-leaseback	Proceeds from sale-leaseback	150,000	144,000	—
Purchase of Bally's Chicago land	Purchase of Bally's Chicago land	(200,000)	—	—
Advance deposit in connection with sale- leaseback transactions	Advance deposit in connection with sale- leaseback transactions	200,000	—	—
Deposit for acquisition of Bally's Quad Cities Casino & Hotel		—	—	(4,000)
Foreign exchange forward contract premiums	Foreign exchange forward contract premiums	—	(22,592)	—
Capital expenditures	Capital expenditures	(212,256)	(97,525)	(15,283)
Insurance proceeds	Insurance proceeds	1,265	18,660	—
Cash paid for internally developed software		(37,121)	(15,891)	—
Cash paid for capitalized software				

Acquisition of gaming licenses	Acquisition of gaming licenses	(55,117)	(30,159)	—
Purchase of equity securities	Purchase of equity securities	(3,175)	—	—
Other intangible asset acquisitions	Other intangible asset acquisitions	(665)	(19,157)	—
Other investing activities	Other investing activities	464	(19)	(500)
Net cash used in investing activities	Net cash used in investing activities	(302,922)	(2,296,904)	(444,846)
Cash flows from financing activities:	Cash flows from financing activities:			
Issuance of long-term debt				
Issuance of long-term debt				
Issuance of long-term debt	Issuance of long-term debt	597,000	3,787,553	668,680
Repayments of long-term debt	Repayments of long-term debt	(564,450)	(1,877,575)	(254,375)
Proceeds from Bally's Chicago land financing obligation	Proceeds from Bally's Chicago land financing obligation	200,000	—	—
Payment of financing fees	Payment of financing fees	—	(65,297)	(1,734)
Payment of redemption premium on debt extinguishment	Payment of redemption premium on debt extinguishment	—	(67,857)	—
Payment of deferred consideration	Payment of deferred consideration	(30,025)	—	—
Share repurchases	Share repurchases	(153,366)	(87,024)	(33,292)
Issuance of common stock, net	Issuance of common stock, net	—	667,872	—
Issuance of Sinclair penny warrants	Issuance of Sinclair penny warrants	—	50,000	—
Payment of shareholder dividends		—	—	(3,204)
Other financing activities				
Other financing activities				
Other financing activities	Other financing activities	(5,922)	(3,074)	(9,678)

Net cash provided by financing activities	Net cash provided by financing activities	43,237	2,404,598	366,397
Effect of foreign currency on cash and cash equivalents	Effect of foreign currency on cash and cash equivalents	(20,722)	(42,163)	—
Change in cash and cash equivalents and restricted cash classified as assets held for sale	Change in cash and cash equivalents and restricted cash classified as assets held for sale	(220)	—	—
Net change in cash and cash equivalents and restricted cash	Net change in cash and cash equivalents and restricted cash	(9,656)	148,285	(58,947)
Cash and cash equivalents and restricted cash, beginning of period	Cash and cash equivalents and restricted cash, beginning of period	274,840	126,555	185,502
Cash and cash equivalents and restricted cash, end of period	Cash and cash equivalents and restricted cash, end of period	\$ 265,184	\$ 274,840	\$126,555

		Years Ended December 31,					
		2022	2021	2020			
		Years Ended December 31,			Years Ended December 31,		
		2023	2022	2021	2023	2022	2021
Supplemental disclosure of cash flow information:	Supplemental disclosure of cash flow information:						
Cash paid for interest, net of amounts capitalized	Cash paid for interest, net of amounts capitalized						
Cash paid for interest, net of amounts capitalized	Cash paid for interest, net of amounts capitalized						
Cash paid for interest, net of amounts capitalized	Cash paid for interest, net of amounts capitalized	\$200,901	\$65,927	\$57,234			
Cash received from income tax refunds, net of cash paid	Cash received from income tax refunds, net of cash paid	(38,199)	42,291	3,835			
Non-cash investing and financing activities:	Non-cash investing and financing activities:						
Non-cash investing and financing activities:	Non-cash investing and financing activities:						

Non-cash investing and financing activities:				
Unpaid property and equipment	Unpaid property and equipment	\$ 24,080	\$ 31,123	\$ 3,575
Unpaid property and equipment				
Unpaid property and equipment				
Unpaid internally developed software				
Bally's Chicago - land development liability				
Investment in GLP Capital, L.P.				
Investment in RI Joint Venture				
Non-controlling interest	Non-controlling interest	(3,332)	3,760	—
Stock and equity instruments issued for North America Interactive acquisitions and Gamesys	Stock and equity instruments issued for North America Interactive acquisitions and Gamesys	—	716,162	—
Acquisitions in exchange for contingent liability		—	58,685	—
Net purchase consideration for acquisitions				
Deferred purchase price payable	Deferred purchase price payable	—	14,071	—
Deposit applied to acquisition purchase price	Deposit applied to acquisition purchase price	—	4,000	—
Unpaid trade name		—	—	20,000
Unpaid Naming Rights		—	—	332,313

Years Ended December 31,		
2022	2021	2020

Years Ended December 31,		Years Ended December 31,	
2023	2022	2023	2021

Reconciliation of cash and cash equivalents and restricted cash:	Reconciliation of cash and cash equivalents and restricted cash:			
Cash and cash equivalents	Cash and cash equivalents			
Cash and cash equivalents	Cash and cash equivalents			
Cash and cash equivalents	Cash and cash equivalents	\$212,515	\$206,193	\$123,445
Restricted cash	Restricted cash	52,669	68,647	3,110
Total cash and cash equivalents and restricted cash	Total cash and cash equivalents and restricted cash	\$265,184	\$274,840	\$126,555
Total cash and cash equivalents and restricted cash	Total cash and cash equivalents and restricted cash			
Total cash and cash equivalents and restricted cash	Total cash and cash equivalents and restricted cash			

The accompanying notes are an integral part of these consolidated financial statements.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Bally's Corporation (the "Company," or "Bally's") is a global gaming, hospitality and entertainment company with casinos and resorts and online gaming ("iGaming") businesses. The Company owns and manages the following **casino and resort properties**: **properties within its Casinos & Resorts reportable segment**:

Casinos and Resorts	Location	Type	Built/Acquired
Bally's Twin River Lincoln Casino Resort ("Bally's Twin River")	Lincoln, Rhode Island	Casino and Resort	2004
Bally's Arapahoe Park	Aurora, Colorado	Aurora, Colorado	Racetrack/OTB Site 2004
Hard Rock Hotel & Casino Biloxi ("Hard Rock Biloxi") ⁽²⁾	Biloxi, Mississippi	Casino and Resort	2014
Bally's Tiverton Casino & Hotel ("Bally's Tiverton") ⁽²⁾	Tiverton, Rhode Island	Casino and Hotel	2018
Bally's Dover Casino Resort ("Bally's Dover") ⁽²⁾	Dover, Delaware	Casino, Resort and Raceway	2019
Bally's Black Hawk ^{(1),(2)}	Black Hawk, Colorado	Three Casinos	2020
Bally's Kansas City Casino ("Bally's Kansas City")	Kansas City, Missouri	Casino	2020
Bally's Vicksburg Casino ("Bally's Vicksburg")	Vicksburg, Mississippi	Casino and Hotel	2020
Bally's Atlantic City Casino Resort ("Bally's Atlantic City")	Atlantic City, New Jersey	Casino and Resort	2020
Bally's Shreveport Casino & Hotel ("Bally's Shreveport")	Shreveport, Louisiana	Casino and Hotel	2020
Bally's Lake Tahoe Casino Resort ("Bally's Lake Tahoe")	Lake Tahoe, Nevada	Casino and Resort	2021
Bally's Evansville Casino & Hotel ("Bally's Evansville") ⁽²⁾	Evansville, Indiana	Casino and Hotel	2021
Bally's Quad Cities Casino & Hotel ("Bally's Quad Cities") ⁽²⁾	Rock Island, Illinois	Casino and Hotel	2021
Tropicana Las Vegas Casino and Resort ("Tropicana Las Vegas") ⁽²⁾	Las Vegas, Nevada	Casino and Resort	2022
Bally's Chicago Casino ("Bally's Chicago") ⁽³⁾	Chicago, Illinois	Casino	2023
Bally's Golf Links at Ferry Point ("Bally's Golf Links")	Bronx, New York	Golf Course	2023

(1) Includes Bally's Black Hawk North Casino, Bally's Black Hawk West Casino and Bally's Black Hawk East Casino.

(2) Properties leased from Gaming and Leisure Properties, Inc. ("GLPI"). Refer to Note 15 17 "Leases Leases" for further information.

(3) Temporary casino facility, as a permanent casino resort is being constructed.

The Company's International Interactive reportable segment primarily includes the interactive activities in Europe and Asia of Gamesys Group Ltd. ("Gamesys"), an iCasino and online bingo platform provider and operator.

The North America Interactive reportable segment includes a portfolio of sports betting, iGaming, and free-to-play gaming brands, and the North American operations of Gamesys.

The Company's International Interactive reportable segment includes the interactive activities in Europe and Asia of Gamesys Group Ltd. ("Gamesys"), an iCasino and online bingo platform provider and operator.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles Basis of Consolidation Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and include the accounts of the Company, its majority-owned subsidiaries and entities the Company identifies as variable interest entities ("VIEs"), of which the Company is determined to be the primary beneficiary. All intercompany balances and transactions have been eliminated in consolidation. Certain prior year amounts have been reclassified to conform to the current year's presentation. The financial statements of our foreign subsidiaries are translated into US Dollars ("USD") using exchange rates in effect at period-end for assets and liabilities and average exchange rates during each reporting period for results of operations. Adjustments resulting from financial statement translations are reflected as a separate component of accumulated other comprehensive income (loss). Foreign currency transaction gains and losses are included in net income (loss).

Equity Method Investments

On January 1, 2023, the Company and International Game Technology PLC ("IGT") contributed certain tangible assets and leases to Rhode Island VLT Company, LLC (the "RI Joint Venture") in exchange for equity interests of the RI Joint Venture. The Company contributed video lottery terminals ("VLTs") and player tracking equipment to the joint venture for a 40% equity interest of the RI Joint Venture. The 40% ownership in the joint venture qualifies for equity method accounting. In addition to this joint venture, the Company also has other investments in unconsolidated subsidiaries, which are accounted for using equity method accounting. The Company records its share of net income or loss within "Other non-operating income, net" in the consolidated statements of operations. For the year ended December 31, 2023, the Company recorded net gains on equity method investments of \$4.3 million.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Variable Interest Entities

The Company evaluates entities for which control is achieved through means other than voting rights to determine if it is the primary beneficiary of a VIE. An entity is a VIE if it has any of the following characteristics (i) has insufficient equity to permit the entity to finance its activities without additional subordinated financial support (ii) equity holders, as a group, lack the characteristics of a controlling financial interest or (iii) the entity is structured with non-substantive voting rights. The primary beneficiary of the VIE is generally the entity that has (a) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (b) the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. The Company consolidates its investment in a VIE when it determines that it is its primary beneficiary.

In determining whether it is the primary beneficiary of the VIE, the Company considers qualitative and quantitative factors, including, but not limited to: which activities most significantly impact the VIE's economic performance and which party controls such activities and significance of the Company's investment and other means of participation in the VIE's expected profits/losses. Significant judgments related to these determinations include estimates about the current and future fair values and performance of assets held by these VIEs and general market conditions.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Management has analyzed and concluded that Breckenridge Curacao B.V. ("Breckenridge") is a VIE because it does not have sufficient equity investment at risk. The Company has determined that it is the primary beneficiary and consolidates the VIE because (a) although the Company does not control all decisions of the VIE, Breckenridge, the Company has the power to direct the activities of the VIE Breckenridge that most significantly impact its economic performance through various contracts with the entity and (b) the nature of these agreements between the VIE Breckenridge and the Company provides the Company with the obligation to absorb losses and the right to receive benefits based on fees that are based upon off-market rates and commensurate to the level of services provided. The Company receives significant benefits in the form of fees that are not at market and commensurate to the level of services provided. As a result, the Company consolidates all of the assets, liabilities and results of operations of the VIE Breckenridge and its subsidiaries in the accompanying consolidated financial statements. As of December 31, 2022 December 31, 2023 and 2021, 2022, Breckenridge had total assets of \$93.4 \$161.3 million and \$85.4 \$93.4 million, respectively, total liabilities of \$77.1 \$87.7 million and \$75.2 \$77.1 million, respectively, and revenues of \$293.3 million, \$298.1 million and \$79.6 million for the years ended December 31, 2022 December 31, 2023, 2022 and 2021, respectively.

The Company may change its original assessment of a VIE upon subsequent events such as the modification of contractual arrangements that affect the characteristics or adequacy of the entity's equity investments at risk and the disposition of all or a portion of an interest held by the primary beneficiary. The Company performs this analysis on an ongoing basis.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with US GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and revenues and expenses and related disclosures of contingent assets and liabilities. On an ongoing basis, the Company evaluates its estimates and judgments including those related to contingent value rights, the allowance for doubtful accounts, valuation of goodwill and intangible assets, recoverability and useful lives of tangible and intangible long-lived assets, accruals for players club card incentives and for potential liabilities related to any lawsuits or claims brought against the Company, fair value of financial

instruments, capitalized software development costs, stock compensation and valuation allowances for deferred tax assets. The Company bases its estimates and judgments on historical experience and other relevant factors impacting the carrying value of assets and liabilities. Actual results may differ from these estimates.

Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents includes cash balances and highly liquid investments with an original maturity of three months or less. Restricted cash includes cash collateral in connection with amounts due to the Chicago Tribune (refer to Note 9 "Property and Equipment"), player deposits, payment service provider deposits, and Video Lottery Terminals ("VLT") VLT and table games related cash payable due to certain states where we operate, which are unavailable for the Company's use.

Concentrations of Credit Risk

The Company's financial instruments which potentially expose the Company to concentrations of credit risk consisted of cash and cash equivalents and trade receivables. The Company maintains cash with financial institutions in excess of federally insured limits, however, management believes the credit risk is mitigated by the quality of the institutions holding such deposits.

BALLY'S CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Accounts Receivable, Net

Accounts receivable, net consists of the following:

December 31,						December 31,	
December 31,						December 31,	
(in thousands)	(in thousands)	2022	2021	(in thousands)	2023		2022
Accounts due from Rhode Island and Delaware ⁽¹⁾	Accounts due from Rhode Island and Delaware ⁽¹⁾	\$15,865	\$10,575				
Gaming receivables	Gaming receivables	19,065	10,576				
Non-gaming receivables	Non-gaming receivables	42,532	31,481				
Accounts receivable	Accounts receivable	77,462	52,632				
Less: Allowance for doubtful accounts	Less: Allowance for doubtful accounts	(5,789)	(4,454)				
Accounts receivable, net	Accounts receivable, net	\$71,673	\$48,178				

(1) Represents the Company's share of VLT and table games revenue for Bally's Twin River and Bally's Tiverton due from the State of Rhode Island and from the State of Delaware for Bally's Dover.

BALLY'S CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

An allowance for doubtful accounts is determined to reduce the Company's receivables for amounts that may not be collected. The allowance is estimated based on historical collection experience, current economic and business conditions and forecasts that affect the collectability and review of individual customer accounts and any other known information. Activity for the allowance for doubtful accounts is as follows:

December 31,						December 31,	
December 31,						December 31,	
(in thousands)	(in thousands)	2022	2021	2020	(in thousands)	2023	2022
Balance at beginning of year	Balance at beginning of year	\$4,454	\$3,067	\$1,296			

Charges to expense	Charges to expense	1,649	1,717	353
Deductions	Deductions	(602)	(701)	(653)
Other adjustments	Other adjustments	288	371	2,071
Other adjustments				
Other adjustments				
Balance at end of year	Balance at end of year	\$5,789	\$4,454	\$3,067

Inventory

Inventory is stated at the lower of cost or net realizable value on a first-in, first-out basis and consists primarily of food, beverage, promotional items and other supplies.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and impairment losses, if applicable. Expenditures for renewals and betterments that extend the life or value of an asset are capitalized and expenditures for repairs and maintenance are charged to expense as incurred. The costs and related accumulated depreciation applicable to assets sold or disposed of are removed from the balance sheet accounts and the resulting gains or losses are reflected in the consolidated statements of operations. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets or the related lease term, if any, as follows:

	Years
Land improvements	10-20
Building and improvements	2-50
Equipment	2-10
Furniture and fixtures	2-10

Development costs directly associated with the acquisition, development and construction of a project are capitalized as a cost of the project during the periods in which activities necessary to prepare the property for its intended use are in progress. Interest costs associated with major construction projects are capitalized as part of the cost of the constructed assets. When no debt is incurred specifically for a project, interest is capitalized on amounts expended for the project using the weighted-average weighted average cost of borrowing. Capitalization of interest ceases when the project (or discernible portions of the project) is substantially complete. If substantially all of the construction activities of a project are suspended, capitalization of interest will cease until such activities are resumed. During the years ended December 31, 2022, December 31, 2023, 2022 and 2021, there was \$13.6 million, \$1.9 million and \$0.2 million of capitalized interest, respectively. There was no capitalized interest in the year ended December 31, 2020.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Leases

The Company determines if a contract is or contains a lease at the contract inception date or the date in which a modification of an existing contract occurs. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. Control over the use of the identified asset means the lessee has both (i) the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use and (ii) the right to direct the use of the identified asset.

Upon adoption of Accounting Standards Codification ("ASC") 842, Leases, ("ASC 842") the Company elected to account for lease and non-lease components as a single component for all classes of underlying assets. Additionally, the Company elected to not recognize short-term leases (defined as leases that are less than 12 months and do not contain purchase options) within the consolidated balance sheets.

The Company recognizes a lease liability for the present value of lease payments at the lease commencement date using its incremental borrowing rate commensurate with the lease term based on information available at the commencement date unless the rate implicit in the lease is readily determinable.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Certain of the Company's leases include renewal options and escalation clauses; renewal options are included in the calculation of the lease liabilities and right of use assets when the Company determines it is reasonably certain to exercise the options. Variable expenses generally represent the Company's share of the landlord's operating expenses and consumer price index ("CPI") increases. Rent expense associated with the Company's long and short term leases and their associated variable expenses are reported in total operating costs and expenses within the consolidated statements of operations.

The Bally's Chicago ground lease is accounted for as a financing obligation in accordance with ASC 470, Debt as the transaction did not qualify as a sale under ASC 842. Lease payments are included in "Interest expense, net" within our consolidated statements of operations. Refer to Note 15 17 "Leases" for further information.

Goodwill

Goodwill consists of the excess of acquisition costs over the fair value of net assets acquired in business combinations. Goodwill is not amortized, but is reviewed for impairment annually as of October 1st, or when events or changes in the business environment indicate that the carrying value of the reporting unit may exceed its fair value, by comparing the fair value of each reporting unit to its carrying value, including goodwill.

When assessing goodwill for impairment, first, qualitative factors are assessed to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. Items that are considered in the qualitative assessment include, but are not limited to, the following: macroeconomic conditions, industry and market conditions and overall financial performance. If the results of the qualitative assessment indicate it is more likely than not that a reporting unit's carrying value exceeds its fair value, or if the Company elects to bypass the qualitative assessment, a quantitative goodwill test is performed.

For the quantitative goodwill impairment test, the Company estimates the fair value of the reporting unit and asset group using both income and market-based approaches. Specifically, the Company applies the discounted cash flow ("DCF") method under the income approach and the guideline company under the market approach and weighs the results of the two valuation methodologies based on the facts and circumstances surrounding the reporting unit. For the DCF method, the Company relies on the present value of expected future cash flows, including terminal value, utilizing a market-based weighted average cost of capital ("WACC") determined separately for the reporting unit as of the valuation date. The determination of fair value under the DCF method involves the use of significant estimates and assumptions, including revenue growth rates driven by future gaming activity, operating margins, capital expenditures, working capital requirements, tax rates, terminal growth rates, and discount rates. For the market approach, the Company utilizes a comparison of the reporting unit to comparable publicly-traded companies and transactions and, based on the observed earnings multiples, ultimately selects multiples to apply to the reporting unit. The Company then compares the fair value of its reporting units to the carrying amounts. If the carrying amount of the reporting unit exceeds the fair value, an impairment is recorded equal to the amount of the excess (not to exceed the amount of goodwill allocated to the reporting unit).

Intangible Assets

The Company's intangible assets primarily consist of customer relationships, developed technology, internally developed software, gaming licenses and trade names. The Company also has a Naming commercial rights intangible asset obtained through the Sinclair Framework Agreement (as defined herein). Refer to Note 13 "14 "Strategic Partnership - Sinclair Agreement" Broadcast Group" for further information regarding the Sinclair Broadcast Group ("Sinclair") naming commercial rights.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For its finite-lived intangible assets, the Company establishes a useful life upon initial recognition based on the period over which the asset is expected to contribute to the future cash flows of the Company and periodically evaluates the remaining useful lives to determine whether events and circumstances warrant a revision to the remaining amortization period. Finite-lived intangible assets are amortized over their remaining useful lives in a pattern in which the economic benefits of the intangible asset are consumed, which is generally on a straight-line basis. The Company reviews the carrying amount of its finite-lived intangible assets for possible impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Should events and circumstances indicate finite-lived intangible assets may not be recoverable, the Company performs a test for recoverability whereby estimated undiscounted cash flows are compared to the carrying values of the assets. Should the estimated undiscounted cash flows exceed the carrying value, no impairments are recorded. If the undiscounted cash flows do not exceed the carrying values, an impairment is recorded based on the fair value of the asset.

Customer Relationships - The Company considers customer relationships to be finite-lived intangible assets, which are amortized over their estimated useful lives, and are recognized as the result of a business combination.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Developed Technology - Developed technology relates to the design and development of sports betting and casino gaming software and online gaming products acquired through the Company's acquisitions of the businesses within the North America International Interactive and International North America Interactive segments. Developed technology is considered to be a finite-lived intangible asset, which are amortized over their estimated useful lives, which is generally between three to 10 years.

Internally Developed Software - Software that is developed for internal use is accounted for pursuant to ASC 350-40, *Intangibles, Goodwill and Other - Internal-Use Software*. Qualifying costs incurred to develop internal-use software are capitalized when (i) the preliminary project stage is completed, (ii) management has authorized further funding for the completion of the project and (iii) it is probable that the project will be completed and perform as intended. These capitalized costs include compensation for employees who develop internal-use software and external costs related to development of internal use software. Capitalization of these costs ceases once the project is substantially complete and the software is ready for its intended purpose. Once placed into service, internally developed software is amortized on a straight-line basis over its estimated useful life, which is generally five years. All other expenditures, including those incurred in order to maintain an intangible asset's current level of performance, are expensed as incurred.

Gaming Licenses and Trade Names - Certain gaming licenses and trade names classified as finite-lived are amortized over their estimated useful lives. The Company also has certain gaming licenses, including its VLT licenses, and trade names, which are considered to be indefinite lived based on future expectations of operating its gaming properties indefinitely, continuing to brand its corporate name and certain properties under the Bally's trade name indefinitely and continuing to indefinitely brand its online casino offerings within the International Interactive segment with the trade names acquired through the Gamesys acquisition. Intangible assets not subject to amortization are reviewed for impairment annually as of October 1 and between annual test dates whenever events or changes in circumstances may indicate that the carrying amount of the related asset may not be recoverable, exceed its fair value.

Refer to Note 10 "Goodwill and Intangible Assets" for further information.

Long-lived Assets

The Company reviews its long-lived assets, other than goodwill and intangible assets not subject to amortization, for indicators of impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If an asset is still under development, the analysis includes the remaining construction costs. If the carrying value of the asset exceeds the expected undiscounted future cash flows generated by the asset, the asset is written down to its estimated fair value and an impairment loss is recognized.

Debt Issuance Costs and Debt Discounts

Debt issuance costs and debt discounts incurred by the Company in connection with obtaining and amending financing have been included as a component of the carrying amount of debt in the consolidated balance sheets. Debt issuance costs and debt discounts are amortized over the contractual term of the debt to interest expense. Debt issuance costs of the revolving credit facility are amortized on a straight-line basis, while all other debt issuance costs and debt discounts are amortized using the effective interest method. Amortization of debt issuance costs and debt discounts included in interest expense "Interest expense" in the consolidated statements of operations was \$10.9 million \$11.3 million, \$7.6 million \$10.9 million and \$4.6 million \$7.6 million for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Self-Insurance Reserves

The Company is self-insured for employee medical insurance coverage, general liability and workers' compensation up to certain stop-loss amounts. Self-insurance liabilities are estimated based on the Company's claims experience using actuarial methods to estimate the future cost of claims and related expenses that have been reported but not settled and that have been incurred but not yet reported. The self-insurance liabilities are included in "Accrued liabilities" in the consolidated balance sheets and were \$16.2 21.0 million and \$10.8 million \$16.2 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Share-Based Compensation

The Company accounts for its share-based compensation in accordance with ASC 718, *Compensation - Stock Compensation* ("ASC 718"). The Company has two share-based employee compensation plans, which are described more fully in Note 16 18 "Equity Plans." Share-based compensation consists of stock options, time-based restricted stock units ("RSUs"), restricted stock awards ("RSAs") and performance-based restricted stock units ("PSUs"). The grant date closing price per share of the Company's stock is used to estimate the fair value of RSUs and RSAs. Stock options are granted at exercise prices equal to the fair market value of the Company's stock at the dates of grant. The Company recognizes share-based compensation expense on a straight-line basis over the requisite service period of the individual grants. The Company's Chief Executive Officer and certain of its other executive officers or members of senior management have been granted PSUs which vest, when and if earned, in accordance with the terms of the related PSU award agreements. The Company recognizes share-based compensation expense based on the target number of shares of common stock that may be earned pursuant to the award and the Company's stock price on the date of grant and subsequently adjusts expense based on actual and forecasted performance compared to planned targets. Forfeitures are recognized as reductions to share-based compensation when they occur.

Warrant/Option Liabilities

The Company accounts for Penny Warrants and Options issued to Sinclair under the Sinclair Agreement in accordance with ASC 815-40, *Contracts in an Entity's Own Equity*. The Penny Warrants and Options are classified in equity because they are indexed to the Company's own stock and meet all conditions for equity classification. The Performance Warrants are accounted for as a derivative liability in accordance with ASC 815, *Derivatives and Hedging* ("ASC 815") because the underlying performance metrics represent an adjustment to the settlement amount that is not indexed to the Company's own stock and thus equity classification is precluded under ASC 815. The Performance Warrants are marked to market each reporting period, with changes in fair value recorded in "Other non-operating expenses, income (expense), net" in the consolidated statements of operations. Refer to Note 13 14 "Strategic Partnership - Sinclair Agreement" Broadcast Group" for further information.

Sequencing Policy

Under ASC 815-40-35, the Company has adopted a sequencing policy to determine equity or asset/liability classification for contracts involving the Company's own equity that require cash settlement if sufficient shares are not available to settle the contracts in equity. Under this policy, the Company has elected to allocate available shares to contracts based on the order in which they become exercisable.

Revenue

The Company accounts for revenue earned from contracts with customers under ASC 606, *Revenue from Contracts with Customers* ("ASC 606"). The Company generates revenue from four principal sources: gaming (which includes retail gaming, online gaming, sports betting and racing), hotel, food and beverage and retail, entertainment and other. Refer to Note 5 "Revenue Recognition" for further information.

Gaming Expenses

Gaming expenses include, among other things, payroll costs and expenses associated with the operation of VLTs, slots and table games, including gaming taxes payable to jurisdictions in which the Company operates outside of Rhode Island and Delaware, and marketing costs directly associated with the Company's iGaming products and services. These marketing expenses are included within Gaming expenses in the consolidated statements of operations for the years ended December 31, 2022, December 31, 2023, 2022 and 2021 and were \$178.7 million, \$174.7 million and \$60.8 million, respectively. There were no such marketing expenses included within Gaming expenses for the year ended December 31, 2020 respectively. Gaming expenses also include racing expenses comprised of payroll costs, off track betting ("OTB") commissions and other expenses associated with the operation of live racing and simulcasting.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Advertising Expenses

The Company expenses advertising costs as incurred. For the years ended December 31, 2022, December 31, 2023, 2021, 2022 and 2020, 2021, advertising expense was \$19.0 million, \$26.8 million, \$7.5 million, \$26.8 million and \$4.5 million, \$7.5 million, respectively, and are included in "General and administrative" on the consolidated statements of operations.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Expansion and Pre-opening Expenses

Expansion and pre-opening expenses are charged to expense as incurred. The Company defines pre-opening expenses as costs incurred before the property commences commercial operations and defines expansion expenses as costs incurred in connection with the opening of a new facility or significant expansion of an existing property. Costs classified as expansion and pre-opening costs consist primarily of marketing, master planning, conceptual design fees and legal and professional fees that are not eligible for capitalization and are included in "General and administrative" on the consolidated statements of operations. Pre-opening expenses for the years ended December 31, 2022, 2021 and 2020 was \$0.7 million, \$1.8 million and \$0.9 million, respectively. There were no expansion expenses during the years ended December 31, 2022, 2021 and 2020.

Interest Expense, Net

Interest expense, net is comprised of interest costs for the Company's debt, and amortization of debt issuance costs and debt discounts, net of interest income and amounts capitalized for construction projects, projects, realized changes in fair value relating to interest rate derivative contracts designated as cash flow hedges and lease payments associated with the Company's financing obligation.

Income Taxes

The Company prepares its income tax provision in accordance with ASC 740, *Income Taxes*. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that the rate change is enacted. A valuation allowance is required when it is "more likely than not" that all or a portion of the deferred taxes will not be realized. The consolidated financial statements reflect expected future tax consequences of uncertain tax positions presuming the taxing authorities' full knowledge of the position and all relevant facts.

Earnings (Loss) Per Share

Basic earnings (loss) per common share is calculated in accordance with ASC 260, *Earnings Per Share*, which requires entities that have issued securities other than common stock that participate in dividends with common stock ("participating securities") to apply the two-class method to compute basic earnings (loss) per common share. The two-class method is an earnings allocation method under which basic earnings (loss) per common share is calculated for each class of common stock and participating security as if all such earnings had been distributed during the period. To calculate basic earnings (loss) per share, the earnings allocated to common shares is divided by the weighted average number of common shares outstanding, contingently issuable warrants and RSUs, RSAs and PSUs for which no future service is required as a condition to the delivery of the underlying common stock (collectively, basic shares).

Foreign Currency

The Company's functional currency is the US Dollar ("USD"). Foreign subsidiaries with a functional currency other than USD translate assets and liabilities at current exchange rates at the end of the reporting periods, while income and expense accounts are translated at average exchange rates for the respective periods. Translation adjustments resulting from this process are recorded to other comprehensive income (loss). Gains or losses from foreign currency remeasurements that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in "Other non-operating expenses, income (expense), net" on the consolidated statements of operations.

Comprehensive Income (Loss) Income

Comprehensive income (loss) income includes changes in equity that result from transactions and economic events from non-owner sources. Comprehensive income (loss) income consists of net income (loss) income, changes in defined benefit pension plan, net of tax, and foreign currency translation adjustments, adjustments and unrealized gains (losses)

relating to cash flow and net investment hedges, net of tax.

Treasury Stock

The Company records the repurchase of shares of common stock at cost based on the settlement date of the transaction. These shares are classified as treasury stock, which is a reduction to stockholders' equity. Treasury stock is included in authorized and issued shares but excluded from outstanding shares.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Business Combinations

The Company accounts for its acquisitions in accordance with ASC 805, *Business Combinations*. The Company initially allocates the purchase price of an acquisition to the assets acquired and liabilities assumed based on their estimated fair values, with any excess of consideration transferred recorded as goodwill. If the estimated fair value of net assets acquired and liabilities assumed exceeds the purchase price, the Company records a gain on bargain purchase in earnings in the period of acquisition. The results of operations of acquisitions are included in the consolidated financial statements from their respective dates of acquisition. Costs incurred to complete the business combination such as investment banking, legal and other professional fees are not considered part of consideration and are charged to general and administrative expense as they are incurred.

Segments

Operating segments are identified as components of an enterprise that engage in business activities from which it recognizes revenues and expenses, and for which discrete financial information is available and regularly reviewed by the chief operating decision-maker in making decisions regarding resource allocation and assessing performance.

Statement of Cash Flows

The Company has presented the consolidated statements of cash flows using the indirect method, which involves the reconciliation of net income to net cash flow from operating activities.

Fair Value Measurements

Fair value is determined using the principles of ASC 820, *Fair Value Measurement*. Fair value is described as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy prioritizes and defines the inputs to valuation techniques as follows:

- Level 1: Observable quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Inputs are observable for the asset or liability either directly or through corroboration with observable market data.
- Level 3: Unobservable inputs.

The inputs used to measure the fair value of an asset or a liability are categorized within levels of the fair value hierarchy. The fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the measurement.

3. CONSOLIDATED FINANCIAL INFORMATION Derivative Instruments Designated as Hedging Instruments

General **Cross Currency Swaps** - The Company uses fixed-to-fixed cross-currency swap agreements to hedge its exposure to adverse foreign currency exchange rate movements for its foreign operations. The Company has elected the spot method for designating these contracts as net investment hedges. These derivative arrangements qualify as net investment hedges under ASC 815, *Derivatives and Administrative Expenses Hedging* ("ASC 815"), with the gain or loss resulting from changes in the spot value of the derivative reported in other comprehensive income (loss) with amounts reclassified out of other comprehensive income (loss) into earnings when the hedged net investment is either sold or substantially liquidated. Refer to Note 11 "Derivative Instruments" for further information.

Amounts included **Interest Rate Contracts** - The Company uses interest rate derivatives to hedge its exposure to variability in **General** cash flows on its floating-rate debt to add stability to interest expense and **administrative** manage its exposure to interest rate movements. The Company's interest rate swaps and collars are designated as cash flow hedges under ASC 815, with changes in the fair value reported in other comprehensive income (loss) and reclassified into "Interest expense, net" in the consolidated statements of operations in the same period in which the hedged interest payments associated with the Company's borrowings are recorded. Refer to Note 11 "Derivative Instruments" for the years ended December 31, 2022, 2021 and 2020 were as follows: further information.

(in thousands)	Year Ended December 31,		
	2022	2021	2020
Advertising, general and administrative	\$ 776,226	\$ 496,658	\$ 192,751
Acquisition costs	49,480	71,288	13,257
Gain on sale-leaseback, net	(50,766)	(53,425)	—
Contract termination	—	30,000	—
Total general and administrative	\$ 774,940	\$ 544,521	\$ 206,008

BALLY'S CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. CONSOLIDATED FINANCIAL INFORMATION

General and Administrative Expense

Amounts included in General and administrative for the years ended December 31, 2023, 2022 and 2021 were as follows:

(in thousands)	Year Ended December 31,		
	2023	2022	2021
Advertising, general and administrative	\$ 888,787	\$ 776,226	\$ 496,658
Diamond Sports Group non-cash liability ⁽¹⁾	144,883	—	—
Acquisition and integration	49,292	49,480	71,288
Restructuring	31,014	—	—
Contract termination	—	—	30,000
Total general and administrative	\$ 1,113,976	\$ 825,706	\$ 597,946

(1) Refer to Note 22 "Commitments and Contingencies" for further information

Other Non-Operating Expenses Income (Expense)

Amounts included in Other non-operating expenses income (expense), net for the years ended December 31, 2022, December 31, 2023, 2021, 2022 and 2020, 2021 were as follows:

(in thousands)	Year Ended December 31,		
	2022	2021	2020
Change in value of naming rights liabilities	\$ 32,577	\$ 17,029	\$ (57,660)
(Adjustment) gain on bargain purchases	(107)	22,841	63,871
Loss on extinguishment of debt	—	(103,007)	—
Foreign exchange gain (loss)	516	(33,461)	—
Other, net	13,706	2,066	—
Total other non-operating expenses, net	\$ 46,692	\$ (94,532)	\$ 6,211

(in thousands)	Year Ended December 31,		
	2023	2022	2021
Change in value of commercial rights liabilities	\$ (7,716)	\$ 32,577	\$ 17,029
Net gain on equity method investments	4,255	—	—
(Adjustment) gain on bargain purchases	—	(107)	22,841
Gain (loss) on extinguishment of debt	4,044	—	(103,007)
Foreign exchange (loss) gain	(11,019)	516	(33,461)
Other, net	(1,750)	13,706	2,066
Total other non-operating (expense) income, net	\$ (12,186)	\$ 46,692	\$ (94,532)

BALLY'S CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Standards Implemented

In October 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2021-08, *Business Combinations (Topic 805) - Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*. The amendments in this update address diversity in practice and inconsistency related to recognition of an acquired contract liability and the effect of payment terms on subsequent revenue recognition for the acquirer. This update is effective for fiscal years beginning after December 15, 2022 and interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact of this ASU in the first quarter of 2023. The 2023 did not have a material impact of this amendment on its consolidated financial statements.

In December 2022, the Financial Accounting Standards Board FASB issued Accounting Standards Update ASU No. 2022-06, *Reference Rate Reform (Topic 848)*; *Deferral of the Sunset Date of Topic 848*. The amendments in this update defer the sunset date of Topic 848, which applies to entities which have transactions that reference LIBOR or other reference rates which are expected to be discontinued due to reference rate reform, until December 31, 2024. The Company's adoption of this ASU in the second quarter of 2023 did not have a material impact on its consolidated financial statements.

Standards to Be Implemented

In October 2023, the FASB issued ASU No. 2023-06, *Disclosure Improvements - Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*. The amendments in this update align the requirements in the ASC to the Securities and Exchange Commission's ("SEC") regulations. The effective date for each amended topic in the ASC is the date on which the SEC's removal of the related disclosure requirement from Regulation S-X or Regulation S-K becomes effective. If by June 30, 2027, the SEC has not removed the related disclosure from its regulations, the amendments will be removed from the Codification and not become effective. Early adoption is prohibited. The Company is currently in the process of evaluating the impact of this amendment on its consolidated financial statements, statements and related disclosures.

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures*. The amendments in this update enhance the disclosures required for significant segment expenses on an annual and interim basis. The guidance will apply retrospectively and is effective for annual reporting periods in fiscal years beginning after December 15, 2023, and interim reporting periods in fiscal years beginning after December 31, 2024. The Company is currently in the process of evaluating the impact of this amendment on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740) - Improvements to Income Tax Disclosures*. The amendments in this update enhance the transparency and decision usefulness of income tax disclosures. This update will be effective for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is currently in the process of evaluating the impact of this amendment on its consolidated financial statements and related disclosures.

5. REVENUE RECOGNITION

The Company recognizes revenue in accordance with ASC 606, *Revenue from Contracts with Customers*, which requires companies to recognize revenue in a way that depicts the transfer of promised goods or services. In addition, the standard requires more detailed disclosures to enable readers of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The Company generates revenue from four principal sources: (1) gaming (which includes retail gaming, online gaming, sports betting and racing), (2) hotel, (3) food and beverage and (4) retail, entertainment and other.

The Company determines revenue recognition through the following steps:

- Identify the contract, or contracts, with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to performance obligations in the contract; and
- Recognize revenue when or as the Company satisfies performance obligations by transferring the promised goods or services

The Company is currently engaged in gaming services, which include retail, online, sports betting and racing. Additional services include hotel, food, beverage, retail, entertainment and other. The amount of revenue recognized by the Company is measured at the transaction price or the amount of consideration that the Company expects to receive through satisfaction of the identified performance obligations.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Retail gaming, online gaming and sports betting revenue, each as described below, contain two performance obligations. Retail gaming transactions have an obligation to honor the outcome of a wager and to pay out an amount equal to the stated odds, including the return of the initial wager, if the customer receives a winning hand. These elements of honoring the outcome of the hand of play and generating a payout are considered one performance obligation. Online gaming and sports betting represent a single performance obligation for the Company to operate contests or games and award prizes or payouts to users based on results of the arrangement. Revenue is recognized at the conclusion of each contest, wager or wagering game hand. Incentives can be used across online gaming products. The Company allocates a portion of the transaction price to certain customer incentives that create material future customer rights and are a separate performance obligation. In addition, in the event of a multi-stage contest, the Company will allocate transaction price ratably from contest start to the contest's final stage. Racing revenue is earned through advance deposit wagering which consists of patrons wagering through an advance deposit account. Each wagering contract contains a single performance obligation.

The transaction price for a gaming wagering contract is the difference between gaming wins and losses, not the total amount wagered. The transaction price for racing operations, inclusive of live racing events conducted at the Company's racing facilities, is the commission received from the pari-mutuel pool less contractual fees and obligations primarily consisting of purse funding requirements, simulcasting fees, tote fees and certain pari-mutuel taxes that are directly related to the racing operations. The transaction price for hotel, food, beverage, retail, entertainment and other is the net amount collected from the customer for such goods and services. Hotel, food, beverage, retail, entertainment and other services have been determined to be separate, stand-alone performance obligations and revenue is recognized as the good or service is transferred at the point in time of the transaction.

The following contains a description of each of the Company's revenue streams:

Gaming Revenue

Retail Gaming

The Company recognizes retail gaming revenue as the net win from gaming activities, which is the difference between gaming inflows and outflows, not the total amount wagered. Progressive jackpots are estimated and recognized as revenue at the time the obligation to pay the jackpot is established. Gaming revenues are recognized net of certain cash and free play incentives.

Gaming services contracts have two performance obligations for those customers earning incentives under the Company's player loyalty programs and a single performance obligation for customers who do not participate in the programs. The Company applies a practical expedient to account for its gaming contracts on a portfolio basis as such wagers have similar characteristics and the Company reasonably expects the impact on the consolidated financial statements of applying the revenue recognition guidance to the portfolio would not differ materially from the application of an individual wagering contract. For purposes of allocating the transaction price in a wagering contract between the wagering performance obligation and the obligation associated with incentives earned under loyalty programs, the Company allocates an amount to the loyalty program contract liability based on the stand-alone selling price of the incentive earned for a hotel room stay, food and beverage or other amenity. The performance obligation related to loyalty program incentives are deferred and recognized as revenue upon redemption by the customer. The amount associated with gaming wagers is recognized at the point the wager occurs, as it is settled immediately.

Gaming revenue includes the share of VLT revenue for Bally's Twin River and Bally's Tiverton, in each case, as determined by each property's respective master VLT contracts with the State of Rhode Island. Bally's Twin River is entitled to a 28.85% share of VLT revenue on the initial 3,002 units and a 26.00% share on VLT revenue generated from units in excess of 3,002 units. Beginning July 1, 2021, Bally's Twin River is entitled to an additional 7.00% share of revenue on VLTs owned by the Company. Bally's Tiverton is entitled to receive a percentage of VLT revenue that is equivalent to the percentage received by Bally's Twin River. From July 1, 2021 through December 31, 2022, Bally's Twin River and Bally's Tiverton were entitled to an additional 7.00% share of revenue, as the technology provider, on VLTs owned by the Company. Beginning on January 1, 2023, the Company contributed all of its VLT assets to the RI Joint Venture and the RI Joint Venture, as the sole Technology Provider, is now entitled to that additional 7.00% of VLT revenue.

Gaming revenue also includes Bally's Twin River's and Bally's Tiverton's share of table games revenue. Bally's Twin River and Bally's Tiverton each were entitled to an 83.5% share of table games revenue generated as of December 31, 2022, December 31, 2023 and 2021, 2022. Revenue is recognized when the wager is settled, which is when the customer has received the benefits of the Company's gaming services and the Company has a present right to payment. The Company records revenue from its Rhode Island operations on a net basis which is the percentage share of VLT and table games revenue received as the Company acts as an agent in operating the gaming services on behalf of the State of Rhode Island.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Gaming revenue also includes Bally's Dover's share of revenue as determined under the Delaware State Lottery Code from the date of its acquisition. Bally's Dover is authorized to conduct video lottery, sports wagering, table game and internet gaming operations as one of three "Licensed Agents" under the Delaware State Lottery Code. Licensing, administration and control of gaming operations in Delaware is under the Delaware State Lottery Office and Delaware's Department of Safety and Homeland Security, Division of Gaming Enforcement. As of December 31, 2022, December 31, 2023 and 2021, 2022, Bally's Dover was entitled to an approximate 42% share of VLT revenue and 80% share of table games revenue. Revenue is recognized when the wager is complete, which is when the customer has received the benefits of the Company's gaming services and the Company has a present right to payment. The Company records revenue from its Delaware operations on a net basis, which is the percentage share of VLT and table games revenue received, as the Company acts as an agent in operating the gaming services on behalf of the State of Delaware.

Gaming revenue includes casino revenue of the Company's other properties which is the aggregate net difference between gaming wins and losses, with deferred revenue recognized for prepaid deposits by customers prior to play, for chips outstanding and "ticket-in, ticket-out" coupons in the customers' possession, and for accruals related to the anticipated payout of progressive jackpots. Progressive slot machines, which contain base jackpots that increase at a progressive rate based on the number of credits played, are charged to revenue as the amount of the progressive jackpots increase.

Online gaming

Online The Company's online gaming refers to digital versions of wagering games available in land-based casinos, such as blackjack, roulette and slot machines. For these offerings, the Company operates similarly operations, similar to land-based casinos, generating generates revenue from player wagers net of payouts and incentives awarded to players.

Online gaming revenue includes the online bingo and casino revenue of Gamesys since the date of acquisition, beginning October 1, 2021. The revenue is earned from operating online bingo and casino websites, which consists of the difference between total amounts wagered by players less winnings payable to players, bonuses allocated and jackpot contributions. Online gaming revenue is recognized at the point in time when the player completes a gaming session and payout occurs. There is no significant degree of uncertainty involved in quantifying the amount of gaming revenue earned, including bonuses, jackpot contributions and loyalty points. Bonuses, jackpot contributions and loyalty points are measured at fair value at each reporting date.

Sports betting

Sports betting involves a player wagering money on an outcome or series of outcomes. If a player wins the wager, the Company pays the player a pre-determined amount known as fixed odds. Sports betting revenue is generated through built-in theoretical margins in each sports wagering opportunity offered to players. Revenue is recognized as total wagers net of payouts made and incentives awarded to players.

The Company has entered into several multi-year agreements with third-party operators for online sports betting and iGaming market access in several jurisdictions from which the Company has received or expects to receive one-time, up front market access fees in cash or equity securities (specific to one operator agreement) and certain other fees in cash generally based on a percentage of the gross gaming revenue generated by the operator, with certain annual minimum guarantees due to the Company. The one-time market access fees received have been recorded as deferred revenue and will be recognized as gaming revenue ratably over the respective contract terms, beginning with the commencement of operations of each respective agreement. The Company recognized commissions in certain states from online sports betting and iGaming which are included in

gaming revenue for the year ended **December 31, 2022** **December 31, 2023** and **2021, 2022**. Deferred revenue associated with third-party operators for online sports betting and iGaming market access was **\$4.1 million** **\$3.7 million** and **\$6.8 million** **\$4.1 million** as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, respectively, and is included in "Accrued liabilities" and "Other long-term liabilities" in the consolidated balance sheets.

All other revenues, including market access and B2B service revenue generated by the North America Interactive and International Interactive reportable segments, are recognized at the time the goods are sold or the service is provided.

Racing

Racing revenue includes **Bally's Twin River's**, **Bally's Tiverton's**, **Bally's Arapahoe Park's** **several of our casinos** and **Bally's Dover's resorts** share of wagering from live racing and the import of simulcast signals. Racing revenue is recognized upon completion of the wager based upon an established take-out percentage. The Company functions as an agent to the pari-mutuel pool. Therefore, fees and obligations related to the Company's share of purse funding, simulcasting fees, tote fees, pari-mutuel taxes, and other fees directly related to the Company's racing operations are reported on a net basis and included as a reduction to racing revenue.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Non-gaming Revenue

Non-gaming revenue consists of hotel, food, beverage, retail, entertainment and other revenue. Hotel revenue is recognized **at the time of occupancy, which is** when the customer obtains control through occupancy of the **room, room over their stay at the hotel**. Advance deposits for hotel rooms are recorded as liabilities until revenue recognition criteria are met. Food, beverage and retail revenues are recognized at the time the goods are sold from Company-operated outlets. The estimated standalone selling price of hotel rooms is determined based on observable prices. The standalone selling price of food, beverage, retail, entertainment and other goods and services are determined based upon the actual retail prices charged to customers for those items. **Cancellation** **Other revenue includes cancellation** fees for hotel and meeting space services, **which** are recognized upon cancellation by the customer, and golf revenues from the Company's operations of Bally's Golf Links, which are recognized at the time of sale. Additionally, other revenue includes **market access and business-to-business service revenue generated by the International Interactive and North America Interactive reportable segments, which is recognized at the time the goods are sold or the service is provided**, and are included in Non-gaming revenue within our consolidated statements of operations.

The estimated retail value related to goods and services provided to guests without charge or upon redemption under the Company's player loyalty programs included in departmental revenues, and therefore reducing gaming revenues, are as follows for the years ended **December 31, 2022** **December 31, 2023**, **2021** **2022** and **2020**: **2021**:

(in thousands)	(in thousands)	Years Ended December 31,			(in thousands)	Years Ended December 31,		
		2022	2021	2020		2023	2022	2021
Hotel	Hotel	\$ 87,540	\$ 55,782	\$ 15,099				
Food and beverage	Food and beverage	70,476	61,038	18,548				
Retail, entertainment and other	Retail, entertainment and other	10,195	7,556	3,031				
		<u>\$168,211</u>	<u>\$124,376</u>	<u>\$36,678</u>				

Sales tax and other taxes collected on behalf of governmental authorities are accounted for on a net basis and are not included in revenue or operating expenses.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table provides a disaggregation of total revenue by segment (in thousands):

Years Ended December 31,	Casinos & Resorts		North America Interactive		International Interactive		Total
2022							
Gaming	\$	907,431	\$	38,759	\$	899,934	\$ 1,846,124
Non-gaming:							
Hotel		153,750		—		—	153,750
Food and beverage		115,322		—		—	115,322
Retail, entertainment and other		51,060		42,941		46,508	140,509
Total non-gaming revenue		320,132		42,941		46,508	409,581
Total revenue	\$	1,227,563	\$	81,700	\$	946,442	\$ 2,255,705
2021							
Gaming	\$	803,940	\$	10,442	\$	239,110	\$ 1,053,492
Non-gaming:							

Hotel	95,356	—	—	95,356
Food and beverage	92,906	—	—	92,906
Retail, entertainment and other	40,626	27,910	12,153	80,689
Total non-gaming revenue	228,888	27,910	12,153	268,951
Total revenue	\$ 1,032,828	\$ 38,352	\$ 251,263	\$ 1,322,443
2020				
Gaming	\$ 298,070	\$ —	\$ —	\$ 298,070
Non-gaming:				
Hotel	24,742	—	—	24,742
Food and beverage	32,132	—	—	32,132
Retail, entertainment and other	17,848	—	—	17,848
Total non-gaming revenue	74,722	—	—	74,722
Total revenue	\$ 372,792	\$ —	\$ —	\$ 372,792

BALLY'S CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31,	Casinos & Resorts	International Interactive	North America Interactive	Total
2023				
Gaming	\$ 954,725	\$ 952,921	\$ 84,395	\$ 1,992,041
Non-gaming:				
Hotel	200,650	—	—	200,650
Food and beverage	143,521	—	—	143,521
Retail, entertainment and other	64,395	20,289	28,177	112,861
Total non-gaming revenue	408,566	20,289	28,177	457,032
Total revenue	\$ 1,363,291	\$ 973,210	\$ 112,572	\$ 2,449,073
2022				
Gaming	\$ 907,431	\$ 899,934	\$ 38,759	\$ 1,846,124
Non-gaming:				
Hotel	153,750	—	—	153,750
Food and beverage	115,322	—	—	115,322
Retail, entertainment and other	51,060	46,508	42,941	140,509
Total non-gaming revenue	320,132	46,508	42,941	409,581
Total revenue	\$ 1,227,563	\$ 946,442	\$ 81,700	\$ 2,255,705
2021				
Gaming	\$ 803,940	\$ 239,110	\$ 10,442	\$ 1,053,492
Non-gaming:				
Hotel	95,356	—	—	95,356
Food and beverage	92,906	—	—	92,906
Retail, entertainment and other	40,626	12,153	27,910	80,689
Total non-gaming revenue	228,888	12,153	27,910	268,951
Total revenue	\$ 1,032,828	\$ 251,263	\$ 38,352	\$ 1,322,443

Revenue included in operations from **Tropicana Las Vegas Bally's Golf Links** from the date of its acquisition, **September 26, 2022** September 12, 2023, of **\$24.1 million** is reported in the Casinos & Resorts **segment**, segment and was \$1.4 million. Revenue included in operations from Casino Secret from the date of its acquisition, January 5, 2023, is reported in the International Interactive segment and was \$36.4 million. Refer to Note 6 "Business **Combinations** Combinations" for revenue included in operations from recent acquisitions, further information.

Contract Assets and Contract Related Liabilities

The Company's receivables related to contracts with customers are primarily comprised of marker balances and other amounts due from gaming activities, amounts due for hotel stays and amounts due from tracks and OTB locations. The Company's receivables related to contracts with customers were **\$44.0 million** \$38.5 million and **\$35.5 million** \$44.0 million as of **December 31, 2022** December 31, 2023 and **2021**, 2022, respectively.

The Company has the following liabilities related to contracts with customers: liabilities for loyalty programs, advance deposits made for goods and services yet to be provided and unpaid wagers. All of the contract liabilities are short-term in nature and are included in "Accrued liabilities" in the consolidated balance sheet.

Loyalty program incentives earned by customers are typically redeemed within one year from when they are earned and expire if a customer's account is inactive for more than 12 months; therefore, the majority of these incentives outstanding at the end of a period will either be redeemed or expire within the next 12 months.

Advance deposits are typically for future banquet events, hotel room reservations and interactive player deposits. The banquet and hotel reservation deposits are usually received weeks or months in advance of the event or hotel stay. The Company holds restricted cash for interactive player deposits and records a corresponding withdrawal liability.

Unpaid wagers include the Company's outstanding chip liability and unpaid slot, pari-mutuel tickets and sports betting tickets.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Liabilities related to contracts with customers as of December 31, 2022, December 31, 2023 and 2021 were as follows:

		December 31,	
		2022	2021
		December 31,	
		2023	2022
Loyalty programs	Loyalty programs	\$20,264	\$19,371
Advanced deposits from customers	Advanced deposits from customers	27,956	33,062
Unpaid wagers	Unpaid wagers	14,038	11,440
Total	Total	\$62,258	\$63,873

The Company recognized \$31.0 million, \$35.7 million, \$20.1 million, \$31.0 million and \$5.5 million, \$20.1 million of revenue related to loyalty program redemptions for the years ended December 31, 2022, December 31, 2023, 2021, 2022 and 2020, 2021, respectively.

6. BUSINESS COMBINATIONS

Casinos & Resorts Acquisitions

Bally's Golf Links - On September 12, 2023, the Company completed the acquisition of Trump Golf Links at Ferry Point, subsequently renamed Bally's Golf Links at Ferry Point, which includes the assignment of a license agreement to operate an 18-hole links-style golf course located in the Bronx, New York.

The total purchase consideration included cash paid, net of cash acquired and net working capital adjustments, which amounted to \$55.2 million. This acquisition continues the Company's strategic objective of developing a diversified portfolio within its Casinos & Resorts segment.

Total purchase consideration also includes contingent consideration valued at \$58.6 million, which is the fair value, under GAAP, of expected cash payments totaling up to \$125 million to the seller, based upon future events, which are uncertain. The contingent consideration was recorded at fair value, using discounted cash flow analyses, and will be remeasured quarterly, with fair value adjustments recognized in earnings, until the contingencies are resolved. The settlement of the contingent consideration liabilities will be due to the seller in the event the license agreement is extended or if the Company is successful in its bid for a casino license.

Tropicana Las Vegas - On September 26, 2022, the Company completed its acquisition of Tropicana Las Vegas. The total purchase price was \$148.1 million, Vegas for \$148.2 million. Cash paid by the Company at closing net of \$1.8 million, \$1.7 million cash acquired, was \$146.3 million, \$146.5 million, excluding transaction costs. In connection with the acquisition of Tropicana Las Vegas, the Company entered into a lease arrangement with GLPI to lease the land underlying the Tropicana Las Vegas property for an initial term of 50 years at annual rent of \$10.5 million.

Bally's Quad Cities - On June 14, 2021, the Company completed its acquisition of Bally's Quad Cities. Pursuant to the terms of the Equity Purchase Agreement, the Company acquired all of the outstanding equity securities of The Rock Island Boatworks, Inc., for a purchase price of \$118.9 million in cash. Cash paid by the Company, net of \$2.9 million cash acquired and the \$4.0 million deposit paid in the third quarter of 2020, was \$112.0 million, excluding transaction costs.

Bally's Evansville - On June 3, 2021, the Company completed its acquisition of Bally's Evansville. The total purchase price was \$139.7 million. Cash paid by the Company at closing, net of \$9.4 million cash acquired, was \$130.4 million, excluding transaction costs. In connection with the acquisition of the Bally's Evansville casino operations, the Company entered into a sale-leaseback arrangement with an affiliate of GLPI for the Bally's Dover property. Refer to Note 15, 17 "Leases" for further information.

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Bally's Lake Tahoe - On April 6, 2021, the Company completed its acquisition of Bally's Lake Tahoe for \$14.2 million. The deferred purchase price is included within "Accrued liabilities" of the consolidated balance sheet as of December 31, 2021 and was paid in April 2022.

Bally's Shreveport - On December 23, 2020, the Company completed its acquisition of Bally's Shreveport for total cash consideration of approximately \$137.2 million. Cash paid by the Company was \$133.1 million, net cash acquired and a net working capital adjustment, excluding transaction costs.

Bally's Atlantic City - On November 18, 2020, the Company completed its acquisition of Bally's Atlantic City. The Company paid cash of approximately \$24.7 million, or \$16.1 million net of cash acquired, excluding transaction costs.

BALLY'S CORPORATION

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Bally's Kansas City and Bally's Vicksburg - On July 1, 2020, the Company completed its acquisition Bally's Kansas City and Bally's Vicksburg for total cash consideration of approximately \$229.9 million, or \$225.5 million net of cash acquired, excluding transaction costs.

Bally's Black Hawk - On January 23, 2020, the Company acquired three casino properties located in Black Hawk, Colorado for total cash consideration of \$53.8 million, or \$50.5 million net of cash acquired, excluding transaction costs.

The following table summarizes the consideration paid and the fair values of the assets acquired and liabilities assumed in connection with the Casinos & Resorts acquisitions as of **December 31, 2022** **December 31, 2023**:

Acquired during the year ended December 31,	Acquired during the year ended December 31,	2022	2021	2021	2021	2020	2020	2020
Acquired during the year ended December 31,	Acquired during the year ended December 31,							
(in thousands)	(in thousands)	Tropicana Las Vegas	Bally's Quad Cities	Bally's Evansville	Bally's Lake Tahoe	Bally's Shreveport	Bally's Atlantic City	Bally's Kansas City and Bally's Vicksburg
		Preliminary ⁽⁶⁾	Final ⁽⁹⁾	Final ⁽⁹⁾	Final ⁽⁹⁾	Final ⁽⁹⁾	Final ⁽⁹⁾	Final ⁽⁹⁾
(in thousands)	(in thousands)							
		Preliminary ⁽⁶⁾						
		Preliminary ⁽⁶⁾						
		Preliminary ⁽⁶⁾						
Total current assets	Total current assets							
Total current assets	Total current assets							
Total current assets	Total current assets	\$ 8,141	\$ 6,717	\$ 12,031	\$ 4,683	\$ 7,616	\$ 11,896	\$ 5,538
Property and equipment, net	Property and equipment, net	136,116	73,135	12,325	6,361	125,822	40,898	60,865
Property and equipment, net	Property and equipment, net							
Property and equipment, net	Property and equipment, net							
Right of use assets, net	Right of use assets, net	164,884	—	285,772	57,017	9,260	—	10,315
Right of use assets, net	Right of use assets, net							
Right of use assets, net	Right of use assets, net							

Goodwill								
Goodwill								
Goodwill								
Intangible assets, net ⁽¹⁾ to ⁽⁷⁾ (5)								
Intangible assets, net ⁽¹⁾ to ⁽⁷⁾ (5)								
Intangible assets, net ⁽¹⁾ to ⁽⁷⁾ (5)	Intangible assets, net ⁽¹⁾ to ⁽⁷⁾ (5)							
		5,140	31,180	154,210	5,430	58,140	1,120	138,160
Other assets	Other assets	766	—	468	—	403	—	117
Goodwill		8,590	13,308	—	—	—	—	54,276
Other assets								
Other assets								
Total current liabilities								
Total current liabilities								
Total current liabilities	Total current liabilities	(10,268)	(5,412)	(10,927)	(3,546)	(6,059)	(11,114)	(4,762)
Lease liabilities	Lease liabilities	(164,884)	—	(285,772)	(52,927)	(14,540)	—	(34,452)
Lease liabilities								
Lease liabilities								
Other long-term liabilities								
Other long-term liabilities								
Other long-term liabilities	Other long-term liabilities	(395)	—	(7,543)	(904)	(12,137)	(11,132)	(194)
Net assets acquired	Net assets acquired	148,090	118,928	160,564	16,114	168,505	31,668	229,863
Net assets acquired								
Net assets acquired								
Bargain purchase gain								
Bargain purchase gain								
Bargain purchase gain	Bargain purchase gain	—	—	(20,856)	(1,942)	(31,315)	(32,595)	—
Total purchase price	Total purchase price	\$ 148,090	\$ 118,928	\$ 139,708	\$ 14,172	\$ 137,190	\$ (927)	\$ 229,863
Total purchase price								
Total purchase price								

- (1) Bally's Golf Links' intangible assets include a concessionaire license of \$6.5 million, which is being amortized over its estimated useful life of approximately 12 years.
- (2) Tropicana Las Vegas intangible assets include rated player relationships, a trade name and pre-bookings of \$2.6 million, \$1.7 million and \$0.8 million, respectively, which are being amortized on a straight-line basis over their estimated useful lives of approximately 9 years, 3 years and 2 years, respectively.
- (2) (3) Bally's Quad Cities' intangible assets include gaming licenses of \$30.3 million with an indefinite life, as well as rated player relationships and a trade name of \$0.7 million and \$0.2 million, respectively, which are being amortized on a straight-line basis over their estimated useful lives of approximately nine years and four months, respectively.
- (3) (4) Bally's Evansville's intangible assets include gaming licenses of \$153.6 million with an indefinite life and rated player relationships of \$0.6 million which are being amortized on a straight-line basis over an estimated useful life of approximately eight years.
- (4) (5) Bally's Lake Tahoe's intangible assets include gaming licenses of \$5.2 million with an indefinite life and a trade name of \$0.2 million, which are being amortized on a straight-line basis over its estimated useful life of approximately six months.
- (5) Bally's Shreveport intangible assets include gaming licenses of \$57.7 million with an indefinite life and rated player relationships of \$0.4 million which is being amortized on a straight-line basis over an estimated useful life of eight years.
- (6) Bally's Atlantic City intangible assets include rated player relationships of \$0.9 million and hotel and conference pre-bookings of \$0.2 million, which are being amortized over useful lives of eight years and three years, respectively.
- (7) Bally's Kansas City and Bally's Vicksburg intangible assets include gaming licenses of \$137.3 million with an indefinite life and rated player relationships of \$0.9 million, which are being amortized on a straight-line basis over estimated useful lives of approximately eight years.
- (8) The Company recorded adjustments to the preliminary purchase price allocation during the year ended December 31, 2022 December 31, 2023 which increased goodwill and the total purchase price by \$2.6 million.
- (7) The Company recorded adjustments to the preliminary purchase price allocation during the year ended December 31, 2023 which decreased other total current assets by \$2.5 million \$0.2 million, increased goodwill by \$0.2 million, decreased total current liabilities by \$1.5 million, increased lease liabilities by \$0.7 million, \$0.1 million and increased right of use assets, net the total purchase price by \$0.5 million, with the offset increasing goodwill by \$4.2 million \$0.1 million.
- (9) (8) The Company recorded immaterial adjustments to purchase price allocations for 2021 acquisitions during the year ended December 31, 2022. The Company finalized purchase price allocations for 2020 acquisitions during the year ended December 31, 2021.

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Goodwill recognized is deductible for local tax purposes and has been assigned as of the acquisition date to the Company's Casinos & Resorts reportable segment, which includes the reporting unit expected to benefit from the synergies of the acquisition. acquisitions. Qualitative factors that contribute to the recognition of goodwill include an organized workforce and expected synergies from integrating the property properties into the Company's casino portfolio and future development of its omni-channel strategy.

During the year ended December 31, 2021, the Company recorded bargain purchase gains related to Bally's Evansville and Bally's Lake Tahoe of \$20.9 million and \$2.0 million, respectively. During the year ended December 31, 2022, based on the final purchase price allocation for Bally's Lake Tahoe, an adjustment of \$0.1 million was recorded reducing the bargain purchase gain to \$1.9 million. During the year ended December 31, 2020, the Company recorded bargain purchase gains related to Bally's Shreveport and Bally's Atlantic City of \$31.3 million and \$32.6 million. The Company believes it was able to acquire Bally's Evansville, Bally's Lake Tahoe and Bally's Shreveport for less than fair value as a result of a distressed sale prior to Eldorado's merger with Caesars, coupled with the timing of the agreement to purchase which was in the middle of COVID-19 related shutdowns of casinos in the US. The Company believes that it was able to acquire the net assets of Bally's Atlantic City for less than fair value as a result of a capital expenditure requirement imposed on the Company by the New Jersey Casino Control Commission, which would have been imposed on the seller had they not divested the property.

The Company incurred \$1.1 million, \$4.0 million and \$10.4 million of acquisition costs related to the above Casino Casinos & Resorts acquisitions during the years ended December 31, 2022 December 31, 2023, 2022 and 2021, respectively. These costs are included within "General and administrative" of the consolidated statement statements of operations.

International Interactive Acquisition

Casino Secret - On January 5, 2023, the Company completed the acquisition of BACA Limited ("Casino Secret"), a European based online casino that offers slots, tables and live dealer games to Asian markets for total consideration of \$50.4 million. Cash paid by the Company, net of \$8.3 million cash acquired, was \$38.7 million, excluding transaction costs.

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The following table summarizes the consideration paid and the fair values of the assets acquired and liabilities assumed in connection with the International Interactive acquisition:

(in thousands)	Casino Secret	
	Preliminary ⁽²⁾	
Total current assets	\$	8,862
Property and equipment, net		50
Intangible assets, net ⁽¹⁾		29,471
Goodwill		18,422
Total current liabilities		(6,371)
Total purchase price	\$	50,434

- (1) Casino Secret intangible assets include player relationships and trade names of \$26.0 million and \$3.5 million, respectively, which are both being amortized on a straight-line basis over their estimated useful lives of approximately 7 years.
- (2) The Company recorded adjustments to the preliminary purchase price allocation during the year ended December 31, 2023 which decreased right of use assets and corresponding lease liabilities by \$0.4 million, increased goodwill by \$0.3 million, decreased total current liabilities by \$0.8 million, and increased the total purchase price by \$1.1 million.

Total goodwill recorded in connection with the above acquisition was \$18.4 million, and is not deductible for local tax purposes. Qualitative factors that contribute to the recognition of goodwill include certain intangible assets that are not recognized as separate identifiable intangible assets apart from goodwill, which consist primarily of benefits from acquiring a talented technology workforce and management team experienced in the online gaming industry, and securing buyer-specific synergies expected to contribute to the Company's omni-channel strategy which are expected to increase revenue and profits within the Company's International Interactive reportable segment. The goodwill of the acquisition has been assigned, as of the acquisition date, to the Company's International Interactive reportable segment.

The Company incurred \$1.2 million of acquisition costs related to the above International Interactive acquisition during the year ended December 31, 2023. These costs are included within "General and administrative" of the consolidated statements of operations.

North America Interactive Acquisitions

During 2021, the Company completed six acquisitions within its North America Interactive segment for an aggregate net investment of \$400.3 million. The Company paid cash \$128.8 million, net of cash acquired. Total non-cash consideration was \$255.7 million, which included \$58.7 million of the fair value of contingent consideration representing the issuance of Company shares if certain post-closing performance targets are met and contingent penny warrants to purchase additional Company common shares based on future operations in certain jurisdictions.

In connection with one of the North America Interactive acquisitions, the Company recorded a 15.84% non-controlling interest representing shares convertible into shares of Bally's common stock based on a fixed exchange ratio share-settlement feature, valued using the Company's common stock price, classified as permanent equity. During the year ended December 31, 2022, certain selling shareholders exercised their right to convert to Bally's common stock reducing the non-controlling interest. Earnings attributable to the non-controlling interest are not material for the years ended December 31, 2022 December 31, 2023, 2022 and 2021.

BALLY'S CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes the consideration paid and the fair values of the assets acquired and liabilities assumed in connection with the North America Interactive Acquisitions:

<i>(in thousands)</i>		Final⁽²⁾
Cash and cash equivalents	\$	8,689
Accounts receivable, net		4,498
Prepaid expenses and other current assets		3,104
Property and equipment, net		596
Intangible assets, net ⁽¹⁾		167,075
Goodwill		250,730
Total current liabilities		(14,787)
Deferred tax liability		(15,811)
Acquired non-controlling interest		(3,760)
Net investment in North America Interactive Acquisitions	\$	400,334

(1) Include customer relationships of \$41.5 million, which are being amortized over estimated useful lives between three and ten years, developed software of \$122.4 million, which is being amortized over estimated useful lives between three and ten years, and trade names of \$3.1 million, which are being amortized over estimated useful lives between 10 and 15 years.

(2) The Company recorded immaterial adjustments to the purchase price allocation during the year ended December 31, 2022.

BALLY'S CORPORATION **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Total goodwill recorded in connection with the North America Interactive Acquisitions was \$250.7 million, of which \$102.9 million is deductible for local tax purposes. Qualitative factors that contribute to the recognition of goodwill include certain intangible assets that are not recognized as separate identifiable intangible assets apart from goodwill, which consist primarily of benefits from acquiring a talented technology workforce and management team experienced in the online gaming industry, and securing buyer-specific synergies expected to contribute to the Company's omni-channel strategy which are expected to increase revenue and profits within the Company's North America Interactive reportable segment. The goodwill of the North America Interactive Acquisitions has been assigned, as of the acquisition date, to the Company's North America Interactive reportable segment.

The Company incurred \$3.9 million and \$5.3 million of transaction costs related to the North America Interactive Acquisitions in the years ended December 31, 2022 and 2021, respectively. The Company did not incur any costs related to the North America Interactive Acquisitions in the year ended December 31, 2023. These costs are included within "General and administrative" of the consolidated statement statements of operations.

Gamesys Acquisition

On October 1, 2021, the Company completed the acquisition of Gamesys. Total consideration was \$2.60 billion, which consisted of \$2.08 billion paid in cash and 9,773,537 shares of Bally's common stock. Cash paid by the Company at closing, net of cash received of \$183.3 million and a \$10.3 million post-acquisition expense, explained below, was \$1.90 billion, excluding transaction costs. During the year ended December 31, 2022, the Company incurred \$6.3 million of transaction costs related to the acquisition of Gamesys compared to \$43.5 million during the year ended December 31, 2021. These costs are included within "General and administrative" expense in the consolidated statement statements of operations.

Certain unvested and outstanding equity options held by Gamesys employees were discretionarily accelerated and vested by the Gamesys Board of Directors, requiring allocation of the fair value of post-acquisition service to purchase consideration, with the remainder allocated to non-recurring post-acquisition expense. The fair value of \$36.4 million was attributed to pre-acquisition service and included in consideration transferred. In the fourth quarter of 2021, the fair value of \$10.3 million, attributable to post-acquisition expense was recorded within "General and administrative" expense in the consolidated statements of operations.

BALLY'S CORPORATION **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The following table summarizes the consideration paid and the fair values of the assets acquired and liabilities assumed in connection with the acquisition of Gamesys as of October 1, 2021:

(in thousands)

	Final ⁽²⁾	
Cash and cash equivalents and restricted cash	\$	183,306
Accounts receivable, net		35,851
Prepaid expenses and other current assets		28,418
Property and equipment, net		15,230
Right of use assets, net		14,185
Goodwill		1,683,762
Intangible assets, net ⁽¹⁾		1,510,323
Other assets		17,668
Accounts payable		(47,881)
Accrued income taxes		(40,250)
Accrued liabilities		(180,237)
Long-term debt, net		(456,469)
Lease liabilities		(14,185)
Deferred tax liability		(143,924)
Other long-term liabilities		(6,680)
Total purchase price	\$	2,599,117

- (1) Intangible assets include customer relationships of \$980.2 million and developed technology of \$282.0 million, both of which are being amortized over seven years, and trade names of \$247.1 million, which have indefinite lives.
- (2) During the year ended December 31, 2022, the Company recorded adjustments to the purchase price allocation including a \$0.5 million increase to prepaid expenses and other current assets, a \$5.3 million increase to goodwill, a \$2.7 million decrease to intangible assets, net and a \$3.1 million increase to accrued liabilities.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Qualitative factors that contribute to the recognition of goodwill include certain intangible assets that are not recognized as separate identifiable intangible assets apart from goodwill, which consist primarily of benefits from acquiring a talented technology workforce and management team experienced in the online gaming industry. Goodwill associated with the Gamesys acquisition is assigned as of the acquisition date to the Company's International Interactive and North America Interactive reportable segments in the amounts of \$1.65 billion and \$33.3 million, respectively, which include the reporting units expected to benefit from the synergies arising from the acquisition. Goodwill recognized is not deductible for local tax purposes.

Revenue and net income included in operations from Gamesys reported in the Company's International Interactive and North America Interactive reportable segments for the year ended December 31, 2021 was \$257.1 million and \$18.2 million, respectively.

Supplemental Pro Forma Consolidated Information

The following unaudited pro forma consolidated financial information for the twelve months ended December 31, 2021 combines the results of the Company for the year ended December 31, 2021 and the unaudited results of Bally's Lake Tahoe, Bally's Evansville and Gamesys for each period subsequent to their respective acquisition dates through December 31, 2021. The following unaudited pro forma consolidated financial information for the twelve months ended December 31, 2020 combines the Company's historical results with pro forma amounts for Bally's Lake Tahoe, Bally's Evansville and Gamesys. The unaudited pro forma consolidated financial information assumes that the acquisitions of Bally's Lake Tahoe, Bally's Evansville and Gamesys had occurred as of January 1, 2020. The pro forma consolidated financial information has been calculated after applying the Company's accounting policies and includes adjustments related to the issuance of new debt and equity offerings as of January 1, 2020 as well as non-recurring adjustments for amortization of acquired intangible assets, compensation expense for share-based compensation arrangements that were cash settled in conjunction with the acquisitions, interest expense, transaction costs, together with the consequential tax effects. The revenue, earnings and pro forma effects of the Bally's Interactive Acquisitions and Bally's Quad Cities completed during the year ended December 31, 2021, and Tropicana Las Vegas in the third quarter of acquisitions completed during the years ended December 31, 2023 and 2022 are not material to results of operations, individually or in the aggregate.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

These unaudited pro forma financial results are presented for informational purposes only and do not purport to be indicative of the operating results of the Company that would have been achieved had the acquisitions actually taken place on January 1, 2020 January 1, 2021. In addition, these results are not intended to be a projection of future results and do not reflect events that may occur, including but not limited to revenue enhancements, cost savings or operating synergies that the combined Company may achieve as a result of the acquisitions.

(in thousands, except per share data)	Years Ended December 31,	
	2021	2020
Revenue	\$ 2,221,870	\$ 1,529,369
Net income (loss)	\$ 46,048	\$ (129,374)

The following unaudited pro forma consolidated financial information for the year ended December 31, 2020 combines the results of the Company for the year ended December 31, 2020 and the unaudited results of Bally's Kansas City, Bally's Vicksburg and Bally's Shreveport for each period subsequent to their respective acquisition dates through December 31, 2020. The following unaudited pro forma consolidated financial information for the twelve months ended December 31, 2020 combines the Company's historical results with pro forma amounts for Bally's Kansas City, Bally's Vicksburg and Bally's Shreveport. The unaudited pro forma consolidated financial information assumes that the acquisitions of Bally's Kansas City, Bally's Vicksburg and Bally's Shreveport had occurred as of January 1, 2019.

	Year Years Ended December	
	31, 2020	December 31, 2021
(in thousands, except per share data)		
Revenue	\$ 465,685	2,221,870
Net loss income	\$ (7,450)	46,048

7. ASSETS AND LIABILITIES HELD FOR SALE

The Company applies a criteria that must be met before an asset is classified as held for sale, including that management, with the appropriate authority, commits to a plan to sell the asset at a reasonable price in relation to its fair value and is actively seeking a buyer. The Company recognizes assets held for sale at the lower of carrying value or fair market value less costs to sell, as estimated based on comparable asset sales, offers received, or a discounted cash flow model. The Company then compares the estimated future cash flows of the asset, on an undiscounted basis, to the carrying value of the asset. If the undiscounted cash flows do not exceed the carrying value, then an impairment charge may be is recorded for any difference between fair value and the carrying value.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Due to an evaluation of the expected fair value less costs to sell during the year ended December 31, 2023, the Company recognized impairment charges of \$9.4 million and \$4.0 million on goodwill and intangible assets held for sale, respectively. These charges have been accounted for within "Impairment charges" in the consolidated statements of operations.

As of December 31, 2022, one of the Company's North America Interactive businesses met the criteria to be classified as assets held for sale but did not qualify as discontinued operations as it did not represent a strategic shift having a major effect on the Company's operations and financial results. As of December 31, 2023, the Company is still pursuing the plan to sell the business, however, it does not expect it will be completed within one year.

The major classes of assets and liabilities classified as held for sale as of December 31, 2022 December 31, 2023 and 2022 are as follows:

(in thousands)	December 31, 2022	
Assets:		
Restricted cash, prepaid expenses and other current assets	\$	3,756
Goodwill		9,399
Intangible assets, net		4,022
Assets held for sale ⁽¹⁾	\$	17,177
Liabilities related to assets held for sale⁽¹⁾⁽²⁾	\$	3,409
(in thousands)	December 31, 2023	December 31, 2022
Assets:		
Restricted cash, prepaid expenses and other current assets	\$ 1,815	\$ 3,756
Goodwill	—	9,399
Intangible assets, net	—	4,022
Assets held for sale ⁽¹⁾	\$ 1,815	\$ 17,177
Liabilities related to assets held for sale⁽¹⁾⁽²⁾	\$ 1,307	\$ 3,409

(1) All assets and liabilities held for sale were classified as current as it's probable the sale will be completed within one year of December 31, 2023 and 2022.

(2) Liabilities related to assets held for sale were made up of accounts payable and accrued liabilities.

The revenues and net loss attributable to the business classified as held for sale were not significant for the year years ended December 31, 2022, December 31, 2023 and 2022.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

8. PREPAID EXPENSES AND OTHER CURRENT ASSETS

As of December 31, 2022 December 31, 2023 and 2021, 2022, prepaid expenses and other assets was comprised of the following:

December 31,

December 31,				December 31,	
(in thousands)	(in thousands)	2022	2021	(in thousands)	2023
Services and license agreements	Services and license agreements	\$ 31,396	\$ 21,496		
Due from payment service providers	Due from payment service providers	30,621	15,984		
Prepaid insurance					
Short term derivative assets					
Gaming taxes and licenses					
Prepaid marketing					
Sales tax					
Purse funds	Purse funds	8,093	8,286		
Prepaid marketing		8,042	10,066		
Prepaid insurance		6,374	9,637		
Sales tax		5,900	18,308		
Other	Other	10,291	20,686		
Other					
Other					
Total prepaid expenses and other current assets	Total prepaid expenses and other current assets	\$100,717	\$104,463		

9. PROPERTY AND EQUIPMENT

As of December 31, 2022, December 31, 2023 and 2021, 2022, property and equipment, net was comprised of the following:

		December 31,		December 31,	
(in thousands)	(in thousands)	2022	2021	(in thousands)	2023
Land	Land	\$ 259,378	\$ 75,328		
Land improvements	Land improvements	31,197	34,704		
Building and improvements	Building and improvements	752,964	650,837		
Equipment	Equipment	246,340	182,006		
Furniture and fixtures	Furniture and fixtures	63,753	47,258		
Construction in process	Construction in process	116,181	53,715		
Total property, plant and equipment	Total property, plant and equipment	1,469,813	1,043,848		

Less:	Less:		
Accumulated depreciation ⁽¹⁾	Accumulated depreciation ⁽¹⁾	(267,711)	(205,197)
Property and equipment, net	Property and equipment, net	\$1,202,102	\$ 838,651

(1) Depreciation expenses on property and equipment for the years ended December 31, 2022 December 31, 2023, 2022 and 2021 was \$118.7 million, \$71.7 million and 2020 was \$71.7 million, \$53.7 million and \$33.0 million, respectively.

Bally's Chicago

A wholly-owned indirect subsidiary of the Company, Bally's Chicago Operating Company, LLC entered into a Lease Termination and Short Term License Agreement with Chicago Tribune Company, LLC ("Tribune"), effective March 31, 2023, which, among other things, provides that the Company will have possession of 777 West Chicago Avenue, Chicago, Illinois 60610 (the "Permanent Chicago Site") on or before July 5, 2024, subject to \$150 million in payments by the Company to Tribune payable in full upon Tribune vacating the site on or prior to July 5, 2024 (the "Payment"). \$10 million of the Payment was paid upon execution of the Lease Termination and Short Term License Agreement and \$90 million of the Payment was paid during the third quarter of 2023. The balance Payment amount of \$50 million is secured by cash-collateralized letters of credit, issued by Citizens Bank. Cash collaterals are reported as restricted cash as of December 31, 2023.

The Company recorded the present value of the remaining payments of \$47.7 million within "Accrued liabilities" with an offsetting increase to "Property and equipment, net" within the consolidated balance sheets as of December 31, 2023.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10. GOODWILL AND INTANGIBLE ASSETS

2022 2023 Interim Impairment

During the third quarter of 2023, the Company divested a component within the North America Interactive reporting unit. This divestiture required a relative fair value goodwill allocation to the divested component and a quantitative test for impairment of the remaining North America Interactive reporting unit. For the quantitative goodwill impairment test, the Company estimated the fair value of the reporting unit and asset group using both income and market-based approaches. Specifically, the Company applied the discounted cash flow ("DCF") method under the income approach and the guideline company under the market approach and weighted the results of the two valuation methodologies based on the facts and circumstances surrounding the reporting unit. For the DCF method, the Company relied on the present value of expected future cash flows, including terminal value, utilizing a market-based weighted average cost of capital ("WACC") determined separately for the reporting unit as of the valuation date. The determination of fair value under the DCF method involved the use of significant estimates and assumptions, including revenue growth rates driven by future gaming activity, operating margins, capital expenditures, working capital requirements, tax rates, terminal growth rates, and discount rates. For the market approach, the Company utilized a comparison of the reporting unit to comparable publicly-traded companies and transactions and, based on the observed earnings multiples, ultimately selected multiples to apply to the reporting unit. The fair value of the North America Interactive reporting unit exceeded its carrying value and thus no impairment was recorded. The Company allocated \$4.2 million to the component that was divested, which was subsequently de-recognized.

2023 Annual Impairment Assessment

As of October 1, 2022 October 1, 2023, the Company performed its annual impairment assessment of goodwill and long lived assets for all reporting units and asset groups. Each individual property within the Casinos and Resorts operating segment is determined to be its own reporting unit and asset group. The reporting units and asset groups for the North America Interactive and International Interactive operating segments are the operating segments. The estimated fair values of the reporting units were determined through a combination of discounted cash flow models and market-based approaches, which utilized Level 3 inputs.

For the North America Interactive reporting unit and asset group, primarily due to a decline in actual and projected revenues, the Company determined that it was more likely than not that the fair value of the reporting unit was less than its carrying value and therefore, a quantitative impairment analysis was performed. Based on this analysis, the Company recorded an aggregate \$390.7 million non-cash impairment charge in its North America Interactive reporting unit. The Company allocated the loss first to intangible assets in the amount of \$159.1 million and then the residual of \$231.6 million to goodwill. One component of the North America Interactive reporting unit met the criteria to be classified as held for sale during the fourth quarter of 2022. Accordingly, the Company performed a relative fair value allocation of goodwill to this component. No further impairment was recorded upon classifying this component as held for sale as the fair value exceeded the carrying value as of December 31, 2022.

The Company performed a quantitative test of goodwill for the its International Interactive reporting unit and determined that the fair value of the International Interactive reporting unit and asset group exceeded its carrying amount and thus, there was no impairment. The estimated fair value of the reporting unit was determined through a combination of a discounted cash flow model and market-based approach, which utilized Level 3 inputs. If future results significantly vary from current estimates and related projections, the Company may be required to record impairment charges.

The Company recorded an impairment loss within For the International North America Interactive segment of \$73.3 million related to a long-standing indefinite lived trademark acquired as part of the Gamesys acquisition. This trademark is being de-emphasized for other newer brands in Asia reporting unit and Rest of World, resulting in a decline in actual and projected revenues attributable to the trademark as compared to when the fair value was determined during the purchase price allocation of the Gamesys acquisition. The fair value of the trademark was determined using a relief from royalty method, which utilized Level 3 inputs. These charges are recorded within "Impairment charges" in the consolidated statement of operations.

For all reporting units within the Casinos and Resorts segment with goodwill, the Company performed a qualitative analysis for the annual assessment of goodwill and indefinite lived intangible assets (commonly referred to as "Step Zero"). From a qualitative perspective, in evaluating whether it is more likely than not that the fair value of a reporting unit exceeds its carrying amount, relevant events and circumstances are taken into account, with greater weight assigned to events and circumstances that most affect the fair value or the carrying amounts of its assets. Items that were considered included, but were not limited to, the following: macroeconomic conditions, industry and market conditions and overall financial performance. performance, and the most recent quantitative assessment performed for the reporting unit. After assessing these and other factors, the Company determined that it was more likely than not that the fair value of the North America Interactive reporting unit all reporting units within the Casinos and Resorts segment exceeded their carrying amounts as of October 1, 2022 October 1, 2023. If future results vary significantly from current estimates and related projections, the Company may be required to record impairment charges.

In connection with the annual impairment test, the Company evaluated whether facts and circumstances surrounding its indefinite lived intangible assets remained appropriate. For one indefinite lived trademark in the International Interactive segment, the Company determined that based on a combination of factors regarding the Company's intended use of the trademark and future uncertainty, that a useful life of 7 years should be applied. The change in useful life required the Company to perform a quantitative test for impairment of the trademark. The fair value of the trademark was determined using a relief from royalty method, which utilized Level 3 inputs and was exceeded by the carrying value, indicating an impairment. As such, the Company recorded an impairment loss within the International Interactive segment of \$54.0 million related to this trademark intangible asset. The decline in value of the trademark was primarily driven by the change in useful life and the de-emphasis of the trademark for other newer brands in Asia and Rest of World, resulting in a decline in actual and projected revenues attributable to the trademark as compared to when the fair value was determined during the purchase price allocation of the Gamesys acquisition. These charges are recorded within "Impairment charges" in the consolidated statements of operations.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For three indefinite lived gaming licenses in the Casinos & Resorts segment, the Company determined it had an indicator of impairment based on declines in results compared to those projected when the gaming licenses were originally valued at acquisition. The Company valued the gaming licenses using the Greenfield Method under the income approach which estimates the fair value of the gaming license using a discounted cash flow model assuming the Company built a new casino with similar utility to that of the existing casino. The primary inputs to the valuation involve estimating projected revenues and operating cash flows, estimated construction costs, and pre-opening expenses and is discounted at a rate that reflects the level of risk associated with receiving cash flows attributable to the license. The fair values of these gaming licenses were below their respective carrying values and the Company recorded an impairment loss of \$76.7 million.

For all other indefinite lived intangible assets, the Company performed a qualitative assessment of impairment and determined that it was more likely than not that the fair values of all assets exceed their carrying values as of October 1, 2023. If future results vary significantly from current estimates and related projections, the Company may be required to record impairment charges.

In connection with the expansion of the Company's restructuring plan announced on October 20, 2023 targeted at reshaping the technology utilized by its Interactive segments (refer to Note 15 "Restructuring Expense"), the Company recorded impairment charges of \$5.7 million, related to certain technology intangible assets which will no longer be utilized.

As of December 31, 2023, the Bally's Tiverton, Bally's Dover and Hard Rock Biloxi reporting units within the Company's Casinos & Resorts reportable segment had negative carrying amounts of net assets. Goodwill assigned to these reporting units as of December 31, 2023 were \$0.4 million, \$1.0 million and \$48.9 million, respectively.

2022 Impairment Assessment

For the North America Interactive reporting unit and asset group, primarily due to a decline in actual and projected revenues, the Company determined that it was more likely than not that the fair value of the reporting unit was less than its carrying value and therefore, a quantitative impairment analysis was performed. As a result of the analysis, the Company recorded an aggregate \$390.7 million non-cash impairment charge in its North America Interactive reporting unit. The Company allocated the loss first to intangible assets, in the amount of \$159.1 million, and then the residual of \$231.6 million to goodwill.

The Company recorded an impairment loss within the International Interactive segment of \$73.3 million related to a long-standing indefinite lived trademark acquired as part of the Gamesys acquisition. These charges are recorded within "Impairment charges" in the consolidated statements of operations.

2021 Trade Name Impairment

During the second quarter of 2021, the Company committed to rebrand a majority of its casino portfolio with Bally's trade name. In connection with this rebranding initiative, the Company determined it should complete an interim quantitative impairment test of its trade names at Bally's Dover and Bally's Black Hawk. As a result of the analysis, the Company recorded an impairment charge of \$4.7 million during the three months ended June 30, 2021 recorded within "Impairment charges" on the consolidated statements of operations within the Casinos & Resorts reportable segment.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The change in carrying value of goodwill by reportable segment for the years ended December 31, 2022 December 31, 2023 and 2021 2022 is as follows:

	Casinos & Resorts	North America Interactive	International Interactive	Total
(in thousands)	(in thousands)			
Goodwill as of December 31,				
2020 ⁽¹⁾	\$186,979	\$ —	\$ —	\$ 186,979

Goodwill from current year business combinations	14,593	283,767	1,645,200	1,943,560
Effect of foreign exchange	—	(409)	(7,857)	(8,266)
Purchase accounting adjustments on prior year business combinations	380	—	—	380

(in thousands)

(in thousands)

			Casinos & Resorts	International Interactive	North America Interactive	Total
Goodwill as of December 31, 2021 ⁽¹⁾	Goodwill as of December 31, 2021 ⁽¹⁾	\$201,952	\$ 283,358	\$ 1,637,343	\$2,122,653	
Goodwill from current year business combinations	Goodwill from current year business combinations	8,590	—	—	8,590	
Impairment charges	Impairment charges	—	(231,569)	—	(231,569)	
Effect of foreign exchange	Effect of foreign exchange	—	(2,889)	(145,424)	(148,313)	
Purchase accounting adjustments on prior year business combinations	Purchase accounting adjustments on prior year business combinations	(1,285)	239	5,286	4,240	
Transferred to assets held for sale ⁽³⁾		—	(9,399)	—	(9,399)	
Goodwill as of December 31, 2022 ⁽²⁾		\$209,257	\$ 39,740	\$ 1,497,205	\$1,746,202	

Transferred to assets held for sale ⁽²⁾	
Goodwill as of December 31, 2022 ⁽³⁾	
Goodwill from current year business combinations	
Effect of foreign exchange	
Effect of foreign exchange	
Effect of foreign exchange	
Purchase accounting adjustments on prior year business combinations	
Current year divestiture	
Goodwill as of December 31, 2023 ⁽³⁾	

- (1) Amounts are shown net of accumulated goodwill impairment charges of \$5.4 million for Casinos and Resorts.
- (2) Goodwill transferred to assets held for sale consists of \$100.6 million of goodwill and \$91.2 million of accumulated impairment.
- (3) Amounts are shown net of accumulated goodwill impairment charges of \$5.4 million and \$140.4 million for Casinos and Resorts and North America Interactive, respectively.
- (3) Goodwill transferred to assets held for sale consists of \$100.6 million of goodwill and \$91.2 million of accumulated impairment.

The change in intangible assets, net for the years ended December 31, 2022 December 31, 2023 and 2021 2022 is as follows (in thousands):

Intangible assets, net as of December 31, 2020	\$	663,395
Intangible assets from current year business combinations		1,870,918
Change in TRA with Sinclair ⁽¹⁾		(850)
Effect of foreign exchange		(12,538)
Impairment charges		(4,675)
Internally developed software		20,952
Other intangibles acquired		31,551
Less: Accumulated amortization		(90,801)
Intangible assets, net as of December 31, 2021	\$	2,477,952
Intangible assets from current year business combinations		5,140
Effect of foreign exchange		(125,911)
Impairment charges		(232,409)
Internally developed software		37,121
Other intangibles acquired ⁽²⁾		55,782 32,976
Transferred to assets held for sale		(4,022)
Less: Accumulated amortization		(228,909)
Intangible assets, net as of December 31, 2022	\$	1,961,938
Intangible assets from current year business combinations		35,971
Effect of foreign exchange		46,926
Impairment charges		(136,404)
Internally developed software		47,091
Other intangibles acquired ⁽¹⁾		147,619
Less: Accumulated amortization		(231,713)
Intangible assets, net as of December 31, 2023	\$	1,871,428

- (1) Includes gaming license fees of \$135.3 million paid to the Illinois Gaming Board upon commencement of operations at Bally's Chicago temporary casino. Refer to Note 13 22 "Sinclair Agreement Commitments and Contingencies;" for further information.

- (2) Includes the gaming license related to Bally's Chicago.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company's identifiable intangible assets consist of the following:

		Weighted average remaining life (in years)	December 31, 2022				December 31, 2023			
(in thousands, except years)	Weighted average remaining life (in years)	(in thousands, except years)	Weighted average remaining life (in years)	Gross Carrying Amount	Accumulated Amortization	Net	Weighted average remaining life (in years)	Gross Carrying Amount	Accumulated Amortization	Net
Amortizable intangible assets:	Amortizable intangible assets:					Amortizable intangible assets:				
Naming rights - Sinclair ⁽¹⁾	8.1	\$ 314,585		\$ (58,982)	\$ 255,603					
Commercial rights - Sinclair ⁽¹⁾										
Trade	2.7	17,750		(16,196)	1,554					

names	names				
Hard Rock license	Hard Rock license	24.5	8,000	(2,061)	5,939
Customer relationships	Customer relationships	5.8	907,199	(166,155)	741,044
Developed technology	Developed technology	5.7	256,512	(45,769)	210,743
Internally developed software	Internally developed software	4.0	26,520	(5,444)	21,076
Gaming licenses	Gaming licenses	7.8	34,016	(4,892)	29,124
Other	Other	2.6	4,917	(2,110)	2,807
Total amortizable intangible assets	Total amortizable intangible assets		1,569,499	(301,609)	1,267,890
Intangible assets not subject to amortization:	Intangible assets not subject to amortization:				
Intangible assets not subject to amortization:					
Intangible assets not subject to amortization:					
Gaming licenses					
Gaming licenses					
Gaming licenses	Gaming licenses	Indefinite	529,171	—	529,171
Trade names	Trade names	Indefinite	164,391	—	164,391
Other	Other	Indefinite	486	—	486
Total unamortizable intangible assets	Total unamortizable intangible assets		694,048	—	694,048
Total intangible assets, net	Total intangible assets, net		\$2,263,547	\$(301,609)	\$1,961,938

(1) Naming Commercial rights intangible asset in connection with Sinclair Framework Agreement. Refer to Note 13 "14 "Strategic Partnership - Sinclair Agreement" Broadcast Group" for further information. Amortization began on April 1, 2021, the commencement date of the re-branded Sinclair regional sports networks.

		Weighted average remaining life (in years)	December 31, 2021				December 31, 2022				
(in thousands, except years)	Weighted average remaining life (in years)	(in thousands, except years)	Weighted average remaining life (in years)	Gross amount	Accumulated amortization	Net Amount	(in thousands, except years)	Weighted average remaining life (in years)	Gross amount	Accumulated amortization	Net Amount
Amortizable intangible assets:	Amortizable intangible assets:					Amortizable intangible assets:					
Naming rights - Sinclair ⁽²⁾	9.2	\$ 337,391	\$ (25,721)	\$ 311,670							
Commercial rights - Sinclair ⁽²⁾											

Trade names	Trade names	10.6	28,439	(17,481)	10,958
Hard Rock license	Hard Rock license	25.5	8,000	(1,818)	6,182
Customer relationships	Customer relationships	6.7	1,026,797	(46,789)	980,008
Developed technology	Developed technology	7.2	392,481	(19,690)	372,791
Internally developed software	Internally developed software	4.8	20,952	(727)	20,225
Gaming licenses	Gaming licenses	10.0	30,409	(591)	29,818
Other	Other	4.4	2,413	(1,121)	1,292
Total amortizable intangible assets	Total amortizable intangible assets		1,846,882	(113,938)	1,732,944
Intangible assets not subject to amortization:	Intangible assets not subject to amortization:				
Intangible assets not subject to amortization:					
Intangible assets not subject to amortization:					
Gaming licenses					
Gaming licenses					
Gaming licenses	Gaming licenses	Indefinite	478,171	—	478,171
Trade Names	Trade Names	Indefinite	265,099	—	265,099
Other	Other	Indefinite	1,738	—	1,738
Total unamortizable intangible assets	Total unamortizable intangible assets		745,008	—	745,008
Total intangible assets, net	Total intangible assets, net		\$2,591,890	\$(113,938)	\$2,477,952

(2) See note (1) above.

Amortization of intangible assets was approximately \$228.9 million \$231.7 million, \$91.1 million \$228.9 million and \$4.9 million \$91.1 million for the years ended December 31, 2022, 2021 and 2020, respectively.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023, 2022 and 2021, respectively.

Refer to Note 6 "Business Combinations" for further information about the preliminary purchase price allocation and provisional goodwill and intangible balances added from current year business combinations. Refer to Note 13 "14 "Strategic Partnership - Sinclair Agreement" Broadcast Group" for intangible assets added through the Sinclair Framework Agreement.

The following table shows the remaining amortization expense associated with finite lived intangible assets as of December 31, 2022 December 31, 2023:

(in thousands)	(in thousands)
2023	\$ 208,640
2024	

2024		
2024	2024	207,168
2025	2025	205,934
2026	2026	204,624
2027	2027	198,627
2028		
Thereafter	Thereafter	242,897
		\$ 1,267,890

11. DERIVATIVE INSTRUMENTS

The Company utilizes derivative instruments in order to mitigate interest rate and currency exchange rate risk in accordance with its financial risk and liability management policy.

During the year ended December 31, 2023, the Company entered into a series of interest rate contracts and cross currency swap derivative transactions with multiple bank counterparties in order to synthetically convert a notional aggregate amount of \$500.0 million of the Company's USD denominated variable rate Term Loan Facility, as disclosed in Note 16 "Long-Term Debt," into fixed rate debt over five years and \$200 million of the Term Loan Facility, to an equivalent GBP denominated floating rate instrument over three years. These contracts mature in October, 2028 and 2026, respectively.

Derivative Instruments Designated as Hedging Instruments

Net Investment Hedges

Cross Currency Swaps - The Company is exposed to fluctuations in foreign exchange rates on investments it holds in its European foreign entities. The Company uses fixed and fixed-cross-currency swaps to hedge its exposure to changes in the foreign exchange rate on its foreign investment in Europe and their exposure to changes in the EUR-GBP exchange rate. Currency forward agreements involve fixing the USD-EUR exchange rate for delivery of a specified amount of foreign currency on a specified date. The currency forward agreements are typically cash settled in USD for their fair value at or close to their settlement date. Cross-currency swaps involve the receipt of functional-currency-fixed-rate amounts from a counterparty in exchange for the Company making foreign-currency-fixed-rate payments over the life of the agreement. These derivative arrangements qualify as net investment hedges under ASC 815, with the gain or loss resulting from changes in the spot value of the derivative reported in other comprehensive income (loss). Amounts are reclassified out of other comprehensive income (loss) into earnings when the hedged net investment is either sold or substantially liquidated. Additionally, the accrual of foreign currency and USD denominated coupons will be recognized in "Interest expense, net" in the consolidated statements of operations. During the year ended December 31, 2023, the Company recognized \$1.35 million of related expense. Refer to Note 12 "Fair Value Measurements" and Note 19 "Stockholders' Equity" for further information.

The following tables summarize the Company's net investment hedges as of December 31, 2023 (in thousands):

Net Investment Hedges		Notional Sold		Notional Purchased
Cross currency swaps	€	461,595	£	387,531
Cross currency swaps	£	546,759	\$	700,000

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Cash Flow Hedges

Interest Rate Contracts - The Company's objectives in using interest rate derivatives are to hedge its exposure to variability in cash flows on a portion of its floating-rate debt, to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish these objectives, the Company primarily uses interest rate swaps and collars as part of its financial risk and liability management policy. The Company's interest rate swaps and collars are designated as cash flow hedges under ASC 815. The changes in the fair value of these instruments are recorded as a component of accumulated other comprehensive income (loss) and reclassified into "Interest expense, net" in the consolidated statements of operations in the same period in which the hedged interest payments associated with the Company's borrowings are recorded. During the year ended December 31, 2023, the Company recognized \$1.95 million of related expense. Refer to Note 12 "Fair Value Measurements" and Note 19 "Stockholders' Equity" for further information.

The following tables summarize the Company's cash flow hedges as of December 31, 2023 (in thousands):

Cash Flow Hedges	Notional Amount	Index	Cap	Floor ⁽¹⁾
Interest rate contracts - swaps	\$ 500,000	US - SOFR	—	—
Interest rate contracts - collars	\$ 500,000	US - SOFR	4.25%	3.22%

(1) Weighted average rate.

Economic Hedges

The Company utilizes short term operational hedges or forward currency exchange rate contracts to mitigate foreign currency exchange rate risk. These instruments are not designated as hedging instruments under ASC 815. The fair value of these instruments are recorded as derivative assets or liabilities on the consolidated balance sheets with changes in fair value recognized in earnings within "Other non-operating income, net" on the consolidated statements of operations.

12. FAIR VALUE MEASUREMENTS

Except for the assets and liabilities held for sale and the corresponding impairment described in Note 7, there were no assets and liabilities measured at fair value on a nonrecurring basis. The following tables summarize the Company's assets and liabilities measured at fair value on a recurring basis. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement:

		December 31, 2022		
(in thousands)	Balance Sheet Location	Level 1	Level 2	Level 3
<u>Assets:</u>				
Cash and cash equivalents	Cash and cash equivalents	\$ 212,515	\$ —	\$ —
Restricted cash	Cash and cash equivalents	52,669	—	—
Convertible loans	Prepaid expenses and other current assets	657	—	—
Convertible loans	Other assets	—	—	10,212
Investments in equity securities	Other assets	2,395	—	—
Total		<u>\$ 268,236</u>	<u>\$ —</u>	<u>\$ 10,212</u>
<u>Liabilities:</u>				
Sinclair Performance Warrants	Naming rights liabilities	\$ —	\$ —	\$ 36,987
Contingent consideration	Contingent consideration payable	—	—	8,220
Total		<u>\$ —</u>	<u>\$ —</u>	<u>\$ 45,207</u>

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands)	Balance Sheet Location	December 31, 2023		
		Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	Cash and cash equivalents	\$ 163,194	\$ —	\$ —
Restricted cash	Restricted cash	152,068	—	—
Convertible loans	Other assets	—	—	4,115
Investments in equity securities	Other assets	3,409	—	—
Investment in GLPI partnership	Other assets	—	14,146	—
<u>Derivative assets designated as hedging instruments:</u>				
Interest rate contracts	Prepaid expenses and other current assets	—	5,356	—
Cross currency swaps	Prepaid expenses and other current assets	—	4,174	—
Cross currency swaps	Other assets	—	6,477	—
Total derivative assets at fair value		—	16,007	—
Total assets		\$ 318,671	\$ 30,153	\$ 4,115
Liabilities:				
Contingent consideration	Other long-term liabilities	\$ —	\$ —	\$ 58,580
<u>Derivative liabilities not designated as hedging instruments:</u>				
Sinclair Performance Warrants	Commercial rights liabilities	—	—	44,703
<u>Derivative liabilities designated as hedging instruments:</u>				
Interest rate contracts	Other long-term liabilities	—	21,492	—
Cross currency swaps	Accrued liabilities	—	1,225	—
Cross currency swaps	Other long-term liabilities	—	29,376	—
Total derivative liabilities at fair value		—	52,093	44,703
Total liabilities		\$ —	\$ 52,093	\$ 103,283

December 31, 2021

December 31, 2022										December 31, 2022		
		Balance Sheet Location	Level 1	Level 2	Level 3		Balance Sheet Location	Level 1	Level 2	Level 3		
(in thousands)	(in thousands)					(in thousands)						
Assets:	Assets:											
Cash and cash equivalents	Cash and cash equivalents	Cash and cash equivalents	\$206,193	\$ —	\$ —							
Cash and cash equivalents												
Cash and cash equivalents												
Restricted cash	Restricted cash	Cash and cash equivalents	68,647	—	—							
		Prepaid expenses and other current assets										
Other current assets			176	—	—							
Convertible loans	Convertible loans	Other assets	5,905	—	2,025							
Total			\$280,921	\$ —	\$ 2,025							
Convertible loans												
Investments in equity securities												
Total assets												
Liabilities:	Liabilities:											
Contingent consideration												
Contingent consideration												
Contingent consideration												
Derivatives not designated as hedging instruments:												
Sinclair Performance Warrants	Sinclair Performance Warrants	Naming Performance rights liabilities	\$ —	\$ —	\$ 69,564							
		Contingent consideration payable										
Contingent consideration			—	—	34,931							
Total			\$ —	\$ —	\$104,495							
Sinclair Performance Warrants												
Sinclair Performance Warrants												
Total liabilities												

There were no transfers made among the three levels in the fair value hierarchy for the years ended **December 31, 2022**, December 31, 2023 and **2021**, 2022.

BALLY'S CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes the changes in fair value of the Company's Level 3 assets and liabilities:

(in thousands)	(in thousands)	Performance Warrants	Contingent Consideration	Other Assets	Total	(in thousands)	Sinclair	Performance Warrants	Contingent Consideration	Convertible Loans	Total
Balance as of											
December 31, 2020		\$ 88,119	\$ —	\$ —	\$88,119						
Additions in the period (acquisition fair value)		—	58,623	2,025	60,648						
Change in fair value		(18,555)	(23,692)	—	(42,247)						
Balance as of	Balance as of										
December 31, 2021	December 31, 2021	69,564	34,931	2,025	106,520						
Additions in the period (acquisition fair value)	Additions in the period (acquisition fair value)	—	—	3,777	3,777						
Reductions in the period	Reductions in the period	—	(15,862)	—	(15,862)						
Change in fair value	Change in fair value	(32,577)	(10,849)	4,410	(39,016)						
Balance as of	Balance as of										
December 31, 2022	December 31, 2022	\$ 36,987	\$ 8,220	\$10,212	\$55,419						
Additions in the period (acquisition fair value)											
Reductions in the period											
Change in fair value											
Balance as of											
December 31, 2023											

The gains (losses) recognized in the consolidated statements of operations for derivatives not designated as hedging instruments during the years ended December 31, 2022, December 31, 2023, 2022 and 2021 are as follows:

		Consolidated Statements of Operations Location	Year Ended December 31,						Year Ended December 31,		
(in thousands)	Operations Location	(in thousands)	Consolidated Statements of Operations Location	2022	2021	2020	(in thousands)	Consolidated Statements of Operations Location	2023	2022	2021
Foreign exchange forward contracts	Foreign exchange forward contracts			\$ —	\$(20,882)	\$ —					
Sinclair Performance Warrants	Sinclair Performance Warrants	Other non-operating expenses, net		32,577	18,555	(32,878)					

Sinclair Options	Sinclair Options	Other non-operating expenses, net	—	(1,526)	(24,782)
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Foreign exchange forward contracts Interest Rate Contracts and Cross Currency Swaps

The fair values of foreign exchange forward interest rate and cross currency swap contract assets and liabilities are classified within Level 2 of the fair value hierarchy as the valuation inputs are based on estimates using currency spot and forward rates and standard pricing models that consider the value of future cash flows as of the balance sheet date, discounted to a present value using discount factors that match both the time to maturity and currency of the underlying instruments. These standard pricing models utilize inputs that are derived from or corroborated by observable market data such as interest rate yield curves as well as currency spot and forward rates. Changes in the fair value of these contracts are reported as a component of other comprehensive income (loss).

Foreign Exchange Forward Contracts

The foreign exchange forward contracts are accounted for as derivative assets and liabilities and are classified within Level 2 of the fair value hierarchy as the valuation inputs are based on quoted prices and market observable data of similar instruments in active markets, such as currency spot and forward rates. The Company's foreign exchange forward contracts were not designated as hedging instruments under ASC 815. Gains (losses) recognized in earnings resulting from the change in fair value were are reported within "Other non-operating expenses, income, net" on the consolidated statements of operations.

On April 16, 2021, a subsidiary of the Company entered into foreign exchange forward contracts to hedge the risk of appreciation of the British Pound Sterling ("GBP")-denominated purchase price related to the Gamesys acquisition pursuant to which the subsidiary can purchase approximately £900 million at a contracted exchange rate and appreciation of both the GBP-denominated and Euro-denominated debt held by Gamesys which would be paid off at closing of the Gamesys acquisition pursuant to which the subsidiary can purchase £200 million and €336 million, at contracted exchange rates, respectively. To enter into these foreign exchange forward contracts, the Company paid total premiums to the contract counterparties of \$22.6 million.

On August 20, 2021, two of the above mentioned foreign exchange forward contracts were modified, decreasing the notional amount of the GBP-denominated forward purchase commitments by £746 million to £354 million, collectively. The Company received \$1.7 million upon settlement of the modification, which decreased the remaining fair value of the contracts.

On October 1, 2021, the above mentioned foreign exchange forward contracts were discontinued as part of the acquisition of Gamesys. The Company received \$0.1 million at closing, which was reported within "Other non-operating expenses, net" on the consolidated statements of operations. The company did not have any foreign exchange forward contracts outstanding as of December 31, 2022 and 2021.

Sinclair Performance Warrants

Sinclair Performance Warrants are accounted for as a derivative instrument classified as a liability within Level 3 of the hierarchy as the warrants are not traded in active markets and are subject to certain assumptions and estimates made by management related to the probability of meeting performance milestones. These assumptions and the probability of meeting performance targets may have a significant impact on the value of the warrant. The Performance warrants Warrants are valued using an option pricing model, considering the Company's estimated probabilities of achieving the performance milestones for each tranche. Inputs to this valuation approach include volatility of the Company's common stock trading price, between 40% and 67%, risk free interest rates between 3.84% and 4.79%, the Company's common stock price as for each period and expected terms between 1.5 and 6.3 years. The fair value is recorded within "Commercial rights liabilities" of the valuation date and expected terms, consolidated balance sheets.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sinclair Options

Sinclair Options are accounted for as an equity classified instrument under ASC 815. The fair value of the options are based on a Black-Scholes model using Level 2 inputs, including volatility rates, risk free rates, the Company's common stock price and expected term. The fair value of the Options was \$59.7 million as of December 31, 2023 and 2022, and is recorded within "Additional paid-in-capital" in the consolidated balance sheets.

Contingent consideration

Contingent consideration related to acquisitions is recorded at fair value as a liability on the acquisition date and is subsequently remeasured at each reporting date, based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy. In connection with the Company's acquisition of Monkey Knife Fight ("MKF") and Telescope Inc. ("Telescope") which The remeasurements are included within the Company's North America Interactive acquisitions in Note 6 "Business Combinations", the Company recorded contingent consideration at fair value of \$58.7 million as of the acquisition dates. After the acquisition dates and until the contingencies are resolved, the fair value of contingent consideration payable is adjusted each reporting period based primarily on the expected probability of achievement of the contingency targets which are subject to management's estimate and the Company's stock price, estimates. These changes in fair value are recognized within "Other, non-operating expenses, net" of the consolidated statements of operations.

In connection with the acquisitions of SportCaller and Monkey Knife Fight ("MKF") in the first quarter of 2021, the Company recorded contingent consideration of \$58.7 million. During the first quarter of 2022, the Company settled contingent consideration of \$15.9 million, comprised of 393,778 immediately exercisable penny warrants, and 107,832 shares of Bally's Corporation common stock and \$0.1 million in cash. During the second quarter of 2023, the Company settled the remaining contingent consideration of \$9.3 million.

comprised of 386,926 immediately exercisable penny warrants, 103,656 shares of Bally's Corporation common stock and a de minimis payment in cash, all in satisfaction of contingencies related to the respective acquisition agreements.

In connection with the acquisition of Bally's Golf Links on September 12, 2023, the Company recorded contingent consideration at fair value of \$58.6 million. Refer to Note 6 "Business Combinations" for further information.

Convertible loans

The Company has certain agreements with vendors to provide a portfolio of games to its customers. Pursuant to these agreements, the Company has issued loans to its vendors and has an option to convert the loans to shares of the vendors' equity, exercisable within a specified time period. The Company recorded the short-term portion of the instruments within "Prepaid expenses and other current assets" and the long-term portion of the instruments within "Other assets" at their fair value. The fair value of the loans to vendors with share prices quoted on active markets are classified within Level 1 of the hierarchy and the fair value of the loans to vendors with share values based on unobservable inputs are classified within Level 3 of the hierarchy, both with changes to fair value included within "Other non-operating expenses, net" of the consolidated statements of operations.

Investment in equity securities

The Company has a long term investment in an unconsolidated entity which it accounts for under the equity method of accounting. The Company has elected the fair value option allowed by ASC 825, *Financial Instruments*, with respect to this investment. Under the fair value option, the investment is remeasured at fair value at each reporting period through earnings. The Company measures fair value using quoted prices in active markets that are classified within Level 1 of the hierarchy, with changes to fair value included within "Other non-operating expenses, net" of the consolidated statements of operations.

Investment in GLPI Partnership

The Company holds a limited partnership interest in GLP Capital, L.P., the operating partnership of GLPI. The investment is reported at fair value based on Level 2 inputs, with changes to fair value included within "Other non-operating expenses, net" of the consolidated statements of operations.

Long-term debt

The fair value of the Company's Term Loan Facility and senior notes are estimated based on quoted prices in active markets and are classified as Level 1 measurements. The fair value of the Revolving Credit Facility approximates its carrying amount as it is revolving, variable rate debt, and is also classified as a Level 1 measurement. In the table below, the carrying amounts of the Company's long-term debt is net of debt issuance costs and debt discounts. Refer to Note 14 16 "Long-Term Debt" for further information.

(in thousands)	December 31, 2022		December 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Term Loan Facility	\$ 1,884,082	\$ 1,872,238	\$ 1,897,030	\$ 1,945,000
5.625% Senior Notes due 2029	734,497	555,000	732,660	746,250
5.875% Senior Notes due 2031	732,976	529,905	731,537	754,223

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

12.

(in thousands)	December 31, 2023		December 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Term Loan Facility	\$ 1,871,330	\$ 1,888,100	\$ 1,884,082	\$ 1,872,238
5.625% Senior Notes due 2029	736,447	596,250	734,497	555,000
5.875% Senior Notes due 2031	719,858	570,544	732,976	529,905

13. ACCRUED LIABILITIES

As of December 31, 2022 December 31, 2023 and 2021 2022, accrued liabilities consisted of the following:

(in thousands)	(in thousands)	December 31,		(in thousands)	December 31,	
		2022	2021		2023	2022
GLPI advance deposit ⁽¹⁾		\$200,000	\$ —			
Gaming liabilities	Gaming liabilities	168,386	170,508			

Diamond Sports Group non-cash liability ⁽¹⁾			
Compensation	Compensation	60,463	49,764
Interest payable	Interest payable	36,173	46,292
Bally's Chicago - land development liability			
GLPI advance deposit ⁽²⁾			
GLPI advance deposit ⁽²⁾			
GLPI advance deposit ⁽²⁾			
Other	Other	108,909	134,864
Total accrued liabilities	Total accrued liabilities	\$573,931	\$401,428

(1) Refer to Note 15 22 "Commitments and Contingencies" for further information

(2) Refer to Note 17 "Leases" for further information

13.14. STRATEGIC PARTNERSHIP - SINCLAIR AGREEMENT BROADCAST GROUP

On November 18, 2020, In 2020, the Company and Sinclair entered into a Framework Agreement (the "Sinclair Framework Agreement"), which provides providing for a long-term strategic relationship between Sinclair and the Company. Under the Framework Agreement, the Company paid annual fees in cash, issued warrants and Sinclair combining Bally's integrated, proprietary sports betting technology with options and agreed to share tax benefits and received naming, integration and other rights, including access to Sinclair's portfolio of local broadcast stations and its Tennis Channel, Stadium sports network Sports Network and STIRR streaming service. The Company received naming rights to Under a Commercial Agreement (the "Commercial Agreement") contemplated by the regional sports networks and certain integrations to network programming in exchange for annual fees paid in cash, the issuance of warrants and options and an agreement to share in certain tax benefits resulting from the Tax Receivable Agreement ("TRA") with Sinclair. The initial term of the agreement is ten years from the commencement date of the re-branded regional sports networks and can be renewed for one additional five-year term unless either the Company or Sinclair elect not to renew.

Naming Rights Intangible Asset

Under the terms of the Sinclair Framework Agreement, the Company is was required to pay annual naming rights fees to Diamond Sports Group ("Diamond"), a Sinclair subsidiary, for naming rights of the over Diamond's regional sports networks ("RSNs") and other consideration which escalate escalated annually and total \$88.0 million over the a 10-year term term.

In March 2023, Diamond commenced reorganization proceedings under Chapter 11 of the agreement beginning April 1, 2021 Bankruptcy Code, and in July 2023, Diamond commenced litigation against Sinclair, Bally's and others as part of its bankruptcy proceedings. Subsequent to December 31, 2023, Diamond agreed to settle its claims against all defendants, including Bally's. Pursuant to the settlement terms, Diamond would receive payments from Sinclair and would reject the Commercial Agreement. Bally's would continue to have naming rights on Diamond's RSNs through the 2024 major league baseball season at no cost to either party (unless Diamond agrees with a new counterparty that will pay for such naming rights). Bally's, in turn, would receive a release of all claims Diamond may have against it. Separately, Bally's and Sinclair agreed that their relative rights and obligations under the Framework Agreement and all agreements contemplated thereby would terminate, except for rights and obligations in respect of certain local broadcast television station integrations under the Commercial Agreement, and except for their respective rights and obligations under the Option Agreement (regarding the Options referenced below), the Warrant Agreement (regarding the Penny Warrants referenced below), the Performance Warrant Agreement (regarding the Performance Warrants referenced below), the Registration Rights Agreement, the Investor Rights Agreement and the Tax Receivable Agreement. Bally's obligation to pay Diamond for the naming rights terminated upon the bankruptcy court's approval of the settlement terms, which the court approved on March 1, 2024. Refer to Note 22 "Commitments and Contingencies" for further information.

The Company accounted for this transaction relationship as an asset acquisition in accordance with the "Acquisition of Assets Rather Than a Business" subsections of ASC 805-50, Business Combinations—Related Issues, using a cost accumulation model. The naming total intangible asset ("Commercial rights intangible assetasset") represents the consideration transferred on the acquisition date comprised of the present value of annual the naming rights fees and other consideration, including the fair value of the warrants and options, and an estimate of the TRA tax-sharing payments, each explained below. The naming Commercial rights intangible asset, net of accumulated amortization, was \$255.6 \$225.9 million and \$311.7 \$255.6 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively. Amortization began on April 1, 2021, the commencement date of the re-branded Sinclair regional sports networks, and was \$30.9 million, \$33.3 million and \$25.7 million for the years ended December 31, 2022 December 31, 2023, 2022 and 2021, respectively. Refer to Note 10 "Goodwill and Intangible Assets" for further information.

Naming Rights Fees

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The present value of the annual naming rights fees was recorded as part of the cost of the naming rights intangible asset assets, with a corresponding liability, which will be accreted through interest expense over through the life termination date of the agreement. Commercial Agreement. The total value of the liability as of December 31, 2022 December 31, 2023 and 2021 2022 was \$59.3 \$57.7 million and \$58.9 \$59.3 million, respectively. The short-term portion of the liability, which was \$6.0 \$8.0 million and \$2.0 \$6.0 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively, is recorded within "Accrued liabilities" and the long-term portion of the liability, which was \$53.3 \$49.7 million and \$56.9 \$53.3 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively, is recorded within "Naming reflected as "Commercial rights liabilities" liability" in the our consolidated balance sheets. Accretion expense for the years ended December 31, 2022 and 2021 reported in "Interest expense, net" in our consolidated statements of operations was \$4.4 million, \$4.4 million and \$4.3 million respectively, for years ended December 31, 2023, 2022 and was reported in "Interest expense, net of amounts capitalized" in the consolidated statements of operations. 2021.

BALLY'S CORPORATION

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Warrants and Options

The Under the Framework Agreement, the Company issued to Sinclair (i) an immediately exercisable warrant to purchase up to 4,915,726 shares of the Company at an exercise price of \$0.01 per share ("the Penny Warrants"), (ii) a warrant to purchase up to a maximum of 3,279,337 additional shares of the Company at a price of \$0.01 per share subject to the achievement of various performance metrics (the "Performance Warrants"), and (iii) an option to purchase up to 1,639,669 additional shares in four tranches with purchase prices ranging from \$30.00 to \$45.00 per share, exercisable over a seven-year period beginning on the fourth anniversary of the November 18, 2020 closing (the "Options"). The exercise and purchase prices and the number of shares issuable upon exercise of the warrants and options are subject to customary anti-dilution adjustments. The issuance pursuant to the warrants and options of shares in excess of 19.9% of the Company's currently outstanding shares was subject to the approval of the Company's stockholders in accordance with the rules of the New York Stock Exchange, which was obtained on January 27, 2021.

Penny Warrants & Options - The Penny Warrants and Options are equity classified instruments under ASC 815. The fair value of the Penny Warrants approximates the fair value of the underlying shares and was \$150.4 million on November 18, 2020 at issuance, and was recorded to "Additional paid-in-capital" in the consolidated balance sheets, with an offset to the naming Commercial rights intangible asset. The fair value of Company recorded \$59.7 million, related to the Options, was \$59.7 million as of December 31, 2022 December 31, 2023 and 2021, 2022, and is recorded included within "Additional paid-in capital" in the consolidated balance sheets.

Performance Warrants - The Performance Warrants are accounted for as a derivative liability because the underlying performance metrics represent an adjustment to the settlement amount that is not indexed to the Company's own stock and thus equity classification is precluded under ASC 815. The fair value as of December 31, 2022 and 2021 was \$37.0 million and \$69.6 million, respectively, and was calculated using an option pricing model, considering the Company's estimated probabilities of achieving the performance milestones Refer to Note 12 "Fair Value Measurements" for each tranche. Inputs to this valuation approach include volatility between 63% and 66%, risk free rates between 1.02% and 4.01%, the Company's common stock price for each period and expected terms between 3.4 and 8.0 years. The fair value is recorded within "Naming Rights liabilities" of the consolidated balance sheets. further information.

Tax Receivable Under the Framework Agreement,

The the Company is required to share 60% of the tax benefit the Company receives it realizes from the Penny Warrants, Options, Performance Warrants and payments under the TRA with Sinclair over the term of the agreement as tax benefit amounts are determined through the filing of the Company's annual tax returns. other related payments. Changes in the estimate of the tax benefit to be realized and tax rates in effect at the time, among other changes, are was treated as an adjustment to the naming rights intangible asset. The TRA liability for these obligations was \$19.4 \$19.1 million and \$42.2 \$19.4 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively, and is included reflected in "Naming rights liabilities" in the our consolidated balance sheets. The change in value of the TRA liability in the amount of \$(22.8) million and \$(0.8) million for the years ended December 31, 2022 and 2021, respectively, is included in "Other non-operating expenses, net" in our consolidated statements of operations.

15. RESTRUCTURING EXPENSE

On January 18, 2023, the Company announced a restructuring plan of the Interactive business intended to reduce operating costs and continue the Company's commitment to achieving profitable operations in its North America Interactive segment which included a reduction of the Company's then current Interactive workforce by up to 15 percent.

In furtherance of and as an expansion of the January 2023 restructuring plan, on October 20, 2023, the Company announced further restructuring initiatives targeted at reshaping the technology utilized by its Interactive segments. During the year ended December 31, 2023, the Company incurred restructuring charges of \$31.0 million representing employee related severance costs as well as \$5.7 million of impairment charges representing the impairment of certain technology which will no longer be utilized.

The components of restructuring charges by segment, for the year ended December 31, 2023, are summarized as follows:

	International Interactive	North America Interactive	Other	Total
Severance and employee related benefits ⁽¹⁾	\$ 19,591	\$ 9,735	\$ 1,688	\$ 31,014
Impairment ⁽²⁾	—	5,745	—	5,745
Total restructuring charges	\$ 19,591	\$ 15,480	\$ 1,688	\$ 36,759

(1) Included within "General and administrative" of the consolidated statements of operations.

(2) Included within "Impairment charges" of the consolidated statements of operations.

14. LONG-TERM DEBT

As of December 31, 2022 and 2021, long-term debt consisted of the following:

	December 31,	
	2022	2021
<i>(in thousands)</i>		
Term Loan Facility	\$ 1,925,550	\$ 1,945,000
Revolving Credit Facility	137,000	85,000
5.625% Senior Notes due 2029	750,000	750,000
5.875% Senior Notes due 2031	750,000	750,000
Less: Unamortized original issue discount	(27,729)	(31,425)
Less: Unamortized deferred financing fees	(46,266)	(52,348)
Long-term debt, including current portion	3,488,555	3,446,227
Less: Current portion of Term Loan and Revolving Credit Facility	(19,450)	(19,450)
Long-term debt, net of discount and deferred financing fees; excluding current portion	\$ 3,469,105	\$ 3,426,777

BALLY'S CORPORATION
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The changes in the Company's restructuring related liabilities for the year ended December 31, 2023 is as follows:

<i>(in thousands)</i>	
Balance as of December 31, 2022	\$ —
Charges	31,014
Payments	(26,649)
Effect of foreign exchange	926
Balance as of December 31, 2023	\$ 5,291

The restructuring liability as of December 31, 2023 is included within "Accrued liabilities" on the consolidated balance sheets.

16. LONG-TERM DEBT

As of December 31, 2023 and 2022, long-term debt consisted of the following:

	December 31,	
	2023	2022
<i>(in thousands)</i>		
Term Loan Facility ⁽¹⁾	\$ 1,906,100	\$ 1,925,550
Revolving Credit Facility	335,000	137,000
5.625% Senior Notes due 2029	750,000	750,000
5.875% Senior Notes due 2031	735,000	750,000
Less: Unamortized original issue discount	(23,756)	(27,729)
Less: Unamortized deferred financing fees	(39,709)	(46,266)
Long-term debt, including current portion	3,662,635	3,488,555
Less: Current portion of Term Loan and Revolving Credit Facility	(19,450)	(19,450)
Long-term debt, net of discount and deferred financing fees; excluding current portion	\$ 3,643,185	\$ 3,469,105

(1) The Company has a series of interest rate and cross currency swap derivatives to synthetically convert \$500.0 million notional of the Company's in USD denominated variable rate Term Loan Facility into fixed rate debt through its maturity in 2028. Refer to Note 11 "Derivative Instruments" for further information.

Senior Notes

On August 20, 2021, two unrestricted subsidiaries (together, the "Escrow Issuers") of the Company issued \$750.0 million aggregate principal amount of 5.625% senior notes due 2029 (the "2029 Notes") and \$750.0 million aggregate principal amount of 5.875% Senior Notes due 2031 (the "2031 Notes" and, together with the 2029 Notes, the "Senior Notes"). The Senior Notes were issued pursuant to an indenture, dated as of August 20, 2021, among the Escrow Issuers and U.S. Bank National Association, as trustee. Certain of the net proceeds from the Senior Notes offering were placed in escrow accounts for use in connection with the Gamesys acquisition. On October 1, 2021, upon the closing of the Gamesys acquisition, the Company assumed the issuer obligation under the Senior Notes. The Senior Notes are guaranteed, jointly and severally, by each of the Company's restricted subsidiaries that guarantees the Company's obligations under its Credit Agreement. Agreement (as defined below).

The 2029 Notes mature on September 1, 2029 and the 2031 Notes mature on September 1, 2031. Interest is payable on the Senior Notes in cash semi-annually on March 1 and September 1 of each year, beginning on March 1, 2022.

The Company may redeem some or all of the Senior Notes at any time prior to September 1, 2024, in the case of the 2029 Notes, and September 1, 2026, in the case of the 2031 Notes, at prices equal to 100% of the principal amount of the Senior Notes to be redeemed plus certain "make-whole" premiums, plus accrued and unpaid interest. In addition, prior to September 1, 2024, the Company may redeem up to 40% of the original principal amount of each series of the Senior Notes with proceeds of certain equity offerings at a redemption price equal to 105.625% of the principal amount, in the case of the 2029 Notes, and 105.875%, in the case of the 2031 Notes, plus accrued and unpaid interest. The Company may redeem some or all of the Senior Notes at any time on or after September 1, 2024, in the case of the 2029 Notes, and September 1, 2026, in the case of the 2031 Notes, at certain redemption prices set forth in the indenture plus accrued and unpaid interest.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

During the year ended December 31, 2023, the Company repurchased and retired \$15.0 million of the 2031 Notes at a weighted average price of 70.80% of the principal. In connection with the repurchase of these 2031 Notes, the Company recorded a gain on extinguishment of debt of \$4.0 million recorded within "Other non-operating income, net" in the consolidated statements of operations.

The indenture contains covenants that limit the ability of the Company and its restricted subsidiaries to, among other things, (i) (1) incur additional indebtedness, (ii) (2) pay dividends on or make distributions in respect of capital stock or make certain other restricted payments or investments, (iii) (3) enter into certain transactions with affiliates, (iv) (4) sell or otherwise dispose of assets, (v) (5) create or incur liens and (vi) (6) merge, consolidate or sell all or substantially all of the Company's assets. These covenants are subject to exceptions and qualifications set forth in the indenture.

Credit Facility

On October 1, 2021, the Company and certain of its subsidiaries entered into a credit agreement (the "Credit Agreement") with Deutsche Bank AG New York Branch, as administrative agent and collateral agent, and the other lenders party thereto, providing for senior secured financing of up to \$2.565 billion, consisting of a senior secured term loan facility in an aggregate principal amount of \$1.945 billion (the "Term Loan Facility"), which will mature in 2028, and a senior secured revolving credit facility in an aggregate principal amount of \$620.0 million (the "Revolving Credit Facility"), which will mature in 2026.

The credit facilities allow the Company to increase the size of the Term Loan Facility or request one or more incremental term loan facilities or increase commitments under the Revolving Credit Facility or add one or more incremental revolving facilities in an aggregate amount not to exceed the greater of \$650 million and 100% of the Company's consolidated EBITDA for the most recent four-quarter period plus or minus certain amounts as specified in the Credit Agreement, including an unlimited amount subject to compliance with a consolidated total secured net leverage ratio as set out in the Credit Agreement.

The credit facilities are guaranteed by the Company's restricted subsidiaries, subject to certain exceptions, and secured by a first-priority lien on substantially all of the Company's and each of the guarantors' assets, subject to certain exceptions.

Borrowings As of June 30, 2023, with the discontinuation of the LIBOR reference rate, borrowings under the credit facilities bear interest at a rate equal to, at the Company's option, either (1) LIBOR determined by reference to the costs of funds for USD deposits for the interest period relevant to such borrowing, term Secured Overnight Financing Rate ("SOFR"), adjusted for certain additional costs and subject to a floor of 0.50% in the case of term loans and 0.00% in the case of revolving loans or (2) a base rate determined by reference to the greatest of (a) the federal funds rate plus 0.50%, (b) the prime rate, (c) the one-month LIBOR SOFR rate plus 1.00%, (d) solely in the case of term loans, 1.50% and (e) solely in the case of revolving loans, 1.00%, in each case of clauses (1) and (2), plus an applicable margin. In addition, on a quarterly basis, the Company is required to pay each lender under the Revolving Credit Facility a 0.50% or 0.375% commitment fee in respect of commitments under the Revolving Credit Facility, with the applicable commitment fee determined based on the Company's total net leverage ratio.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The credit facilities contain covenants that limit the ability of the Company and its restricted subsidiaries to, among other things, incur additional indebtedness, pay dividends or make certain other restricted payments, sell assets, make certain investments and grant liens. These covenants are subject to exceptions and qualifications set forth in the Credit Agreement. The Revolving Credit Facility contains a financial covenant regarding a maximum first lien net leverage ratio that applies when borrowings under the Revolving Credit Facility exceed 30% of the total revolving commitment. As of December 31, 2022 December 31, 2023, the Company was in compliance with all such covenants.

In an effort to mitigate the interest rate risk associated with the Company's borrowings under variable rate credit facilities, the Revolving Credit Facility did not exceed 30% Company entered into a series of interest rate and therefore, financial covenants did not apply. cross currency swap derivative transactions during the second half of 2023. Refer to Note 11 "Derivative Instruments" for further information.

6.75% Senior Notes due 2027

On May 10, 2019, the Company, issued \$400 million aggregate principal amount of 6.75% unsecured senior notes due June 1, 2027 and, on October 9, 2020, the Company issued an additional \$125 million aggregate principal amount of 6.75% unsecured senior notes due June 1, 2027 (together, the "2027 Notes"). On September 7, 2021, the Company redeemed \$210 million aggregate principal amount of the 2027 Notes at a redemption price of 106.750% of the principal amount using a portion of the proceeds of the Company's April 2021 public offering of common stock. On October 5, 2021, the Company redeemed the remaining \$315 million aggregate principal amount of the 2027 Notes at a redemption price of 109.074% of the principal amount using a portion of the proceeds of its Term Loan Facility. In connection with the termination of a prior credit agreement and the 2027 Notes, the Company recorded a loss on extinguishment of debt of \$103.0 million in its consolidated statements of operations during the year ended December 31, 2021.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Debt Maturities

As of **December 31, 2022** **December 31, 2023**, the contractual annual principal maturities of long-term debt, including the Revolving Credit Facility, are as follows:

(in thousands)	(in thousands)	
2023		\$ 19,450
2024		
2024		
2024	2024	19,450
2025	2025	19,450
2026	2026	156,450
2027	2027	19,450
2028		
Thereafter	Thereafter	3,328,300
		<u>\$ 3,562,550</u>

15.17. LEASES

Operating Leases

The Company is committed under various operating lease agreements for real estate and property used in operations. Certain leases include various renewal options which are included in the lease term when the Company has determined it is reasonably certain of exercising the options. Certain of these leases include percentage rent payments based on property revenues and/or rent escalation provisions determined by increases in the **consumer price index ("CPI")**. CPI. These percentage rent and escalation provisions are treated as variable lease payments and recognized as lease expense in the period in which the obligation for those payments are incurred. Discount rates used to determine the present value of the lease payments are based on the Company's incremental borrowing rate commensurate with the term of the lease.

The Company had total operating lease liabilities of **\$836.1 million** **\$1.20 billion** and **\$531.0 million** **\$836.1 million** as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, respectively, and right of use assets of **\$808.9 million** **\$1.16 billion** and **\$507.8 million** **\$808.9 million** as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, respectively, which were included in the consolidated balance sheets.

GLPI Leases

As of **December 31, 2022** **December 31, 2023**, the Company's Bally's Evansville, Bally's Dover, Bally's Quad Cities, and Bally's Black Hawk, **Bally's Tiverton and Hard Rock Biloxi** properties are leased under the terms of a master lease agreement (the "Master Lease") with GLPI. All GLPI leases are accounted for as operating leases within the provisions of ASC 842, over the lease term or until a re-assessment event occurs. The Master Lease has an initial term of 15 years and includes four, five-year options to renew and requires combined minimum annual payments of **\$52.0** **\$100.5** million, subject to minimum 1% annual escalation or greater escalation dependent on CPI. The renewal options are not reasonably certain of exercise as of **December 31, 2022** **December 31, 2023**.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In connection with the sale of the real estate for Bally's Dover in the second quarter of 2021, the Company received proceeds of \$144.0 million and recognized a net gain of \$53.4 million. In connection with the sale of the real estate for Bally's Quad Cities and Bally's Black Hawk during the second quarter of 2022, the Company received proceeds of \$150.0 million and recognized a gain of \$50.8 million. The gains recorded on the transactions represent the difference in the respective transaction prices and the derecognition of assets and are recorded within **"General "Gain from sale-leaseback, net" in the consolidated statements of operations.**

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

On January 3, 2023, the Company completed a transaction with GLP Capital, L.P., the operating partnership of GLPI, related to the land and **administrative** real estate assets of Bally's Tiverton and Hard Rock Biloxi for total consideration of \$625.4 million. The transaction was structured as a tax-free capital contribution and a substantial portion of the proceeds was used to reduce the Company's debt. These properties were added to the Master Lease, increasing minimum annual payments by \$48.5 million. An advance deposit of \$200.0 million was received in the third quarter of 2022 in connection with this agreement, which was recorded within "Accrued liabilities" in the consolidated balance sheets as of December 31, 2022. During the year ended December 31, 2023, the Company recorded a gain of \$374.3 million representing the difference in the transaction price and the derecognition of assets. This gain is reflected as **"Gain from sale-leaseback, net"** in the consolidated statements of operations.

In addition to the properties under the Master Lease explained above, the Company **has** also entered into a lease with GLPI for the land associated with Tropicana Las Vegas, which the Company acquired during the **fourth** **third** quarter of 2022. This lease has an initial term of 50 years (with a maximum term of 99 years with renewal options) at annual rent of \$10.5 million, subject to minimum 1% annual escalation or greater escalation dependent on CPI. The renewal options are not reasonably certain of exercise as of **December 31, 2022** **December 31, 2023**.

On January 3, 2023, the Company completed a transaction with GLP Capital, L.P., the operating partnership of GLPI, related to the land and real estate assets of Bally's Tiverton and Hard Rock Biloxi for total consideration of \$635.0 million. The transaction was structured as a tax-free capital contribution and a substantial portion of the proceeds will be

applied to reduce the Company's debt. These properties will be added to the Master Lease, increasing minimum annual payments by \$48.5 million. During the third quarter of 2022, the Company received an advance deposit of \$200.0 million in connection with this agreement which was recorded within "Accrued liabilities" in the consolidated balance sheets as of December 31, 2022.

Components of lease expense included within "General and administrative" for operating leases during the years ended December 31, 2022, December 31, 2023, 2021, 2022 and 2020, 2021 are as follows:

Year Ended December 31,								Year Ended December 31,	
Year Ended December 31,								Year Ended December 31,	
(in thousands)	(in thousands)	2022	2021	2020	(in thousands)	2023	2022	2021	
Operating lease cost	Operating lease cost	\$ 75,675	\$36,354	\$3,256					
Variable lease cost	Variable lease cost	8,386	4,191	56					
Operating lease expense	Operating lease expense	84,061	40,545	3,312					
Short-term lease expense	Short-term lease expense	17,536	11,746	2,158					
Total operating lease expense		\$101,597	\$52,291	\$5,470					
Total lease expense									

Supplemental cash flow and other information related to operating leases for the year ended December 31, 2022, December 31, 2023 and 2021, 2022, are as follows:

Year Ended December 31,								Year Ended December 31,	
Year Ended December 31,								Year Ended December 31,	
(\$ in thousands)	(\$ in thousands)	2022	2021		(\$ in thousands)	2023		2022	
Cash paid for amounts included in the lease liability - operating cash flows from operating leases	Cash paid for amounts included in the lease liability - operating cash flows from operating leases	\$ 68,689	\$ 37,032						
Right of use assets obtained in exchange for operating lease liabilities	Right of use assets obtained in exchange for operating lease liabilities	\$341,747	\$818,405						
Weighted average remaining lease term	Weighted average remaining lease term	20.7 years	15.3 years						
Weighted average remaining lease term									

Weighted average remaining lease term		17.6 years		20.7 years	
Weighted average discount rate	Weighted average discount rate	6.7 %	6.1 %	Weighted average discount rate	7.5 %
					6.7 %

As of **December 31, 2022** **December 31, 2023**, future minimum lease payments under noncancelable operating leases are as follows:

(in thousands)	(in thousands)	
2023	\$	82,680
2024		
2024		
2024	2024	87,308
2025	2025	91,310
2026	2026	90,565
2027	2027	84,912
2028		
Thereafter	Thereafter	1,270,751
Total lease payments	Total lease payments	1,707,526
Less: present value discount	Less: present value discount	(871,385)
Lease obligations	Lease obligations	\$ 836,141

BALLY'S CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Future minimum lease payments disclosed in the table above include \$87.7 million related to extension options that are reasonably certain of being exercised. The table above does not include \$18.1 million of payments for leases signed but not yet commenced as of December 31, 2022.

BALLY'S CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Financing Obligation

Bally's Chicago Operating Company, LLC., an indirect wholly-owned subsidiary of the Company, entered into a ground lease for the land on which Bally's Chicago will be built, which is accounted for as a financing obligation in accordance with ASC 470, *Debt*, as the transaction did not qualify as a sale under ASC 842. The lease commenced November 18, 2022 and has a 99-year term followed by ten separate 20-year renewals at the Company's option.

The Company recorded land within **property** "Property and equipment, **net**" of \$200.0 million with a corresponding **long-term liability** within "Long-term portion of financing obligation" of \$200.0 million on its consolidated balance sheets as of **December 31, 2022**, **December 31, 2023** and **2022**. All lease payments are recorded as interest expense and there is no reduction to the financing obligation over the lease term. Bally's Chicago made cash payments, and recorded corresponding interest expense, of **\$17.4 million** and **\$2.0 million** during the **year** years ended **December 31, 2022**, **December 31, 2023** and **2022**, respectively.

Lessor

The Company leases its hotel rooms to patrons and records the corresponding lessor revenue in "Non-gaming revenue" within our consolidated statements of operations. For the years ended **December 31, 2022** **December 31, 2023**, **2021**, **2022**, and **2020**, **2021**, the Company recognized **\$200.7 million**, **\$153.8 million** **\$95.4 million** and **\$24.7** **\$95.4 million** of lessor revenues related to the rental of hotel rooms, respectively. Hotel leasing arrangements vary in duration, but are short-term in nature. The cost and accumulated depreciation of property and equipment associated with hotel rooms is included in "Property and equipment, net" within our consolidated balance sheets.

16. 18. EQUITY PLANS

Equity Incentive Plans

The As of **December 31, 2023**, the Company has **three** **two** equity incentive plans: the 2010 BLB Worldwide Holdings, Inc. Stock Option Plan (the "2010 Option Plan"), the 2015 Stock Incentive Plan ("2015 Incentive Plan") and the Bally's Corporation 2021 Equity Incentive Plan ("2021 Incentive Plan"), collectively (the "Equity Incentive Plans").

The 2010 Option Plan provided for options to acquire 2,455,368 shares of the Company's common stock. Options granted to employees, officers and directors of the Company under the 2010 Option Plan vested on various schedules by individual as defined in the individual participants' option agreements. Vested options can generally be exercised all or in part at any time until the tenth anniversary of the date of grant. Effective December 9, 2015, it was determined that no new awards would be granted under the 2010 Option Plan.

The 2015 Incentive Plan provided for the grant of stock options, time-based RSUs, RSAs, PSUs and other stock-based awards ("OSBAs") (collectively, "restricted awards") (including those with performance-based vesting criteria) to employees, directors or consultants of the Company. The 2015 Incentive Plan authorized for the issuance of up to 1,700,000 shares of the Company's common stock pursuant to grants of awards made under the plan. Effective May 18, 2021, no new awards were granted under the 2015 Incentive Plan as a result of the new 2021 Incentive Plan being approved at the Company's 2021 Annual Shareholder Meeting. The 2021 Incentive Plan provides for the grant of stock options, RSAs, RSUs, PSUs and other awards (including those with performance-based vesting criteria) to employees, directors or consultants of the Company. The 4,250,000 shares of the Company's common stock, decreased by the number of shares subject to awards granted under the 2015 Incentive Plan between December 31, 2020 and May 18, 2021, or 221,464 shares, plus any shares subject to awards granted under the 2021 Incentive Plan or the 2015 Incentive Plan that are added back to the share pool under the 2021 Incentive Plan pursuant to the plan's share counting rules, are authorized for issuance under the 2021 Incentive Plan. As of December 31, 2022 December 31, 2023, 3,240,857 1,563,230 shares were available for grant under the 2021 Incentive Plan.

Share-Based Compensation

The Company recognized total share-based compensation expense of \$27.9 million \$24.1 million, \$20.1 million \$27.9 million and \$17.7 million \$20.1 million for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively. The total income tax benefit for share-based compensation arrangements was \$7.1 million \$6.2 million, \$5.1 million \$7.1 million, and \$6.9 million \$5.1 million, for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively.

As of December 31, 2022 December 31, 2023, there was \$17.2 million \$17.0 million of unrecognized compensation cost related to outstanding share-based compensation arrangements (including stock options, RSA, RSU and PSU arrangements) which is expected to be recognized over a weighted average period of 1.2 1.9 years.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Stock Options

Stock option activity under the 2010 Option Plan for the year ended December 31, 2022 is as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 31, 2021	20,000	\$ 4.31	1.9 years	\$ 0.7 million
Exercised	(20,000)	\$ 4.31		
Outstanding at December 31, 2022	—			
Exercisable at December 31, 2022	—	\$ —	\$ —	\$ —

There were no stock options granted during the years ended December 31, 2022, 2021 or 2020.

The total intrinsic value of options exercised was \$0.6 million, \$3.4 million and \$0.4 million for the years ended December 31, 2022, 2021 and 2020, respectively. There was no remaining compensation cost relating to unvested stock options as of December 31, 2022, 2021 or 2020.

Restricted Stock Units and Performance-Based Restricted Stock Units

Under the 2015 Incentive Plan, RSUs and PSUs have been awarded to eligible employees, members of the Company's senior management and certain members of its Board of Directors. Each RSU and PSU represents the right to receive one share of the Company's common stock. RSUs generally vest in one-third increments over a three year period and compensation cost is recognized over the respective service periods based on the grant date fair value. PSUs generally vest over a three year period depending on the individual award agreement and become eligible for vesting upon attainment of performance objectives for the performance period. The number of PSUs that may become eligible for vesting varies and is dependent upon whether the performance targets are met, partially met or exceeded each year. The fair value of RSUs and PSUs is based on the Company's common stock price as of the grant date.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following summary presents information of equity-classified RSU and PSU activity for the year ended December 31, 2022 December 31, 2023:

	Restricted Stock Units	Performance Stock Units	Weighted Average Grant Date Fair Value	Restricted Stock Units	Performance Stock Units	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2021	960,493	29,995	\$ 48.28			

Outstanding at December 31, 2022				
Granted	Granted	359,051	115,174	30.13
Vested	Vested	(627,765)	(29,995)	44.27
Forfeited	Forfeited	(37,452)	(53,041)	38.59
Outstanding at December 31, 2022		654,327	62,133	\$ 38.35
Outstanding at December 31, 2023				

The weighted average grant date fair value for RSUs and PSUs was \$18.58, \$30.13 and \$53.52 in 2023, 2022, and \$31.27 in 2022, 2021, and 2020, respectively.

The total intrinsic value of RSUs vested was \$15.3 million \$8.5 million, \$9.1 million \$15.3 million and \$23.7 million \$9.1 million, for the years ended December 31, 2022 December 31, 2023, 2021 2022, and 2020 2021, respectively.

For PSU awards, performance objectives for each year are established no later than 90 days following the start of the year. As the performance targets have not yet been established for the PSUs that are eligible to be earned in 2023, 2024 or later, a grant date has not yet been established for those awards in accordance with ASC 718. The grant date for the 2023, 2022, 2021 and 2020 2021 performance periods have been established and, based upon achievement of the performance criteria for the years ended December 31, 2022 December 31, 2023, 2022, and 2021, 348,835, 62,133 and 2020, 62,133, 29,995 and 31,478 PSUs, respectively, became eligible for vesting.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

On December 30, 2020, the Company issued OSBAs in the form of immediately vested common stock to eligible employees, members of the Company's senior management and certain members of its Board of Directors under the 2015 Incentive Plan. These OSBAs were awarded in recognition of the strategic accomplishments of individuals and the Company as a whole for fiscal 2020 in lieu of potential cash incentive compensation. The Company elected to utilize stock as a form of compensation in an effort to preserve liquidity for the Company in light of COVID-19 and its impact on operations. Total net shares awarded on December 30, 2020 were 131,046 and the associated expense recognized was \$6.3 million for the year ended December 31, 2020.

17.19. STOCKHOLDERS' EQUITY

Capital Return Program

The Company has a Board of Directors approved capital return program under which the Company may expend a total of up to \$700 million for share repurchases and payment of dividends. Future share repurchases may be effected in various ways, which could include open-market or private repurchase transactions, accelerated stock repurchase programs, tender offers or other transactions. The amount, timing and terms of any return of capital transaction will be determined based on prevailing market conditions and other factors. There is no fixed time period to complete share repurchases. As of December 31, 2022 December 31, 2023, \$194.6 million \$95.5 million was available for use under the capital return program.

Total share repurchase activity during the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 is as follows:

Year Ended December 31,					Year Ended December 31,		
Year Ended December 31,					Year Ended December 31,		
(in thousands, except share and per share data)	(in thousands, except share and per share data)	2022 ⁽¹⁾	2021	2020	(in thousands, except share and per share data)	2023	2022 ⁽¹⁾
Number of common shares repurchased	Number of common shares repurchased	6,621,841	2,188,532	1,812,393			
Total cost	Total cost	\$ 153,366	\$ 87,024	\$ 33,292			
Average cost per share, including commissions	Average cost per share, including commissions	\$ 23.16	\$ 39.76	\$ 18.37			

(1) Includes 4.7 million shares repurchased from the Company's modified Dutch auction tender offer completed July 27, 2022 at a price of \$22.00 per share for an aggregate purchase price of \$103.3 million.

All shares repurchased during the years ended December 31, 2022, December 31, 2023, 2021 2022, and 2020 2021 were transferred to treasury stock. The Company retired 7,581,428, 7,394,642, 3,492,222, 7,394,642 and 10,892,083 3,492,222 shares of its common stock held in treasury during the years ended December 31, 2022, December 31, 2023, 2021 2022, and 2020, 2021, respectively. The shares were returned to the status of authorized but unissued shares. As of December 31, 2022, December 31, 2023, there were no shares remaining in treasury.

During the year ended December 31, 2020, the Company paid cash dividends of \$0.10 per common share for a total cost of approximately \$3.2 million. There were no cash dividends paid during the years ended December 31, 2022, December 31, 2023, 2022, and 2021.

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Common Stock Offering

On April 20, 2021, the Company issued a total of 12,650,000 shares of Bally's common stock in an underwritten public offering at a price to the public of \$55.00 per share. Net proceeds from the offering were approximately \$671.4 million, after deducting underwriting discounts, but before expenses.

On April 20, 2021, the Company issued to affiliates of Sinclair a warrant to purchase 909,090 common shares for an aggregate purchase price of \$50.0 million, or \$55.00 per share. The net proceeds were used to finance a portion of the purchase price of the Gamesys acquisition. The exercise price of the warrant is nominal and its exercise is subject to, among other conditions, requisite gaming authority approvals. Sinclair agreed not to acquire more than 4.9% of Bally's outstanding common shares without such approvals. In addition, in accordance with the agreements that Bally's and Sinclair entered into in November 2020, Sinclair exchanged 2,086,908 common shares for substantially identical warrants.

Preferred Stock

The Company has authorized the issuance of up to 10 million shares of \$0.01 par value preferred stock. As of December 31, 2022, December 31, 2023 and 2021, 2022, no shares of preferred stock have been issued.

BALLY'S CORPORATION
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Shares Outstanding

As of December 31, 2022, December 31, 2023, the Company had 46,670,057 39,973,202 common shares issued and outstanding. The Company issued warrants, options and other contingent consideration in acquisitions and strategic partnerships that are expected to result in the issuance of common shares in future periods resulting from the exercise of warrants and options or the achievement of certain performance targets. These incremental shares are summarized below:

Sinclair Penny Warrants (Note 13) 14)	7,911,724
Sinclair Performance Warrants (Note 13) 14)	3,279,337
Sinclair Options ⁽¹⁾ (Note 13) 14)	1,639,669
MKF Penny warrants (Note 11) 12)	34,455
MKF Contingent shares (Note 11)	344,625 44,128
Telescope Contingent shares (Note 11) 12)	8,626
SportCaller contingent shares ⁽⁴⁾ (Note 11)	357,735
Outstanding awards under Equity Incentive Plans (Note 16) 18)	716,460 1,524,428
	<u>14,292,631 14,407,912</u>

(1) Consists of four equal tranches to purchase shares with exercise prices ranging from \$30.00 to \$45.00 per share, exercisable over a seven-year period beginning on the fourth anniversary of the November 18, 2020 closing of the Sinclair Framework Agreement.

(2) The contingent consideration related to the SportCaller acquisition is 6.5M EUR as of December 31, 2022, payable in shares subject to certain post-acquisition earnout targets and based on share price at time of payment. For purposes of this estimate, the Company used the EUR>US Dollar conversion rate of 1.0666 as of December 31, 2022 and the closing share price of Company common shares of \$19.38 per share to calculate the shares expected to be issued if all earn-out targets are met.

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Accumulated Other Comprehensive Income (Loss)

The following table reflects the change in accumulated other comprehensive loss by component net of tax, for the years ended December 31, 2022, December 31, 2023, 2021 2022 and 2020, 2021:

(in thousands)	Foreign Currency	Defined Benefit Pension	
	Translation Adjustments	Plan	Total
Accumulated other comprehensive loss at December 31, 2019	\$ —	\$ (1,888)	\$ (1,888)
Current period other comprehensive loss	—	(1,256)	(1,256)
Accumulated other comprehensive loss at December 31, 2020	—	(3,144)	(3,144)
Current period other comprehensive income (loss)	(25,833)	2,064	(23,769)
Reclassification adjustments to net earnings	—	104	104
Accumulated other comprehensive loss at December 31, 2021	(25,833)	(976)	(26,809)
Current period other comprehensive income (loss)	(270,151)	1,320	(268,831)
Accumulated other comprehensive income (loss) at December 31, 2022	\$ (295,984)	\$ 344	\$ (295,640)

(in thousands)	Foreign Currency	Cash Flow		Net Investment	Total
	Translation Adjustment	Benefit Plans	Hedges ⁽¹⁾	Hedges	
Accumulated other comprehensive loss at December 31, 2020	\$ —	\$ (3,144)	\$ —	\$ —	\$ (3,144)
Other comprehensive income (loss) before reclassifications	(25,833)	3,040	—	—	(22,793)
Reclassifications from accumulated other comprehensive income (loss) to earnings	—	104	—	—	104
Tax effect	—	(976)	—	—	(976)
Accumulated other comprehensive loss at December 31, 2021	(25,833)	(976)	—	—	(26,809)
Other comprehensive income (loss) before reclassifications	(270,151)	1,911	—	—	(268,240)
Tax effect	—	(591)	—	—	(591)
Accumulated other comprehensive income (loss) at December 31, 2022	(295,984)	344	—	—	(295,640)
Other comprehensive income (loss) before reclassifications	118,781	977	(14,183)	(18,116)	87,459
Reclassifications from accumulated other comprehensive income (loss) to earnings	—	—	(1,953)	(1,350)	(3,303)
Effects of settlement (Note 20)	—	(244)	—	—	(244)
Tax effect	—	(191)	4,890	(2,529)	2,170
Accumulated other comprehensive income (loss) at December 31, 2023	\$ (177,203)	\$ 886	\$ (11,246)	\$ (21,995)	\$ (209,558)

(1) As of December 31, 2023, approximately \$5.0 million of existing gains and losses are estimated to be reclassified into earnings within the next 12 months.

18.20. EMPLOYEE BENEFIT PLANS

Multi-employer Defined Benefit Plans

The Company participates in and contributes to a number of multiemployer defined benefit pension plans under the terms of collective-bargaining agreements that cover certain of its union-represented employees. The risks of participating in these multi-employer plans are different from single-employer plans in the following aspects:

- Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Company chooses to stop participating in some of its multi-employer plans, the Company may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

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The following table outlines the Company's participation in multi-employer pension plans for the years ended **December 31, 2022**, **December 31, 2023**, **2021** and **2020** and sets forth the calendar year contributions and accruals for each plan. The "EIN/Pension Plan Number" column provides the Employer Identification Number ("EIN") and the three-digit plan number. The most recent Pension Protection Act zone status available in **2022** and **2021** relates to the plans' two most recent fiscal year-ends. The zone status is based on information that the Company received from the plans' administrators and is certified by each plan's actuary. Plans certified in the red zone are generally less than 65% funded, plans certified in the orange zone are both less than 80% funded and have an accumulated funding deficiency or are expected to have a deficiency in any of the next six plan years, plans certified in the yellow zone are less than 80% funded and plans certified in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates whether a financial improvement plan ("FIP") for yellow/orange zone plans, or a rehabilitation plan ("RP") for red zone plans, is either pending or has been implemented. As of **December 31, 2022**, **December 31, 2023** and **2021**, all plans that have either a FIP or RP requirement have had the respective plan implemented.

Pension Fund	EIN/ Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Contributions and Accruals (in \$000's)			Company Contributions > 5%	Union Contract Expires
		2022	2021		2022	2021	2020		
SEIU National Industry Pension Fund	52-6148540	Red	Red	Yes/Implemented	\$ 495	\$ 460	\$ 366	No	4/30/2025
New England Carpenters Pension Fund ⁽¹⁾	51-6040899	Green	Green	No	95	75	91	No	5/31/2024
Plumbers and Pipefitters Pension Fund ⁽⁴⁾	52-6152779	Yellow	Yellow	Yes/Implemented	267	175	171	No	8/31/2022
Rhode Island Laborers Pension Fund ⁽⁴⁾	51-6095806	Green	Green	No	656	671	483	No	10/31/2022
New England Teamsters Pension Fund	04-6372430	Red	Red	Yes/Implemented	278	254	230	No	6/30/2023
The Legacy Plan of the UNITE HERE Retirement Fund ⁽³⁾	82-0994119/001	Red	Red	Yes/Implemented	963	1,319	578	No	6/30/2023
The Adjustable Plan of the UNITE HERE Retirement Fund ⁽³⁾	82-0994119/002	N/A ⁽²⁾	N/A ⁽²⁾	No					5/31/2026
Local 68 Engineers Union Pension Fund	51-0176618	Yellow	Yellow	Yes/Implemented	286	269	22	No	4/30/2027
Northeast Carpenters Pension Fund	11-1991772	Green	Green	No	127	122	10	No	4/30/2027
International Painters and Allied Trades Industry Pension Fund	52-6073909	Yellow	Yellow	Yes/Implemented	82	80	5	No	4/30/2027
Total Contributions					\$ 3,249	\$ 3,425	\$ 1,956		

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Pension Fund	EIN/ Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Contributions and Accruals (in \$000's)			Company Contributions > 5%	Union Contract Expires
		2023	2022		2023	2022	2021		
SEIU National Industry Pension Fund	52-6148540	Red	Red	Yes/Implemented	\$ 562	\$ 495	\$ 460	No	4/30/2025
New England Carpenters Pension Fund	51-6040899	Green	Green	No	138	95	75	No	5/31/2024
Plumbers and Pipefitters Pension Fund	52-6152779	Green	Yellow	No	277	267	175	No	8/30/2026
Rhode Island Laborers Pension Fund	51-6095806	Green	Green	No	597	656	671	No	10/31/2025
New England Teamsters Pension Fund	04-6372430	Red	Red	Yes/Implemented	298	278	254	No	6/30/2028
The Legacy Plan of the UNITE HERE Retirement Fund ⁽²⁾	82-0994119/001	Red	Red	Yes/Implemented	1,014	963	1,319	No	8/31/2028
The Adjustable Plan of the UNITE HERE Retirement Fund ⁽²⁾	82-0994119/002	N/A ⁽¹⁾	N/A ⁽¹⁾	No					5/31/2026
Local 68 Engineers Union Pension Fund	51-0176618	Yellow	Yellow	Yes/Implemented	289	286	269	No	4/30/2027
Northeast Carpenters Pension Fund	11-1991772	Green	Green	No	94	127	122	No	4/30/2027
International Painters and Allied Trades Industry Pension Fund	52-6073909	Red	Yellow	No	68	82	80	No	4/30/2027
Total Contributions					\$ 3,337	\$ 3,249	\$ 3,425		

(1) Effective January 1, 2018, the Rhode Island Carpenters Pension Fund (05-6016572) merged into the New England Carpenters Pension Fund.

(2) The Plan is not subject to the Pension Protection Act of 2016 zone status certification rule.

(3) (2) Formerly listed as Hotel & Restaurant Employees International Pension Fund - Allocations of contributions between the two plans are determined by the plan administrator. Unions at Bally's Twin River and Bally's Atlantic City participate in the UNITE HERE Retirement funds.

(4) Union contract under negotiation as of 12/31/2022.

Contributions, based on wages paid to covered employees totaled approximately \$3.2 million \$3.3 million, \$3.4 million \$3.2 million and \$2.0 million \$3.4 million for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively. These aggregate contributions were not individually significant to any of the respective plans. The

Company's share of the unfunded vested liability related to its multi-employer plans, if any, other than the New England Teamsters and Trucking Industry Pension Fund discussed below, is not determinable.

Under the terms of certain collective bargaining agreements, the Company contributes to a number of multi-employer annuity funds. Contributions are made at a fixed rate per hour worked, in accordance with the collective bargaining agreements. These plans are not subject to the withdrawal liability provisions applicable to multi-employer defined benefit pension plans. Contributions made to these plans by the Company were \$2.6 million\$2.8 million, \$2.5 million\$2.6 million and \$1.2 million\$2.5 million for the years ended December 31, 2022December 31, 2023, 2021 2022 and 2020, 2021, respectively.

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Dover Downs Defined Benefit Pension Plan

The Company sponsors a non-contributory, tax qualified defined benefit pension plan that has been frozen since July 2011. As of December 31, 2022 2023 and 2021, 2022, the benefit obligation was \$20.8 million\$16.9 million and \$28.8 million\$20.8 million, respectively, and the fair value of plan assets were \$19.0 million\$16.5 million and \$24.2 million\$19.0 million, respectively. The Company did not make any contributions to the plan during the year ended December 31, 2022December 31, 2023 and does not expect to contribute in 2023, 2024. Net periodic benefit income and total income recognized in other comprehensive loss income for the year ended December 31, 2022December 31, 2023 were \$1.0 million\$0.3 million and \$1.9 million\$0.7 million, respectively. Amounts relating to the plan recognized in the consolidated balance sheets as of December 31, 2022December 31, 2023 and 2021 2022 consist of non-current liabilities of \$1.8 million\$0.5 million and \$4.6 million\$1.8 million, respectively.

During the year ended December 31, 2023, a settlement was recognized under the Dover Downs Defined Benefit Pension Plan as the total amount of lump sum benefit payments was greater than the sum of the service and interest costs for the fiscal year. The settlement reduced the Company's benefit obligation by \$3.4 million and reduced total income recognized in other comprehensive income for the year by \$0.2 million.

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Defined Contribution Plans

The Company has a retirement savings plan under Section 401(k) of the Internal Revenue Code covering its US non-union employees and certain union employees. The plan allows employees to defer up to the lesser of the Internal Revenue Code prescribed maximum amount or 100% of their income on a pre-tax basis through contributions to the plan. Gamesys also operates defined contribution retirement benefit plans for their U.K., US, Toronto, Isle of Man and Gibraltar offices. Eligible employees are allowed to contribute between 3-5% of their base salary to the various plans and the Company matches all employee contributions. Total employer contribution expense attributable to defined contribution plans was \$7.1 million\$8.5 million, \$4.8 7.1 million and \$0.7 million\$4.8 million for the years ended December 31, 2022December 31, 2023, 2021 2022 and 2020, 2021, respectively.

19, 21. INCOME TAXES

The components of income (loss) before taxes are as follows:

Years Ended December 31,					Years Ended December 31,			
Years Ended December 31,					Years Ended December 31,			
(in thousands)	(in thousands)	2022	2021	2020	(in thousands)	2023	2022	2021
Domestic	Domestic	\$(444,549)	\$(126,347)	\$(74,811)				
Foreign	Foreign	(9,920)	7,273	—				
Total	Total	\$(454,469)	\$(119,074)	\$(74,811)				

The components of the provision (benefit) for income taxes are as follows:

Years Ended December 31,					Years Ended December 31,			
Years Ended December 31,					Years Ended December 31,			
(in thousands)	(in thousands)	2022	2021	2020	(in thousands)	2023	2022	2021
Current taxes	Current taxes				Current taxes			
Federal	Federal	\$ 9,318	\$(10,284)	\$(72,517)				
State	State	8,289	4,676	2,002				
Foreign	Foreign	41,599	6,448	—				
		59,206	840	(70,515)				

		25,685		
Deferred taxes	Deferred taxes			
Federal	Federal			
Federal	Federal	(32,304)	294	9,871
State	State	(9,429)	4,770	(8,680)
Foreign	Foreign	(46,396)	(10,281)	—
		(88,129)	(5,217)	1,191
(Benefit) Provision for income taxes		\$(28,923)	\$ (4,377)	\$(69,324)
		(23,923)		
		(23,923)		
		(23,923)		
Provision (benefit) for income taxes				

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The effective rate varies from the statutory US federal tax rate as follows:

		Years Ended December 31,			Years Ended December 31,			
(in thousands)	(in thousands)	2022	2021	2020	(in thousands)	2023	2022	2021
Income tax (benefit) expense at statutory federal rate	Income tax (benefit) expense at statutory federal rate	\$(95,439)	\$(15,997)	\$(15,710)				
State income taxes, net of federal effect	State income taxes, net of federal effect	(10,096)	7,462	(5,276)				
Foreign tax rate adjustment	Foreign tax rate adjustment	(17,455)	(7,165)	—				
Nondeductible professional fees	Nondeductible professional fees	1,370	10,421	(665)				
Other permanent differences including lobbying expense	Other permanent differences including lobbying expense	2,414	4,696	279				
Share-based compensation	Share-based compensation	3,348	2,227	(922)				
Share-based compensation								
Share-based compensation								
Gain on bargain purchases	Gain on bargain purchases	22	(4,796)	(13,413)				
CARES Act	CARES Act	—	(5,320)	(33,347)				
Return to provision adjustments	Return to provision adjustments	(2,275)	(595)	(270)				

Global intangible low-tax income ("GILTI")	Global intangible low-tax income ("GILTI")	2,404	327	—
Loss on derivative instruments	Loss on derivative instruments	—	4,363	—
Goodwill	Goodwill	28,935	—	—
Change in uncertain tax positions	Change in uncertain tax positions	(2,224)	—	—
Change in valuation allowance	Change in valuation allowance	60,073	—	—
Total (benefit) provision for income taxes		\$(28,923)	\$ (4,377)	\$(69,324)
Total provision (benefit) for income taxes				
Effective income tax rate on continuing operations	Effective income tax rate on continuing operations	6.4 %	3.7 %	92.7 %
Effective income tax rate on continuing operations		(0.9) %		
		6.4 %		
		3.7 %		

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred income taxes at **December 31, 2022**, **December 31, 2023** and **2021** **2022** are as follows:

(in thousands)	(in thousands)	Years Ended December 31,		(in thousands)	Years Ended December 31,	
		2022	2021		2023	2022
Deferred tax assets:	Deferred tax assets:			Deferred tax assets:		
Accrued liabilities and other	Accrued liabilities and other	\$ 5,585	\$ 1,162			
Share-based compensation	Share-based compensation	1,699	2,792			
Naming rights liabilities		29,248	43,298			
Share-based compensation						
Share-based compensation						
Commercial rights liabilities						
Self constructed assets	Self constructed assets	5,690	5,730			
Interest	Interest	79,757	21,208			
Goodwill	Goodwill	3,140	—			
Net operating loss carryforwards	Net operating loss carryforwards	19,043	20,569			
Net operating loss carryforwards						
Net operating loss carryforwards						

Valuation allowance			
Valuation allowance			
Valuation allowance	Valuation allowance	(60,073)	—
Total deferred tax assets, net	Total deferred tax assets, net	\$ 84,089	\$ 94,759
Deferred tax liabilities:	Deferred tax liabilities:		
Deferred tax liabilities:			
Deferred tax liabilities:			
Land			
Land			
Land	Land	\$ (4,058)	\$ (4,071)
Property and equipment	Property and equipment	(52,202)	(35,807)
Change in accounting method	Change in accounting method	(73)	(8,494)
RI Joint Venture and GLPI Partnership			
Goodwill		—	(12,544)
Amortizable assets			
Amortizable assets			
Amortizable assets	Amortizable assets	(140,229)	(236,388)
Total deferred tax liabilities	Total deferred tax liabilities	\$(196,562)	\$(297,304)
Net deferred tax liabilities	Net deferred tax liabilities	\$(112,473)	\$(202,545)

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The Company will only recognize a deferred tax asset when, based on available evidence, realization is more likely than not. The Company has assessed its deferred tax liabilities arising from taxable temporary differences and has concluded such liabilities are not a sufficient source of income for the realization of deferred tax assets, including indefinite life taxable temporary differences which offset, subject to limitation, deferred tax assets with unlimited carryovers, such as the Section 163(j) interest limitation. Accordingly, a \$154.9 million and \$60.1 million valuation allowance has been established as of December 31, 2022. There was no valuation allowance established as of December 31, 2021. December 31, 2023 and 2022, respectively. The change in valuation allowance for the year years ended December 31, 2022 December 31, 2023 and 2022 was \$94.9 million and \$60.1 million, respectively. There was no change in valuation allowance for the years year ended December 31, 2021 and 2020.

At December 31, 2022 December 31, 2023, the Company's cash and cash equivalents totaled \$212.5 million \$163.2 million, of which approximately 41% 10% was held in locations outside the US. During the year ended December 31, 2022, the Company changed its assertion and will not indefinitely reinvest undistributed earnings. Accordingly, the Company has determined that no deferred tax liability is required for undistributed foreign earnings at December 31, 2022 December 31, 2023 and 2022 and will continue to monitor for future changes.

For the years ended December 31, 2022 December 31, 2023 and 2021 2022 the net deferred tax liabilities decreased by \$90.1 million \$22.9 million and increased decreased by \$165.6 \$90.1 million, respectively. For the year ended December 31, 2023, a decrease of \$23.9 million was included in income from operations, a decrease related to the foreign exchange remeasurement of \$1.2 million, and offset by an increase of \$2.2 million included in other comprehensive loss. For the year ended December 31, 2022, a decrease of \$88.1 million was included in income from operations, a decrease related to the foreign exchange remeasurement of \$1.4 million and a decrease of \$2.0 million was included in other comprehensive loss. For the year ended December 31, 2021, a decrease of \$5.2 million was included in income from operations, an increase of \$169.8 million was acquired from business combinations in 2021, and a decrease of \$1.0 million was \$0.6 million included in other comprehensive loss.

As of December 31, 2022 December 31, 2023, the Company has \$9.1 \$25.4 million of federal net operating carryforwards subject to a section 382 limitation with an unlimited carryforward period. There was \$14.6 million \$9.1 million of federal net operating carryforwards subject to a section 382 limitation with an unlimited carryforward period as of December 31, 2021 December 31, 2022. As of December 31, 2022 December 31, 2023 and December 31, 2021, 2022, the Company had \$174.5 \$310.3 million and \$92.4 \$174.5 million of state net operating loss carryforwards, respectively, which expire at various dates through 2041.

The Internal Revenue Code (IRC) Section 382 provides for a limitation of the annual use of net operating loss and tax credit carryforwards following certain ownership changes (as defined by the IRC Section 382) that limits the Company's ability to utilize these carryforwards prior to expiration. Section 382 can also apply when we acquire subsidiaries with net operating loss carryforwards, as there may be limitations on the use of acquired net operating losses against our taxable income. As of December 31, 2022 December 31, 2023, the Company expects to utilize all acquired tax attributes prior to expiration.

CARES Act

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was signed into law. The CARES Act provides opportunities for additional liquidity, loan guarantees, and other government programs to support companies affected by the COVID-19 pandemic and their employees, including those that operate in the gaming area. The benefits of the CARES Act that were available to us included:

- a. refund of federal income taxes due to five-year carryback of net operating loss incurred in 2020 when our 2020 tax return was filed in 2021;
- b. relaxation of interest expense deduction limitation for income tax purposes; and
- c. the employee retention credit, providing a refundable federal tax credit equal to 50% of the first \$10,000 of qualified wages and benefits, including qualified medical plan contributions, paid to employees while they are not performing services after March 12, 2020 and before January 1, 2021.

The Company realized a tax benefit of \$5.3 million and \$33.3 million in the years year ended December 31, 2021 and 2020, respectively. The Company realized no tax benefit in during the year years ended December 31, 2022, December 31, 2023 and 2022. The Company intends to continue to review and consider any available potential benefits under the CARES Act for which it qualifies, including those described above. The Company cannot predict the manner in which such benefits or any of the other benefits described herein will be allocated or administered and the Company cannot provide assurances that it will be able to access such benefits in a timely manner or at all. If the US government or any other governmental authority agrees to provide such aid under the CARES Act or any other crisis relief assistance, it may impose certain requirements on the recipients of the aid, including restrictions on executive officer compensation, dividends, prepayment of debt, limitations on debt and other similar restrictions that will apply for a period of time after the aid is repaid or redeemed in full.

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From time to time, the Company may be subject to audits covering a variety of tax matters by taxing authorities in any taxing jurisdiction where the Company conducts business. While the Company believes that the tax returns filed and tax positions taken are supportable and accurate, some tax authorities may not agree with the positions taken. This can give rise to tax uncertainties which, upon audit, may not be resolved in the Company's favor. There was an acquired tax contingency accrual of \$5.1 million for uncertain tax positions recorded as of December 31, 2021. There was no unrecognized tax benefit recorded as of December 31, 2020. As of December 31, 2022 December 31, 2023, there was \$11.3 million \$29.3 million tax contingency accruals and deferred tax asset reductions for uncertain tax positions, of which \$8.9 \$25.7 million would impact the effective tax rate, if recognized. A reconciliation of the beginning and ending balances of the gross liability for uncertain tax positions is as follows:

(in thousands)	(in thousands)	2022	2021	2020
(in thousands)				
(in thousands)		2023	2022	2021(1)
Uncertain tax position liability at the beginning of the year	Uncertain tax position liability at the beginning of the year	\$ 5,131	\$ —	\$ —
Increases related to tax positions taken during the year				
Increases related to tax positions taken during prior period	Increases related to tax positions taken during prior period	11,277	5,131	—

Decreases related to tax positions taken during prior periods	Decreases related to tax positions taken during prior periods	(5,131)	—	—
Uncertain tax position liability at the end of the year	Uncertain tax position liability at the end of the year	\$11,277	\$5,131	\$—
Uncertain tax position liability at the end of the year				
Uncertain tax position liability at the end of the year				

(1) There was an acquired tax contingency accrual of \$5.1 million for uncertain tax positions recorded as of December 31, 2021.

It is reasonably possible that the Company's unrecognized tax benefits could change in the next twelve months, however the Company is unable to estimate a range at this time.

The Company records interest and penalties related to uncertain tax positions as a component of the income tax provision (benefit). The Company has reserved interest and penalties on uncertain tax positions of \$0.7 million and \$0.1 million as of December 31, 2022, December 31, 2023 and 2022, respectively. The Company has not reserved interest recorded \$0.6 million and penalties on uncertain tax positions as of December 31, 2021. The Company has recorded \$0.1 million of interest on uncertain tax positions on the statement of operations for the year ended December 31, 2022. There was no interest on uncertain tax positions recorded in the statement consolidated statements of operations for the years ended December 31, 2021, December 31, 2023 and 2020, 2022, respectively.

The Company and its subsidiaries file tax returns in several jurisdictions including the US and various US state and foreign jurisdictions. The Company remains subject to examination for US federal income tax purposes for the years ended December 31, 2015 through 2021, 2023, as a result of a 2020 net operating loss carryback claim. The Company remains subject to examination for state and foreign income tax purposes for the years ended December 31, 2012, December 31, 2013 through 2021, 2023. The Company is currently appealing an audit by the State of Colorado for tax years ended December 31, 2012 through 2015. Based on the current status of the Colorado appeal, the Company believes no additional reserves are necessary. In addition, the disallowance of a loss carryforward generated in a period outside of the normal statute of limitations is generally open until the statute of limitations expires in the year of the utilization of the loss.

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BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

22. COMMITMENTS AND CONTINGENCIES

Litigation

Diamond commenced reorganization proceedings under Chapter 11 of the Bankruptcy Code in March 2023. In July 2023, Diamond commenced litigation against Sinclair, Bally's and others as part of its bankruptcy proceedings, challenging a series of transactions between Sinclair and Diamond. One of the 19 counts in the complaint includes Bally's as a defendant, alleging that the Commercial Agreement with Sinclair involved fraudulent transfers and unlawful distributions. Subsequent to December 31, 2023, Diamond agreed to settle these claims against all defendants, including Bally's. Under the settlement terms, Diamond would receive payments from Sinclair and would reject the Commercial Agreement. Bally's would continue to have naming rights on Diamond's RSNs through the 2024 major league baseball season at no cost to either party (unless Diamond agrees with a new counterparty that will pay for such naming rights). Bally's, in turn, would receive a release of all claims Diamond may have against it. Bally's obligation to pay Diamond for the naming rights terminated upon the bankruptcy court's approval of the settlement terms, which the court approved on March 1, 2024. Bally's recognized a \$144.9 million non-cash liability to reflect the net effect of the termination of naming rights on its remaining commercial rights intangible asset originally recorded at the time that the arrangement was agreed.

The Company is a party to other various legal and administrative proceedings which have arisen in the ordinary course of its business. Estimated losses are accrued for these proceedings when the loss is probable and can be estimated. The current liability for the estimated losses associated with these proceedings is not material to the Company's consolidated financial condition and those estimated losses are not expected to have a material impact on results of operations. Although the Company maintains what it believes is adequate insurance coverage to mitigate the risk of loss pertaining to covered matters, legal and administrative proceedings can be costly, time-consuming and unpredictable.

Although no assurance can be given, the Company does not believe that the final outcome of these matters, including costs to defend itself in such matters, will have a material adverse effect on the company's Company's consolidated financial statements. Further, no assurance can be given that the amount or scope of existing insurance coverage will be sufficient to cover losses arising from such matters.

Master Video Lottery Terminal Contract

The current terms for the Twin River Casino Hotel and Tiverton Casino Hotel contracts with the Division of Lotteries of the Rhode Island Department of Revenue end on July 1, 2043. The Tiverton Casino Hotel contract was automatically assigned, pursuant to Rhode Island law, from Newport Grand to Tiverton Casino Hotel upon commencement of gaming operations at the Tiverton Casino Hotel.

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In connection with the Company's joint venture with International Game Technology PLC ("IGT") IGT, a joint venture was organized as the Rhode Island VLT Company, LLC to supply the State of Rhode Island with all VLTs at both Bally's Twin River and Bally's Tiverton. Under the transaction agreement for the joint venture, dated December 21, 2022, the Company has agreed to pay \$7.5 million to an affiliate of IGT, payable in two equal parts, the first was paid in the first half of 2023 and the second will be payable on or before June 15, 2023 and 2024, respectively. June 15, 2024.

Capital Expenditure Commitments

Bally's Atlantic City - As part of the regulatory approval process with the State of New Jersey, the Company committed to spend \$100 million in capital expenditures over a five year period to invest in and improve the property. The commitment calls for expenditures of no less than \$25 million each in 2021, 2022 and 2023 and \$85 million in aggregate for 2021, 2022 and by 2023. The remaining \$15 million of committed capital must be spent over 2024 and 2025. From 2021 through 2025, no less than \$35 million must be invested in the hotel and no less than \$65 million must be invested in non-hotel projects. As of December 31, 2023, approximately \$7.7 million of the commitment remains.

Bally's Twin River - Per Pursuant to the terms of the Regulatory Agreement in Rhode Island, the Company is committed to invest \$100 million in its Rhode Island properties over the term of the master contract through June 30, 2043, including an expansion and the addition of new amenities at Bally's Twin River. As of December 31, 2023, approximately \$64 million of the commitment remains.

Bally's Chicago - Pursuant to the Host Community Agreement with the City of Chicago, the Company's indirect subsidiary is required to spend at least \$1.34 billion on the design, construction and outfitting of the temporary casino and the permanent resort and casino. The actual cost of the development may exceed this minimum capital investment requirement. In addition, land acquisition costs and financing costs, among other types of costs, are not counted toward meeting this requirement.

BALLY'S CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

City of Chicago Guaranty

In connection with the host community agreement, signed Host Community Agreement, entered into by Bally's Chicago Operating Company, LLC (the "Developer"), a wholly-owned indirect subsidiary of the Company, the Company provided the City of Chicago with a performance guaranty whereby the Company agreed to have and maintain available financial resources in an amount reasonably sufficient to allow the Developer to complete its obligations under the host community agreement, Host Community Agreement. In addition, upon notice from the City of Chicago that the Developer has failed to perform various obligations under the host community agreement, Host Community Agreement, the Company has indemnified agreed to indemnify the City of Chicago against any and all liability, claim or reasonable and documented expense the City of Chicago may suffer or incur by reason of any nonperformance of any of the Developer's obligations.

Bally's Chicago Casino Fees

Under the Illinois Gambling Act, the Company must pay various gaming license fees to the Illinois Gaming Board in connection with the Company's casino operations. These fees include: (i) a \$250,000 land based gaming fee to operate the casino on land prior to commencing operations, (ii) a \$250,000 license fee prior to receiving an owners license and gambling operations commence, (iii) gaming position fees equal to the minimum initial fee of \$30,000 per gaming position to be paid within 30 days of issuance of an owners license or Temporary Operating Permit ("TOP"), (iv) a \$15 million reconciliation fee upon issuance of a TOP or an owners license, whichever is earlier, and (v) a reconciliation fee payment three years after the date operations commenced (in a temporary or permanent facility) in an amount equal to 75% of the adjusted gross receipt ("AGR") for the most lucrative 12-month period of operations, minus the amount equal to the initial payment per gaming position paid. On September 9, 2023, operations commenced at the Company's Bally's Chicago temporary casino, which triggered \$135.3 million in such required gaming license fees to be paid to the Illinois Gaming Board.

Sponsorship Commitments

The As of December 31, 2023, the Company has entered into several multiple sponsorship agreements totaling \$83.3 million over 15 years, with various professional sports leagues and teams, allowing teams. These agreements commit a total of \$135.0 million through 2036 and grant the Company rights to use of official league marks for branding and promotions, among other rights, benefits.

Interactive Technology Commitments

The Company has certain multi-year agreements with its various market access and content providers, as well as its online sports betting platform partners, that require the Company to pay variable fees based on revenue, with minimum annual guarantees. The cumulative minimum obligation committed in these agreements is approximately \$55.4 million, beginning in 2024, and extending through 2028.

Collective Bargaining Agreements

As of **December 31, 2022** **December 31, 2023**, the Company had approximately 10,500 employees. Most of the Company's employees in Rhode Island, Nevada and New Jersey are represented by a labor union and have collective bargaining agreements with the Company. As of such date, the Company had **29** **32** collective bargaining agreements covering approximately **2,755** **3,040** employees. All collective bargaining agreements are in good standing and **most** have been renegotiated **for a** **with terms between** three **or** and five **year term, years**. There can be no assurance that we will be able to extend or enter into replacement agreements. If the Company is able to extend or enter into replacement agreements, there can be no assurance as to whether the terms will be on comparable terms to the existing agreements.

21.23. SEGMENT REPORTING

The Company has three operating and reportable segments: Casinos & Resorts, **North America** **International** Interactive and **International** **North America** Interactive. The "Other" category includes interest expense for the Company and certain unallocated corporate operating expenses and other adjustments, including eliminations of transactions among segments to reconcile to the Company's consolidated results including, among other expenses, share-based compensation, acquisition and other transaction costs and certain non-recurring charges. During the first quarter of 2022, the Company changed its methodology for allocating certain corporate operating expenses within general and administrative expense previously reported in "Other" to directly apply such costs to the segment supported. The prior year results presented below were reclassified to conform to the new segment presentation.

The Company's three reportable segments as of **December 31, 2022** **December 31, 2023** are:

Casinos & Resorts - Includes the Company's **15** **16** casino and resort properties, **one** **horse racetrack** and one **horse race track**.

North America Interactive - A portfolio of sports betting, iGaming, and free-to-play gaming brands. **golf course**.

International Interactive - Gamesys' European and Asian operations.

BALLY'S CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

North America Interactive - A portfolio of sports betting, iGaming, and free-to-play gaming brands, and the North American operations of Gamesys.

As of **December 31, 2022** **December 31, 2023**, the Company's operations were predominately in the US, Europe and Asia with a less substantive footprint in other countries world-wide. For geographical reporting purposes, revenue generated outside of the US has been aggregated into the International Interactive reporting segment, and consists primarily of revenue from the UK and Japan. Revenue generated from the UK and Japan represented approximately 25% and **11%**, **25%** and **12%**, and **11%** and **6%** of total revenue, respectively, during the year ended **December 31, 2022** **December 31, 2023, 2022** and **approximately 11%** and **6%**, respectively, for the year ended **December 31, 2021, 2021, respectively**. The Company does not have any revenues from any individual customers that exceed 10% of total reported revenues.

The Beginning in the third quarter of 2023, the Company **utilizes** updated its measure of segment performance to Adjusted **EBITDA** **EBITDAR** (defined below) **as a measure of its performance**, from Adjusted EBITDA. The prior year results presented below were reclassified to conform to the new segment presentation. Management believes segment Adjusted **EBITDA** **EBITDAR** is representative of its ongoing business operations including its ability to service debt and to fund capital expenditures, acquisitions and operations, in addition to it being a commonly used measure of performance in the gaming industry and used by industry analysts to evaluate operations and operating performance.

The following table sets forth revenue and Adjusted **EBITDA** **EBITDAR** for the Company's three reportable segments and reconciles Adjusted **EBITDA** **EBITDAR** on a consolidated basis to net **income (loss), loss**. The Other category is included in the following tables in order to reconcile the segment information to the Company's consolidated financial statements.

(in thousands)	Years Ended December 31,		
	2022	2021	2020
Revenue			
Casinos & Resorts	\$ 1,227,563	\$ 1,032,828	\$ 372,792
North America Interactive	81,700	38,352	—
International Interactive	946,442	251,263	—
Total	\$ 2,255,705	\$ 1,322,443	\$ 372,792
Adjusted EBITDA⁽¹⁾			
Casinos & Resorts	\$ 345,617	\$ 317,705	\$ 89,913
North America Interactive	(65,729)	(12,413)	—
International Interactive	321,651	69,944	—
Other	(53,024)	(45,334)	(20,658)
Total	548,515	329,902	69,255
Operating income (expense)			
Depreciation and amortization	(300,559)	(144,786)	(37,842)
Transaction costs	(85,604)	(84,543)	(14,050)

Share-based compensation	(27,912)	(20,143)	(17,706)
Gain on sale-leaseback	50,766	53,425	—
Impairment charges	(463,978)	(4,675)	(8,659)
Other	(14,236)	(35,798)	(9,384)
(Loss) income from operations	(293,008)	93,382	(18,386)
Other income (expense)			
Interest expense, net of interest income	(208,153)	(117,924)	(62,636)
Other	46,692	(94,532)	6,211
Total other expense, net	(161,461)	(212,456)	(56,425)
Loss before provision for income taxes	(454,469)	(119,074)	(74,811)
Benefit for income taxes	28,923	4,377	69,324
Net loss	\$ (425,546)	\$ (114,697)	\$ (5,487)

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(in thousands)	Years Ended December 31,		
	2023	2022	2021
Revenue			
Casinos & Resorts	\$ 1,363,291	\$ 1,227,563	\$ 1,032,828
International Interactive	973,210	946,442	251,263
North America Interactive	112,572	81,700	38,352
Total	<u>\$ 2,449,073</u>	<u>\$ 2,255,705</u>	<u>\$ 1,322,443</u>
Adjusted EBITDAR⁽¹⁾			
Casinos & Resorts	\$ 428,968	\$ 398,930	\$ 345,276
International Interactive	343,559	321,651	69,944
North America Interactive	(55,653)	(65,729)	(12,413)
Other	(63,770)	(53,024)	(45,334)
Total	<u>653,104</u>	<u>601,828</u>	<u>357,473</u>
Operating income (costs) and (expenses):			
Rent expense associated with triple net operating leases ⁽²⁾	(125,775)	(53,313)	(27,571)
Depreciation and amortization	(350,408)	(300,559)	(144,786)
Transaction costs	(80,376)	(85,604)	(84,543)
Restructuring	(31,014)	—	—
Share-based compensation	(24,074)	(27,912)	(20,143)
Gain from sale-leaseback, net	374,321	50,766	53,425
Impairment charges	(149,825)	(463,978)	(4,675)
Diamond Sports Group non-cash liability	(144,883)	—	—
Other	(17,061)	(14,236)	(35,798)
Income (loss) from operations	<u>104,009</u>	<u>(293,008)</u>	<u>93,382</u>
Other income (expense)			
Interest expense, net of interest income	(277,561)	(208,153)	(117,924)
Other	(12,186)	46,692	(94,532)
Total other expense, net	<u>(289,747)</u>	<u>(161,461)</u>	<u>(212,456)</u>
Loss before income taxes	<u>(185,738)</u>	<u>(454,469)</u>	<u>(119,074)</u>
(Provision) benefit for income taxes	(1,762)	28,923	4,377
Net loss	<u><u>\$ (187,500)</u></u>	<u><u>\$ (425,546)</u></u>	<u><u>\$ (114,697)</u></u>

- (1) Adjusted **EBITDA** **EBITDAR** is defined as earnings, or loss, for the Company before interest expense, net of interest income, provision (benefit) for income taxes, depreciation and amortization, non-operating (income) expense, acquisition, **integration** and **other transaction related costs**, **restructuring expense**, share-based compensation, and certain other gains or losses as well as, when presented for our reporting segments, an adjustment related to the allocation of corporate cost among **segments**, segments, plus rent expense associated with triple net operating leases. Adjusted EBITDAR should not be construed as an alternative to GAAP net income, its most directly comparable GAAP measure, nor is it directly comparable to similarly titled measures presented by other companies.

(2) Consists primarily of the operating lease components contained within certain triple net leases with GLPI. Refer to Note 17 "Leases" for further information.

(in thousands)	Years Ended December 31,		
	2023	2022	2021
Capital Expenditures			
Casinos & Resorts	\$ 143,526	\$ 183,693	\$ 92,479
International Interactive	2,462	12,392	4,166
North America Interactive	1,986	6,635	172
Other	163,509	9,536	708
Total	\$ 311,483	\$ 212,256	\$ 97,525

BALLY'S CORPORATION
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(in thousands)	Years Ended December 31,		
	2022	2021	2021
Capital Expenditures			
Casinos & Resorts	\$ 183,693	\$ 92,479	\$ 14,480
North America Interactive	6,635	172	—
International Interactive	12,392	4,166	—
Other	9,536	708	803
Total	\$ 212,256	\$ 97,525	\$ 15,283

Total assets are not regularly reviewed for each operating segment when assessing segment performance or allocating resources and accordingly, are not presented. As of **December 31, 2022** **December 31, 2023**, over 98% of the Company's long-lived assets, located outside of the US, consisting primarily of goodwill and intangible assets, were aggregated into the International Interactive reporting segment as disclosed in Note 10 "Goodwill and Intangible Assets." Over 98% of property and equipment, is are located within the US.

22. EARNINGS (LOSS) 24. LOSS PER SHARE

Diluted earnings per share includes the determinants of basic earnings per share and, in addition, reflects the dilutive effect of the common stock deliverable for stock options, using the treasury stock method, and for RSUs, RSAs and PSUs for which future service is required as a condition to the delivery of the underlying common stock.

		Years Ended December 31,			Years Ended December 31,		
		2022	2021	2020	2023	2022	2021
Net loss applicable to common stockholders	Net loss applicable to common stockholders	\$ (425,546)	\$ (114,697)	\$ (5,487)			
	Net loss applicable to common stockholders						
	Net loss applicable to common stockholders						
	Weighted average common shares outstanding, basic						
	Weighted average common shares outstanding, basic						
Weighted average common shares outstanding, basic	Weighted average common shares outstanding, basic	58,111,699	49,643,991	31,315,151			

Weighted average effect of dilutive securities	Weighted average effect of dilutive securities	—	—	—
Weighted average common shares outstanding, diluted	Weighted average common shares outstanding, diluted	58,111,699	49,643,991	31,315,151
Per share data	Per share data			
Per share data				
Per share data				
Basic				
Basic				
Basic	Basic	\$ (7.32)	\$ (2.31)	\$ (0.18)
Diluted	Diluted	\$ (7.32)	\$ (2.31)	\$ (0.18)
Diluted				
Diluted				
Anti-dilutive shares excluded from the calculation of diluted earnings per share	Anti-dilutive shares excluded from the calculation of diluted earnings per share	5,188,388	5,015,803	4,919,326
Anti-dilutive shares excluded from the calculation of diluted earnings per share				
Anti-dilutive shares excluded from the calculation of diluted earnings per share				

On November 18, 2020, the Company issued Penny Warrants, Performance Warrants and Options which participate in dividends with the Company's common stock subject to certain contingencies. In the period in which the contingencies are met, those instruments are participating securities to which income will be allocated using the two-class method. The Performance Warrants and Options do not participate in net losses. The Penny Warrants were considered exercisable for little to no consideration and are therefore included in basic shares outstanding at their issuance date. For the years ended **December 31, 2022**, **December 31, 2023**, **2021**, **2022** and **2020**, **2021**, the shares underlying the Performance Warrants were anti-dilutive as certain contingencies were not met. Refer to Note **13** "14 "Strategic Partnership - Sinclair Agreement" Broadcast Group" for further information.

23.25. SUBSEQUENT EVENTS

On **January 3, 2023**, the Company completed a transaction for its Bally's Tiverton and Hard Rock Biloxi properties. Refer to Note 15 "Leases" for further information.

On **January 5, 2023**, the Company acquired BACA Limited, ("Casino Secret") a European based, online casino with one of the fastest growing brands in the market, for approximately €43.9 million. Due to the timing of the acquisition, the initial purchase accounting is incomplete. The Company will complete its initial allocation of purchase price to total net assets acquired in the first quarter of 2023. The results of Casino Secret will be reported within the Company's International Interactive segment.

On **January 18, 2023**, **January 29, 2024**, the Company announced a restructuring plan of the Interactive business intended to reduce operating costs and continue the Company's commitment to achieving profitable operations in its North America Interactive segment. The Company estimates that it will incur between \$10 million cease its operations at the Tropicana Las Vegas on April 2, 2024 in order to \$15 million in charges in connection redevelop the site with a state-of-the-art integrated resort and ballpark. As a result of the restructuring plan representing cash severance costs which closure, the Company expects to incur in between \$15 million to \$20 million of severance charges and accelerated depreciation of approximately \$80 million, during the first quarter of **2023**, **2024**.

BALLY'S CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Management's Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer (principal executive officer) and chief financial officer (principal financial officer), conducted an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the year ended December 31, 2022 December 31, 2023, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on this evaluation, our chief executive officer and chief financial officer have concluded that during the period covered by this report, our the Company's disclosure controls and procedures were effective. Refer not effective due to the below for a discussion of material weaknesses in the Company's remediation of previously reported material weaknesses. internal control over financial reporting described below.

Disclosure Notwithstanding the ineffective disclosure controls and procedures are designed to ensure that information required to be disclosed by us in as a result of the identified material weaknesses, our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal chief executive officer and principal chief financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. have concluded that the consolidated financial statements in this Annual Report on Form 10-K present fairly, in all material respects, the Company's financial position, results of operations and cash flows in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP).

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's Board, management and other personnel to provide reasonable assurance regarding the reliability of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2022 December 31, 2023. In making this assessment, management used the criteria set forth established in the Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO framework"). Based on evaluation under the criteria established in Internal Control-Integrated Framework (2013) the COSO framework, management determined, based upon the existence of the material weaknesses described below, we did not maintain effective internal control over financial reporting as of the December 31, 2023.

The During the year ended December 31, 2023, the Company completed its acquisition of Tropicana Las Vegas on September 26, 2022 Bally's Golf Links and has not yet fully incorporated the internal controls and procedures of Tropicana Las Vegas this acquisition into the Company's internal control over financial reporting. Therefore, management excluded Tropicana Las Vegas Bally's Golf Links from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2022 December 31, 2023. This acquisition Bally's Golf Links constituted approximately \$326.8 million \$115 million, or 5.2% 2%, of the Company's total consolidated assets, and approximately \$24.1 million \$1 million, or 1.1% 0.1%, of the Company's consolidated revenues as of and for the year ended December 31, 2022 December 31, 2023.

Based on our assessment, management believes that, as A material weakness is a deficiency, or a combination of December 31, 2022, the Company's deficiencies, in internal control over financial reporting, is such that a reasonable possibility exists that a material misstatement of our annual or interim financial statements would not be prevented or detected on a timely basis.

Material Weaknesses Identified

Control Environment

- We have an insufficient number of personnel with the appropriate level of accounting knowledge, training and experience to appropriately analyze, record and disclose significant and complex accounting and tax matters timely and accurately. Specifically, the control owners did not perform adequate reviews of all available evidence and appropriately challenge assumptions used in certain estimates including litigation losses, impairment of indefinite-lived intangible assets, goodwill and other long-lived assets, and income taxes. These material weaknesses described above resulted in adjustments which were identified and corrected in connection with the completion of the audit for the year ended December 31, 2023.

Control Activities

- We lack segregation of duties over the preparation, review, and recording of journal entries within our International Interactive reportable segment. The failure to maintain appropriate segregation of duties has a pervasive impact and consequently, this deficiency impacts control activities over all financial statement account balances, classes of transactions, and disclosures within the International Interactive reportable segment.
- We did not effectively review account reconciliation and account analysis controls, including the controls to validate the completeness and accuracy of information used in the performance of those controls, at our International Interactive reportable segment. The failure to operate effective based on these criteria.

controls over account reconciliations and account analyses has a pervasive impact and consequently, this deficiency impacts control activities over all financial statement account balances, classes of transactions, and disclosures within the International Interactive reportable segment.

Deloitte & Touche LLP, the Company's independent registered public accounting firm that audited the Consolidated Financial Statements for the year ended December 31, 2022 December 31, 2023, issued an attestation report on the Company's internal control over financial reporting which immediately follows this report.

Remediation of Previously Reported Material Weaknesses Plan and Status

As previously disclosed in Part II, 9A. Controls and Procedures We are in the Company's Form 10-K/A process of, and we are focused on, designing and implementing effective measures to improve our internal controls over financial reporting and remediate the material weaknesses. Management is in the process of developing a detailed plan for remediation, which includes:

- Realigning resources and, where applicable, hiring qualified staff or using third-party subject matter experts with the year ended December 31, 2021, subsequent appropriate level of experience and training to segregate key functions within our financial processes in order to support the filing review of significant and complex accounting matters, including appropriately analyzing, recording and disclosing accounting matters timely and accurately, specifically around assumptions used in certain estimates.
- Educating control owners within our International Interactive reportable segment of the Company's Annual Report on Form 10-K for appropriate design elements of journal entry controls and enhancing our monitoring control to ensure that these control activities are performed and that journal entries have a separate preparer and independent reviewer.
- Strengthening controls over account reconciliations and account analyses within our International Interactive reportable segment to support financial reporting requirements. Specifically, controls will address the year ended December 31, 2021, timeliness of the review and the quality of information used in the review to ensure the completeness and accuracy.
- Implementing a new enterprise resource planning ("ERP") system, which we believe will enhance the flow of financial information, improve data management identified deficiencies and control and provide timely information to our management team will enable us to remediate segregation of duties over journal entries. As the implementation of the new ERP system progresses, we may change our processes and procedures which, in turn, could result in further changes to our internal control over financial reporting. As such changes occur, we will evaluate quarterly whether such changes materially affect our internal control over financial reporting.

While we believe our remediation efforts above will improve the effectiveness of our internal control over financial reporting, we cannot assure that resulted in the measures will be sufficient to remediate the material weaknesses we have identified or will prevent potential future material weaknesses. Specifically, the Company did not appropriately design a control to monitor the functional currency assessment of its subsidiaries in accordance with ASC Topic 830, Foreign Currency Matters, specifically with regard to foreign currency held by a newly formed subsidiary to effectuate a large international acquisition. The Company did not record the foreign currency transaction loss through earnings as required by ASC Topic 830 and did not reassess this conclusion upon review of the accumulated other comprehensive loss account each subsequent period. This design deficiency contributed to the potential for there to have been material errors in the Company's financial statements and therefore resulted in the following material weaknesses:

- Risk Assessment— control deficiencies constituting a material weakness, either individually or in the aggregate, relating to identifying and assessing changes in the business that could impact the system of internal controls; and
- Control Activities— control deficiencies constituting a material weakness, either individually or in the aggregate, relating to: (i) designing controls that would address relevant risks identified through the assessment of changes in the business and (ii) operation at a level of precision to identify all potentially material errors.

The material weaknesses contributed cannot be considered remediated until applicable controls have operated for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. Accordingly, we will continue to monitor and evaluate the correction effectiveness of an error in the consolidated financial statements as originally filed for the year ended December 31, 2021, for which the Company concluded such error required an immaterial revision of the previously reported financial statements and related notes thereto.

In response to the material weaknesses in the Company's our internal control over financial reporting, management enhanced its risk assessment to identify changes in its business that could impact the system of internal controls and implemented control activities related to the monitoring of foreign currency and the application of ASC 830. Management concluded that these controls were operating effectively at December 31, 2022, reporting.

Changes in Internal Control over Financial Reporting

During Other than the year ended December 31, 2022, material weaknesses noted above and the Company completed its acquisition of Tropicana Las Vegas, as defined above. See Note 6 "Business Combinations" included in Part II. Item 8 of this Annual Report on Form 10-K for a discussion of the acquisition and related financial data. The Company is currently in the process of integrating Tropicana Las Vegas' internal controls over financial reporting and except for its inclusion and the remediation of the previously reported

material weakness described above, Bally's Golf Links, there has been no change in our internal control over financial reporting that occurred during the fourth quarter of 2022 ended December 31, 2023 covered by this Annual Report on Form 10-K that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Bally's Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Bally's Corporation and subsidiaries (the "Company") as of December 31, 2022 December 31, 2023, based on criteria established in *Internal Control — Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, because of the effect of the material weaknesses identified below on the achievement of the objectives of the control criteria, the Company has not maintained in all material respects, effective internal control over financial reporting as of December 31, 2022 December 31, 2023, based on criteria established in *Internal Control — Integrated Framework* (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2022 December 31, 2023, of the Company and our report dated March 1, 2023 March 15, 2024, expressed an unqualified opinion on those financial statements.

As described in Management's Report on Internal Control over Financial Reporting, management excluded from its assessment the internal control over financial reporting at the Tropicana Las Vegas Hotel Bally's Golf Links and Casino, Inc., which was acquired on September 26, 2022, whose financial statements constitute approximately 5.2%, 2.0% of the Company's total consolidated assets and approximately 1.1% 0.1% of the Company's consolidated net revenues as of and for the year ended December 31, 2022 December 31, 2023. Accordingly, our audit did not include the internal control over financial reporting at the Tropicana Las Vegas Hotel and Casino, Inc. Bally's Golf Links.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Material Weaknesses

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weaknesses have been identified and included in management's assessment:

Control environment

Management identified material weaknesses related to an insufficient number of professionals with an appropriate level of accounting knowledge, training, and experience to appropriately analyze, record, and disclose significant and complex accounting and tax matters timely and accurately. Specifically, the control owners did not perform adequate reviews of all available evidence and appropriately challenge assumptions used in certain estimates including litigation expenses, impairment of indefinite-lived intangible assets, goodwill, and other long-lived assets, and income taxes. These material weaknesses described above resulted in adjustments which were identified and corrected in connection with the completion of the audit for the year ended December 31, 2023.

Control Activities

Management identified a material weakness related to the lack of segregation of duties over the preparation, review, and recording of journal entries within the International Interactive reportable segment. The failure to maintain appropriate segregation of duties has a pervasive impact and consequently, this deficiency impacts control activities over all financial statement account balances, classes of transactions, and disclosures within the International Interactive reportable segment.

Management identified a material weakness related to the ineffective review of account reconciliation and account analysis controls, including the controls to validate the completeness and accuracy of information used in the performance of those controls, at the International Interactive reportable segment. The failure to operate effective controls over account reconciliations and account analyses has a pervasive impact and consequently, this deficiency impacts control activities over all financial statement account balances, classes of transactions, and disclosures within the International Interactive reportable segment.

These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements as of and for the year ended December 31, 2023, of the Company, and this report does not affect our report on such financial statements.

/s/ Deloitte & Touche LLP
New York, New York
March 1, 2023 15, 2024

ITEM 9B. OTHER INFORMATION

None. During the quarter ended December 31, 2023, none of our officers or directors adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement," as defined in Item 408(a) of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item will be contained in our Definitive Proxy Statement on Schedule 14A for our Annual Meeting of Stockholders to be held on May 17, 2023 May 16, 2024 (the "2023 2024 Proxy Statement") and is incorporated herein by this reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item will be contained in the 2023 2024 Proxy Statement and is incorporated herein by this reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item will be contained in the 2023 2024 Proxy Statement and is incorporated herein by this reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item will be contained in the 2023 2024 Proxy Statement and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item will be contained in the 2023 2024 Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES

(2) Documents filed as a part of this Annual Report on Form 10-K.

1. *Financial Statements.* The Financial Statements filed as part of this Annual Report on Form 10-K are listed in the Index to Financial Statements in "Item 8. Financial Statements and Supplementary Data."
2. *Financial Statement Schedules.* All schedules have been omitted because they are either not required or the information required is included in our consolidated financial statements or the notes thereto included in Item 8 hereof.

3. *Exhibits.* The exhibits filed as part of this Annual Report on Form 10-K are listed in the Exhibit Index immediately following "Item 16. Form 10-K Summary," which is incorporated herein by reference.

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
2.1#	<u>Transaction Agreement, dated July 22, 2018, among Dover Downs Gaming & Entertainment, Inc., Twin River Worldwide Holdings, Inc. and Double Acquisition Corp., including the amendment dated October 8, 2018 (incorporated by reference to Exhibit 2.1 to the Company's Registration Statement on Form S-4 (File No. 333-228973) filed on December 21, 2018)</u>
2.2#	<u>Equity Purchase Agreement, dated July 10, 2019, by and among Isle of Capri Casinos LLC, IOC-Vicksburg, Inc. and IOC-Vicksburg, L.L.C., Rainbow Casino Vicksburg Partnership, L.P., IOC-Kansas City, Inc., Twin River Management Group, Inc., Premier Entertainment Vicksburg, LLC, and, solely for purposes of Section 1.5, Section 4.17, Section 4.21, Section 4.22 and Section 8.19, Eldorado Resorts, Inc., and solely for purposes of Section 1.5 and Section 8.20, Twin River Worldwide Holdings, Inc. (incorporated by reference to Exhibit 2.1 to the Company's Form 8-K (File No. 001-38850) filed July 11, 2019)</u>
2.3	<u>Equity Purchase Agreement, dated April 24, 2020, among Twin River Worldwide Holdings, Inc., Twin River Management Group, Inc., Eldorado Resorts, Inc. and certain affiliates of each of Twin River Worldwide Holdings, Inc. and Eldorado Resorts, Inc. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K (File No. 001-38850) filed April 24, 2020)</u>
2.4	<u>Equity Purchase Agreement, dated September 30, 2020, among Twin River Worldwide Holdings, Inc., Twin River Management Group, Inc., The Rock Island Boatworks, Inc. and certain affiliates of each of Twin River Worldwide Holdings, Inc. and The Rock Island Boatworks, Inc. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K (File No. 001-38850) filed October 1, 2020)</u>
2.5	<u>Amendment No. 2 to the Equity Purchase Agreement, dated November 20, 2020, among the Company, Eldorado Resorts, Inc. and certain of their affiliates (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K (File No. 001-38850) filed November 24, 2020)</u>
2.6	<u>Rule 2.7 Announcement, dated April 13, 2021 (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K (File No. 001-38850) filed on April 13, 2021)</u>
3.1	<u>Fifth Amended and Restated Certificate of Incorporation of Bally's Corporation (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-38850) filed on November 9, 2021)</u>
3.2	<u>Amended and Restated Bylaws of Bally's Corporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-38850) filed October 7, 2021)</u>
4.1	<u>Form of Certificate of Common Stock of Twin River Worldwide Holdings, Inc. (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
4.2	<u>Indenture, dated as of August 20, 2021, among Premier Entertainment Sub, LLC, Premier Entertainment Finance Corp. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 001-38850) filed on August 20, 2021)</u>
4.3	<u>First Supplemental Indenture, dated as of October 1, 2021, among Premier Entertainment Sub, LLC, Premier Entertainment Finance Corp., the guarantors party thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 001-38850) filed on October 7, 2021)</u>
4.4* 4.4	<u>Second Supplemental Indenture, dated as of April 13, 2022, among the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee (incorporated by reference to Exhibit 4.4 to the Company's Annual Report on Form 10-K (File No. 001-38850) filed on March 1, 2023)</u>
4.5* 4.5	<u>Third Supplemental Indenture, dated as of December 30, 2022, among the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee</u>

Exhibit Number	Description of Exhibit
4.6	<u>Description of Registrant's Securities (incorporated by reference to Exhibit 4.4 4.5 to the Company's Annual Report on Form 10-K (File No. 001-38850) filed on March 1, 2022 March 1, 2023)</u>

Exhibit Number	Description of Exhibit
4.6*	Description of Registrant's Securities
4.7	Form of Warrant (incorporated by reference to Exhibit 4.6 to the Company's Annual Report on Form 10-K (File No. 001-38850) filed on March 10, 2021)
4.8	Form of Option Agreement (incorporated by reference to Exhibit 4.7 to the Company's Annual Report on Form 10-K (File No. 001-38850) filed on March 10, 2021)
10.1	License Agreement, dated May 15, 2003, by and between Hard Rock Hotel Licensing, Inc., Premier Entertainment Biloxi LLC, and Premier Entertainment, LLC (incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)
10.2	First Letter Agreement, dated April 4, 2006, by and between Hard Rock Hotel Licensing, Inc., Premier Entertainment Biloxi LLC, and Premier Entertainment, LLC (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)
10.3	First Amendment to Hard Rock License Agreement, dated May 10, 2007, by and between Hard Rock Hotel Licensing, Inc., Premier Entertainment Biloxi LLC, and Premier Entertainment Biloxi LLC (incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)
10.4	Second Amendment to Hard Rock License Agreement, dated July 10, 2014, by and between Hard Rock Hotel Licensing, Inc., Premier Entertainment Biloxi LLC, and Twin River Management Group, Inc. (incorporated by reference to Exhibit 10.4 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)
10.5	Master Video Lottery Terminal Contract, dated July 18, 2005, by and between the Division of Lotteries of the Rhode Island Department of Administration and UTGR, Inc. (incorporated by reference to Exhibit 10.5 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)
10.6	First Amendment to Master Video Lottery Terminal Contract, dated November 4, 2010, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and UTGR, Inc. (incorporated by reference to Exhibit 10.6 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)
10.7	Second Amendment to Master Video Lottery Terminal Contract, dated May 3, 2012, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and UTGR, Inc. (incorporated by reference to Exhibit 10.7 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)
10.8	Third Amendment to Master Video Lottery Terminal Contract, dated September 18, 2012, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and UTGR, Inc. (incorporated by reference to Exhibit 10.8 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)
10.9	Fourth Amendment to Master Video Lottery Terminal Contract, dated July 1, 2014, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and UTGR, Inc. (incorporated by reference to Exhibit 10.9 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)
10.10	Fifth Amendment to Master Video Lottery Terminal Contract, dated May 2, 2017, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and UTGR, Inc. (incorporated by reference to Exhibit 10.10 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)

Exhibit Number	Description of Exhibit
10.11	<u>Sixth Amendment to Master Video Lottery Terminal Contract, dated May 3, 2017, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and UTGR, Inc., (incorporated by reference to Exhibit 10.11 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.12	<u>Seventh Amendment to Master Video Lottery Terminal Contract, dated March 12, 2018, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and UTGR, Inc., (incorporated by reference to Exhibit 10.12 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.13	<u>Eighth Amendment to Master Video Lottery Terminal Contract, dated February 17, 2022, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and UTGR, Inc., (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (File 001-38850) filed on February 24, 2022)</u>
10.14	<u>Master Video Lottery Terminal Contract, dated November 23, 2005, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and Newport Grand Jai Alai, LLC (incorporated by reference to Exhibit 10.13 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.15	<u>First Amendment to Master Video Lottery Terminal Contract, dated January 25, 2006, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and Newport Grand Jai Alai, LLC (incorporated by reference to Exhibit 10.14 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.16	<u>First Amendment to Master Video Lottery Terminal Contract, as previously amended, dated December 21, 2010, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and Newport Grand, LLC (f/k/a Newport Grand Jai Alai, LLC), (incorporated by reference to Exhibit 10.15 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.17	<u>Second Amendment to Master Video Lottery Terminal Contract, dated May 31, 2012, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and Newport Grand, LLC (f/k/a Newport Grand Jai Alai, LLC), (incorporated by reference to Exhibit 10.16 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.18	<u>Third Amendment to Master Video Lottery Terminal Contract, dated May 1, 2013, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and Newport Grand, LLC (f/k/a Newport Grand Jai Alai, LLC), (incorporated by reference to Exhibit 10.17 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.19	<u>Fourth Amendment to Master Video Lottery Terminal Contract, dated July 14, 2015, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and Premier Entertainment II, LLC, d/b/a Newport Grand (assignee of Newport Grand, LLC (f/k/a Newport Grand Jai Alai, LLC)), (incorporated by reference to Exhibit 10.18 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>
10.20	<u>Fifth Amendment to Master Video Lottery Terminal Contract, dated May 2, 2017, by and between the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration) and Premier Entertainment II, LLC, d/b/a Newport Grand (assignee of Newport Grand, LLC (f/k/a Newport Grand Jai Alai, LLC)), (incorporated by reference to Exhibit 10.19 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)</u>

Exhibit Number	Description of Exhibit
10.21	<u>Sixth Amendment to Master Video Lottery Terminal Contract, dated March 12, 2018, by and among the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration), Premier Entertainment II, LLC, d/b/a Newport Grand (assignee of Newport Grand, LLC (f/k/a Newport Grand Jai Alai, LLC)) and Twin-River Tiverton, LLC (incorporated by reference to Exhibit 10.20 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019).</u>
10.22	<u>Seventh Amendment to Master Video Lottery Terminal Contract, dated September 13, 2018, by and among the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration), Premier Entertainment II, LLC, d/b/a Newport Grand (assignee of Newport Grand, LLC (f/k/a Newport Grand Jai Alai, LLC)) and Twin-River Tiverton, LLC (incorporated by reference to Exhibit 10.21 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019).</u>
10.23	<u>Assignment, Assumption and Amendment of Master Video Lottery Terminal Contract, dated September 13, 2018, by and between Premier Entertainment II, LLC and Twin River-Tiverton LLC (incorporated by reference to Exhibit 10.22 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019).</u>
10.24	<u>Eighth Amendment to Master Video Lottery Terminal Contract, dated February 17, 2022, by and among the Division of Lotteries of the Rhode Island Department of Revenue (f/k/a the Division of Lotteries of the Rhode Island Department of Administration), Premier Entertainment II, LLC, d/b/a Newport Grand (assignee of Newport Grand, LLC (f/k/a Newport Grand Jai Alai, LLC)) and Twin-River Tiverton, LLC (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K (File 001-38850) filed on February 24, 2022).</u>
10.25	<u>Agreement, dated October 4, 2017, by and between Dover Downs, Inc. and Delaware Standardbred Owners Association (incorporated by reference to Exhibit 10.23 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019).</u>
10.26**	<u>BLB Worldwide Holdings, Inc. 2010 Stock Option Plan (incorporated by reference to Exhibit 10.24 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019).</u>
10.27**	<u>Amendment to 2010 BLB Worldwide Holdings, Inc. Stock Option Plan, effective June 17, 2014 (incorporated by reference to Exhibit 10.25 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019).</u>
10.28**	<u>Twin River Worldwide Holdings, Inc. 2015 Stock Incentive Plan (incorporated by reference to Exhibit 10.27 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019).</u>
10.29**	<u>Bally's Corporation 2021 Equity Incentive Plan (incorporated by reference to Annex B to the Registrant's Definitive Proxy Statement on Schedule 14A (File No. 001-38850) filed April 8, 2021).</u>
10.30**	<u>Form of Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.28 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019).</u>
10.31**	<u>Form of Restricted Stock Unit Award Agreement (Performance-Based) (incorporated by reference to Exhibit 10.29 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019).</u>
10.32**	<u>Form Restricted Stock Unit Award Agreement (Performance-Based) (incorporated by reference to Exhibit 10.39 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2019 (File No. 001-38850) filed on March 13, 2020).</u>
10.33**	<u>Form Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.40 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2019 (File No. 001-38850) filed on March 13, 2020).</u>

Exhibit Number	Description of Exhibit
10.34**	Employment Agreement, effective as of March 29, 2016, by and between Twin River Management Group, Inc. and George Papanier (incorporated by reference to Exhibit 10.31 to the Company's Registration Statement on Form S-4/A (File No. 333-228973) filed on January 25, 2019)
10.35**	Amendment No. 1, to Employment Agreement, dated as of January 13, 2020, by and among Twin River Worldwide Holdings, Inc. and George Papanier (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 001-38850) filed on January 16, 2020)
10.36**	Amendment No. 2 Employment Agreement, January 20, 2021, by and between Bally's Corporation and George Papanier (incorporated by reference to Exhibit 10.37 to the Company's Annual Report on Form 10-K for the year ended December 31, 2020 (File No. 001-38850) filed on March 10, 2021)
10.37**	Amendment No. 3 to Employment Agreement, dated February 13, 2023, by and between Bally's Corporation and George Papanier (incorporated by reference to Exhibit 10.3 to the Company's Form 8-K (File No. 001-38850) filed on February 13, 2023)
10.38**	Separation Agreement and Release, dated March 11, 2022 by and between Bally's Corporation and Stephen Capp (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 001-38850) filed March 14, 2022)
10.39**	Employment Agreement, dated March 11, 2022, by and between Bally's Corporation and Robert Lavan (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K (File No. 001-38850) filed March 14, 2022)
10.40**	Employment Agreement, effective July 10, 2013, by and between Twin River Management Group, Inc. and Craig L. Eaton (incorporated by reference to Exhibit 10.41 to the Company's Annual Report on Form 10-K for the year ended December 31, 2019 (File No. 001-38850) filed on March 13, 2020)
10.41* 10.40**	Form of Lee Fenton Service Employment Agreement, effective October 1, 2021 dated May 8, 2023, by and between Bally's Corporation and Marcus Glover (incorporated by reference to Exhibit 10.2 10.1 to the Company's Current Report on Form 8-K (File No. 001-38850) filed on October 7, 2021 May 9, 2023)
10.42* 10.41**	Form of Robeson Reeves Service Agreement, effective October 1, 2021 (incorporated by reference to Exhibit 10.44 to the Company's Annual Report on Form 10-K (File No. 001-38850) filed on March 1, 2022)
10.43** 10.42**	Amendment No. 1 to Service Agreement, dated June 1, 2022, by and between Bally's Corporation and Robeson Reeves (incorporated by reference to Exhibit 10.43 to the Company's Annual Report on Form 10-K (File No. 001-38850) filed on March 1, 2023)
10.44* 10.43**	Amendment No. 2 to Service Agreement, dated February 13, 2023, by and between Bally's Corporation and Robeson Reeves (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K (File No. 001-38850) filed on February 13, 2023)
10.45** 10.44**	Form of Kim Barker Lee Employment Agreement, effective December 7, 2022 (incorporated by reference to Exhibit 10.45 to the Company's Annual Report on Form 10-K (File No. 001-38850) filed on March 1, 2023)
10.46* 10.45**	Separation Agreement and Release, dated February 13, 2023, by and between Bally's Corporation and Lee Fenton (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 001-38850) filed February 13, 2023)
10.47 10.46	Credit Agreement, dated October 1, 2021, among Bally's Corporation, the subsidiary guarantors party thereto, the lenders party thereto and Deutsche Bank AG New York Branch, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File 001-38850) filed on October 7, 2021)

Exhibit Number	Description of Exhibit
10.48	Amended and Restated Regulatory First Amendment to Credit Agreement, dated February 17, 2022 June 23, 2023, by and among the Rhode Island Department of Business Regulation, the Division of Lotteries of the Rhode Island Department of Revenue, Bally's Corporation, Twin River Management Group, Inc., UTGR, Inc, the subsidiary guarantors party thereto, the lenders party thereto and Twin River-Tiverton, LLC Deutsche Bank AG New York Branch, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K 10-Q (File 001-38850) filed on February 24, 2022 November 3, 2023)

Exhibit Number	Description of Exhibit
10.48*	Amended and Restated Regulatory Agreement, dated March 1, 2024, by and among the Rhode Island Department of Business Regulation, the State Lottery Division of the Rhode Island Department of Revenue, Bally's Corporation, Bally's Management Group, LLC, UTGR, LLC, Twin River-Tiverton, LLC, and Bally's RI iCasino, LLC
10.49**	Bally's Corporation 2021 Equity Incentive Plan - Performance Unit Award Agreement (incorporated by reference to Exhibit 10.47 to the Company's Annual Report on Form 10-K (File No. 001-38850) filed on March 1, 2022)
10.50**	Bally's Corporation 2021 Equity Incentive Plan - Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.48 to the Company's Annual Report on Form 10-K (File No. 001-38850) filed on March 1, 2022)
21.1*	Schedule of Subsidiaries
23.1*	Consent of Independent Public Accounting Firm
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97.1*	Bally's Corporation Compensation Clawback Policy
99.1*	Description of Government Regulations
101.INS	Inline XBRL Instance Document - the instance document does not appear in the interactive data file because XBRL tags are embedded within the inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	The cover page from Bally's Corporation's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 , formatted in inline XBRL contained in Exhibit 101
#	As permitted under Item 601(a)(5) of Regulation S-K, the exhibits and schedules to this exhibit are omitted from this filing. The Company agrees to furnish a supplemental copy of any omitted exhibit or schedule to the SEC upon its request.
*	Filed herewith.
**	Management contracts or compensatory plans or arrangements.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on **March 1, 2023** **March 15, 2024**.

BALLY'S CORPORATION

By: /s/ ROBERT M. LAVAN MARCUS GLOVER

Robert M. Lavan Marcus Glover

Chief Financial Officer

(Principal Financial and Accounting Officer)

By: /s/ LEE D. FENTON ROBESON M. REEVES

Lee D. Fenton Robeson M. Reeves

Chief Executive Officer

(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ LEE D. FENTON ROBESON M. REEVES Lee D. Fenton Robeson M. Reeves	President, Chief Executive Officer and Director (Principal Executive Officer)	March 1, 2023 15, 2024
/s/ ROBERT M. LAVAN MARCUS GLOVER Robert M. Lavan Marcus Glover	Chief Financial Officer (Principal Financial and Accounting Officer)	March 1, 2023 15, 2024
/s/ SOOHYUNG KIM Soohyung Kim	Chairman	March 1, 2023 15, 2024
/s/ TERRENCE DOWNEY Terrence Downey	Director	March 1, 2023 15, 2024
/s/ TRACY HARRIS Tracy Harris	Director	March 1, 2023 15, 2024
/s/ GEORGE T. PAPANIER George T. Papanier	Director	March 1, 2023 15, 2024
/s/ JAYMIN B. PATEL Jaymin B. Patel	Director	March 1, 2023 15, 2024
/s/ ROBESON M. REEVES Robeson M. Reeves	Director	March 1, 2023
/s/ JEFFREY W. ROLLINS Jeffrey W. Rollins	Director	March 1, 2023 15, 2024
/s/ WANDA Y. WILSON Wanda Y. Wilson	Director	March 1, 2023 15, 2024

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Exhibit 4.4 4.6

SECOND SUPPLEMENTAL INDENTURE DESCRIPTION OF REGISTRANT'S SECURITIES REGISTERED UNDER SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

This Second Supplemental Indenture (this "Supplemental Indenture") The following is a summary of certain information concerning Bally's Corporation's (the "Company," "Bally's," "we," "us," or "our") securities registered pursuant to Section 12 of the Securities and Exchange Act of 1934, as amended. The summaries and descriptions below do not purport to be complete statements of the relevant provisions the Company's fifth amended and restated certificate of incorporation (the "Certificate of Incorporation"), dated as the Company's amended and restated bylaws (the "Bylaws") and the applicable provisions of April 13, 2022, among Gamesys Group Limited, a United Kingdom private limited company, Gamesys Limited, a United Kingdom private limited company, Gamesys Group (Holdings) Limited, a Jersey registered private company, Gamesys Jersey Limited, a Jersey registered private company, Bally's Holdings UK Limited, a Jersey registered private company, Dumarca Holdings Limited, a Malta private limited company, and Dumarca Gaming Limited, a Malta private limited company (each a "Guaranteeing Subsidiary" and, collectively, the "Guaranteeing Subsidiaries" General Corporation Law of the State of Delaware (the "DGCL"), each a subsidiary. The summaries are qualified in their entirety by reference to the complete text of Bally's Corporation (or its permitted successor), a Delaware corporation (the "Company"), the Company, the other Guarantors (as defined in the Indenture referred to herein) and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association), Certificate of Incorporation, Bally's Bylaws, which are included as trustee under the Indenture referred to below (the "Trustee").

WITNESSETH

WHEREAS, the Company has heretofore executed and delivered exhibits to the Trustee an Indenture, dated as Company's Annual Report on Form 10-K for the year ended December 31, 2023, of August 20, 2021 (as amended which this exhibit is a part, and supplemented by provisions of applicable law.

General

Pursuant to our Certificate of Incorporation, we are authorized to issue two classes of registered capital stock, designated common stock and preferred stock. The aggregate number of registered shares that we are authorized to issue is 210,000,000, consisting of 200,000,000 shares of common stock, par value \$0.01 per share, and 10,000,000 shares of preferred stock, par value \$0.01 per share. The outstanding shares of our common stock are duly authorized, validly issued, fully paid and non-assessable. As of [•], 2024, no shares of preferred stock have been issued.

Capital Stock

Dividend Rights

Dividends may be declared by our board of directors from time to time. The rights of holders of shares of common stock to receive dividends, to the extent declared by our board of directors, is subject to the rights of the holders of any series of preferred stock.

Voting Rights

Subject to the rights of the holders of any series of preferred stock, each share of common stock is entitled to one vote. At each stockholders meeting, all matters will be decided by a majority of the votes (except with respect to the election of directors, who are elected by a plurality of the votes) cast at such meeting by the holders of shares of capital stock present or represented by proxy and entitled to vote thereon with a quorum being present (except in cases where a greater number of votes is required by law, our Certificate of Incorporation or our Bylaws).

Preferred Stock Rights

Shares of preferred stock may be issued in one or more series. As of [•], 2024, no shares of preferred stock have been issued. Our board of directors is authorized, without any further vote or action by stockholders, to designate and issue the preferred stock in such series and to fix from time to time before issuance the number of shares to be included in any such series and the designation, powers, preferences and relative, participating, option or other rights, if any, and the qualifications, limitations or restrictions of such series. The authority of our board of directors with respect to each such series will include, without limitation, the determination of any or all of the following:

- Indenture the number of shares and designation;
-), the voting powers, if any, and whether such voting powers are full or limited;
- the redemption provisions, if any, including the redemption price or prices to be paid;
- whether dividends, if any, will be cumulative or noncumulative, the dividend rate, and the dates, conditions and preferences of dividends;
- the rights upon the voluntary or involuntary dissolution of, or upon any distribution of the assets of, the Company;
- the provisions, if any, pursuant to which the shares of such series are convertible into, or exchangeable for, shares of any other class or classes or any other series of the same or any other class or classes of shares of the Company, at such price or prices or at such rate or rates of exchange and with such adjustments applicable thereto;

- the right, if any, to subscribe for or to purchase any securities of the Company;
- the provisions, if any, of a sinking fund applicable to such series; and
- any other designations, powers, preferences, and relative, participating, optional or other special rights, and qualifications, limitations, or restrictions thereof, all as may be determined from time to time by our board of directors and stated or expressed in the resolution or resolutions providing for the issuance of 5.625% Senior Notes due 2029 such Preferred Stock.

Other Rights

Our common stock has no preemptive rights and 5.875% Senior Notes due 2031 (together, our capital stock has no cumulative voting rights.

Delaware Anti-Takeover Law

We are subject to Section 203 of the DGCL. Section 203 generally prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- prior to the date of the transaction, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding (a) shares owned by persons who are directors and also officers and (b) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or subsequent to the date of the transaction, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66% of the outstanding voting stock which is not owned by the interested stockholder.

Section 203 defines a business combination to include:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation;
- subject to exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder; and
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation or any entity or person affiliated with or controlling or controlled by the entity or person.

Anti-takeover Effects of Certain Provisions of our Certificate of Incorporation and our Bylaws

In addition to regulatory requirements applicable to us and the ownership of our shares, some provisions of the DGCL, our Certificate of Incorporation and our Bylaws could have the effect of delaying, deferring or discouraging another party from acquiring control of the Company. These provisions, which are summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of the Company to first negotiate with our board of directors.

Requirements for Advance Notification of Stockholder Nominations and Proposals and Director Qualification Requirements

Our Bylaws establish advance notice procedures with respect to stockholder proposals, other than proposals made by or at the direction of our board of directors. Proper notice must be timely, in proper written form, and must set forth certain details of the nomination or proposal. The Chairman of the meeting may determine that a nomination or proposal was defective and should be disregarded. In addition, our Bylaws provide that no person may serve as a member of our board of directors, or be elected or nominated for such a position, unless, at the time of such service, election or nomination, such person has been licensed by applicable regulatory authorities.

Together, these provisions may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed, and may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

Classified Board of Directors

Our Certificate of Incorporation provides that our board of directors is divided into three classes, each of which will hold office for a three-year term.

Calling Special Stockholder Meetings

Our Bylaws provide that special meetings of our stockholders may be called only by the Chairman of our board of directors, by a majority of the whole board or by holders of our common stock who hold at least 20% of the outstanding common stock entitled to vote generally in the election of directors.

Removal of Directors

Our Bylaws state that any director or the entire board of directors may be removed only for cause by the holders of a majority of the shares then entitled to vote at an election of directors.

Limitation on Financial Interest

Our Certificate of Incorporation and Bylaws provide that we may not permit any person or entities to acquire a direct or indirect entity or economic interest in us equal to or greater than 5% of any class of equity or economic interests without the approval of the relevant gaming authorities (subject to certain specified exceptions). Any transfer of shares of our capital stock that results in a person acquiring more than such 5% threshold shall not be recognized until the relevant gaming authorities have consented to such transfer. Our Certificate of Incorporation also provides that an additional license or consent from the gaming authorities is required for ownership equal to or greater than 20% of any class of equity interests of Bally's. In addition, our Certificate of Incorporation and Bylaws also include limitations and restrictions on ownership of capital stock relating to regulatory requirements and licenses, including restrictions on transfers that would violate applicable gaming laws and repurchase rights in the event that stockholders are determined to be unsuitable to hold our capital stock. Our Certificate of Incorporation and Bylaws impose additional restrictions to ensure compliance with relevant gaming and regulatory requirements including our ability to withhold dividend payments or other remuneration and redeem or purchase a holder's capital stock if a gaming authority or our board of directors determines the holder to be "disqualified" from holding our capital stock or an "unsuitable person", as such terms are defined in certain gaming laws.

Limitation of Liability of Officers and Directors; Indemnification

Our Certificate of Incorporation states that a director will not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (1) for any breach of the director's duty of loyalty to us or our stockholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) under Section 174 of the DGCL or (4) for any transaction from which the director derived any improper personal benefit. The DGCL also prohibits limitations on director liability for acts or omissions which resulted in a violation of a statute prohibiting the declaration of certain dividends, certain payments to stockholders after dissolution and particular types of loans. The effect of these provisions is to eliminate our rights and the rights of our stockholders (through stockholders' derivative suits on behalf of the Company) to recover monetary damages against a director for breach of fiduciary duty as a director (including breaches resulting from grossly negligent behavior), except in the situations described above. If the DGCL is amended to authorize, with the approval of a corporation's stockholders, further reductions in the liability of a corporation's directors for breach of fiduciary duty, then our directors will not be liable for any such breach to the fullest extent permitted by the DGCL as so amended. Any repeal or modification of the foregoing provisions of our Certificate of Incorporation by our stockholders will not adversely affect any right or protection of our directors existing at the time of such repeal or modification. We have also entered into agreements to indemnify our directors and officers, as well as our employees and agents, to the fullest extent permitted or required by Delaware law. To the extent the indemnification for liabilities arising under the Securities Act of 1933, as amended (the "Securities Act") may be granted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that, in the opinion of the U.S. Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

Choice of Forum

Our Bylaws state that unless the board of directors consents in writing to the selection of an alternative forum, the sole and exclusive forum for (1) any derivative action or proceeding brought on behalf of the Company, (2) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee to us

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or our stockholders, (3) an action asserting a claim arising pursuant to any provision of the DGCL or our Certificate of Incorporation or our Bylaws (as any of the foregoing may be amended from time to time), or (4) any action asserting a claim governed by the internal affairs doctrine, will be the Court of Chancery in the State

of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware).

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Equiniti Trust Company, LLC.

Listing

Our common stock is listed on the NYSE under the symbol "BALY."

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Exhibit 10.48

AMENDED AND RESTATED REGULATORY AGREEMENT

This Amended and Restated Regulatory Agreement (this "Agreement") is signed and effective as of March 1, 2024 (the "Effective Date") by and among the Rhode Island Department of Business Regulation, an agency of the State of Rhode Island ("DBR"), the State Lottery Division of the Rhode Island Department of Revenue (the "Division"), Bally's Corporation, a Delaware corporation ("Bally's"), Bally's Management Group, LLC (formerly Twin River Management Group, Inc.), a Delaware limited liability company and a wholly owned Subsidiary of Bally's ("BMG"), UTGR, LLC (formerly UTGR, Inc.), a Delaware limited liability company and wholly owned Subsidiary of BMG ("UTGR"), Twin River-Tiverton, LLC, a Delaware limited liability company and also a wholly owned Subsidiary of BMG ("TRT"), and Bally's RI iCasino, LLC, a Delaware limited liability company, which is (i) owned by (x) Affiliates of IGT (as defined below) and (y) UTGR and (ii) controlled by UTGR (the "iGaming Joint Venture" and, together with UTGR and TRT, each, a "Rhode Island Company" and together, the "Notes Rhode Island Companies"); The Rhode Island Companies, together with Bally's and BMG (unless otherwise specified), are sometimes referred to collectively herein as the "Company" or the "Companies".

RECITALS:

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver parties hereto (the "Parties") are parties to the Trustee a supplemental indenture pursuant Amended and Restated Regulatory Agreement, dated February 17, 2022 (as amended prior to the date hereof, and including any side letters entered into in connection therewith, the "Prior Agreement"), which the Guaranteeing Subsidiaries shall unconditionally guarantee Prior Agreement superseded all of the Company's Obligations under Prior Undertakings, other than the Notes of each series and the Indenture on the terms and conditions set forth herein (the "Note Guarantee"); Continuing Prior Undertakings; and

WHEREAS, pursuant the Parties desire to Section 9.01 of amend and restate the Indenture, the Trustee is authorized to execute and deliver Prior Agreement as provided in this Supplemental Indenture without the consent of Holders of the Notes of any series. Agreement.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is are hereby acknowledged, the Guaranteeing Subsidiaries and the Trustee mutually covenant and agree for the benefit of each other and the equal and ratable benefit in consideration of the Holders of mutual promises, covenants, obligations and conditions herein contained, the Notes Parties hereby agree as follows:

1. Capitalized Terms. Capitalized Definitions.

The initial capitalized terms used herein without definition shall set forth below have the corresponding meanings assigned when used in this Agreement.

"Act" means the Marc A. Crisafulli Economic Development Act (Rhode Island Public Laws 2021, Chapters 041 & 042 (2021-H5223A; 2021-S0040A)) enabling among other things the Division to them contract with IGT and Bally's.

"Adjustment Amount" means the percentage increase in the Indenture.

2. Agreement to Guarantee. The Guaranteeing Subsidiaries hereby agree to provide an unconditional Guarantee on consumer price index ("CPI") as reported by the terms and subject Bureau for Labor Statistics for the calendar year just completed, prior to the conditions relevant date.

"Administrative Agent" means the administrative agent(s) for the lenders under the Credit Agreement.

“**Affiliate**” means, when used with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“**Agent**” means any Person authorized to exercise administrative, collateral or other representative authority under the Credit Agreement, as applicable.

“**Agreement**” has the meaning set forth in the **Note Guarantee Preamble** hereto.

“**Agreement Value**” means, for each Hedging Agreement, on any date of determination, the maximum aggregate amount (giving effect to any netting agreements) that the Company or its applicable Subsidiary would be required to pay if such Hedging Agreement were terminated on such date.

“**Allocation Principles**” has the meaning set forth in **Section 7.6(c)** of this Agreement.

“**Asset Sale**” means (a) any conveyance, sale, lease, transfer or other disposition (including by way of merger or consolidation and including any sale and leaseback transaction) of any Property (including accounts receivable and Equity Interests of any Person owned by Bally's or any of its Subsidiaries but not any issuance of Equity Interests) (whether owned on the Effective Date or thereafter acquired) by Bally's or any of its Subsidiaries to any Person (other than with respect to any other Company, to any Company) and (b) any issuance or sale by any Subsidiary of its Equity Interests to any Person (other than to Bally's or any other Subsidiary); *provided* that the following shall not constitute an “Asset Sale”: (v) any conveyance, sale, lease, transfer or other disposition of inventory, in any case in the **Indenture** ordinary course of business, (w) real property leases and other leases, licenses, subleases or sublicenses, in each case, granted to others in the ordinary course of business and which do not materially interfere with the business of Bally's and the Subsidiaries taken as a whole, (x) any conveyance, sale, lease, transfer or other disposition of obsolete or worn out assets or assets no longer useful in the business of the Company, (y) licenses of intellectual property entered into in the ordinary course of business, and (z) any conveyance, sale, transfer or other disposition of cash and/or cash equivalents or a sale, transfer or conveyance of property (other than a Facility) in connection with a “sale-leaseback” transaction involving the creation of a Non-Recourse Capital Lease Obligation.

“**Bally's**” has the meaning set forth in the Preamble hereto.

“**BMG**” has the meaning set forth in the Preamble hereto.

“**Board**” has the meaning set forth in **Section 4.1** of this Agreement.

“**Bond Debt**” means any unsecured debt securities issued by Bally's or any of its Subsidiaries pursuant to an indenture (provided that such debt securities are not convertible into a Financial Interest in Bally's or any of its Subsidiaries).

“**Business Day**” means a day on which the DBR and the Division are open for regular business, provided such day is not a Saturday or Sunday.

“**CapEx Amount**” has the meaning set forth in **Section 7.5(d)** of this Agreement.

“**CapEx Shortfall Amount**” has the meaning set forth in **Section 7.5(d)** of this Agreement.

“**Capital Lease Obligations**” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof

determined in accordance with GAAP. Notwithstanding anything to the contrary in this Agreement, any change in accounting for leases pursuant to GAAP resulting from the adoption of Financial Accounting Standards Board Accounting Standards Update No. 2016-02, Leases (Topic 842) or any subsequent authority under GAAP, to the extent such adoption would require treating any lease (or similar arrangement conveying the right to use) as a capital lease where such lease (or similar arrangement) would not have been required to be so treated under GAAP as in effect on December 31, 2018, such lease shall not be considered a capital lease, and all calculations and deliverables under this Agreement shall be made or delivered, as applicable, in accordance therewith.

“Cash Management Agreement” means any agreement to provide cash management services, including treasury, depository, overdraft, credit or debit card, electronic funds transfer and other cash management arrangements.

“Casino Gaming” has the meaning set forth in R.I. Gen. Laws § 42-61.2-1.

“Casualty Event” means any loss of title or any loss of or damage to or destruction of, or any condemnation or other taking (or settlement in lieu thereof) (including by any Governmental Authority) of, any Property. “Casualty Event” shall include, but not be limited to, any taking of all or any part of any real property of the Company or its Subsidiaries or any part thereof, in or by condemnation or other eminent domain proceedings pursuant to any law (or settlement in lieu thereof), or by reason of the temporary requisition of the use or occupancy of all or any part of any real property of the Company or any of its Subsidiaries or any part thereof by any Governmental Authority, civil or military.

“Collateral Agent” means a Person acting as collateral agent for the Secured Parties, together with any successor collateral agent thereunder.

“Colorado Subsidiaries” means, collectively, Mile High USA, Inc., Interstate Racing Association, Inc., Racing Associates of Colorado, Ltd. d/b/a Arapahoe Park, and each other subsidiary of Mile High USA, Inc. or any of its Subsidiaries.

“Comfort Letters” shall collectively mean (a) the letter agreement between the Division and UTGR dated May 10, 2013, which shall remain effective with respect to the “Refinancing,” as that term is defined in such letter agreement (including after giving effect to this Agreement and/or to any agreement that was a predecessor to this Agreement), (b) the letter agreement between DBR and UTGR dated May 9, 2013, which shall remain effective with respect to the “Refinancing,” as that term is defined in such letter agreement (including after giving effect to this Agreement and/or to any agreement that was a predecessor to this Agreement), (c) the letter agreement dated July 10, 2014, among DBR, the Division and UTGR, which shall remain effective with respect to the “2014 Refinancing” as that term is defined in such letter agreement (including after giving effect to this Agreement and/or to any agreement that was a predecessor to this Agreement), (d) the letter agreement dated July 14, 2015 among DBR, the Division and PE II regarding the acquisition of assets of Newport Grand, LLC by PE II, which shall remain effective with respect to the “2015 Transaction,” as that term is defined in such letter agreement (including after giving effect to this Agreement and/or to any agreement that was a predecessor to this Agreement), and to PE II’s becoming a party to the Credit Agreement and Guaranty and Collateral Agreement and to PE II, Bally’s, BMG and UTGR’s execution of any loan documents pursuant to the Credit Agreement and/or the Guaranty and Collateral Agreement in relation to the 2015 Transaction, (e) the Assignment, Assumption and Amendment of Regulatory Agreement

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dated as of October 31, 2018 among DBR, the Division, Bally’s, BMG, UTGR, PE II and TRT regarding the replacement of the Newport Facility by the Tiverton Facility and the assignment by PE II to TRT of its right, title and interest as a party to the Prior Agreement (including after giving effect to this Agreement and/or to any agreement that was a predecessor to this Agreement) and (f) the letter agreement dated May 10, 2019, by and among DBR, the Division, UTGR and TRT, which shall remain effective with respect to the “Refinancing” and the “Notes Issuance”, as such terms are defined in such letter agreement (including after giving effect to this Agreement and/or to any agreement that was a predecessor to this Agreement) and (g) the letter agreement, dated October 1, 2021 among DBR, the Division, Bally’s and other Bally’s Subsidiaries with respect to the “CA Refinancing” and “Notes Refinancing,” as such terms are defined therein.

“Company” has the meaning set forth in the Preamble hereto.

“Competitive Activities” means engaging in, holding or acquiring, having a financial interest in, operating, being involved in the operation of, managing, consulting to or being employed by, as a principal or for their own account or solely or jointly with others, (i) any Competitive Facility, (ii) any business providing gaming-specific goods or services to any Competitive Facility, or (iii) any business of Video Lottery Games or Simulcasts or pari-mutuel

betting or Casino Gaming in Rhode Island, Massachusetts, Connecticut or New Hampshire, in the case of each of (i), (ii) and (iii) other than UTGR, TRT or the Facility; *provided, however*, that ownership of not more than five percent (5%) of any class of equity securities actively traded on a national securities exchange of any business owning a Competitive Facility, providing gaming-specific goods or services to a Competitive Facility or operating Video Lottery Games, Simulcasts, pari-mutuel betting or Casino Gaming shall not constitute Competitive Activities.

"**Competitive Facility**" means any Pari-mutuel Facility and any other current, prospective or contemplated gaming venue or facility, in each case, located in Rhode Island, Massachusetts, Connecticut or New Hampshire.

"**Compliance Agreement**" means that certain Compliance Agreement, dated as of September 28, 2010, by and between UTGR and the DBR.

"**Compliance Officer**" has the meaning set forth in [Section 4.3](#) of this Agreement.

"**Compliance Report**" has the meaning set forth in [Section 6.2\(h\)](#) of this Agreement.

"**Consolidated EBITDA**" means, for any Test Period, Consolidated Net Income for such period plus (or minus), without duplication and to the extent already deducted (and not added back) in computing Consolidated Net Income, the following amounts charged, recognized or realized by Bally's and its Restricted Subsidiaries in such period:

- (a) plus, total provision for Taxes based on income or profits, including federal, foreign, state, franchise and similar taxes (including excise taxes imposed by any jurisdiction in the nature of income or franchise taxes); plus
- (b) Consolidated Interest Expense; plus
- (c) depreciation and amortization (including amortization of intangibles and amortization and write-off of financing costs); plus

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- (d) non-cash impairment charges or other non-cash charges, losses or expenses; plus
- (e) any non-cash compensation charge arising from any grant of stock, stock options or other equity-based awards; plus
- (f) loss on sale of assets not in the ordinary course of business and any extraordinary, unusual or non-recurring expenses or losses; provided that the aggregate amount added pursuant to this clause (f) shall not exceed \$25,000,000 in any consecutive twelve (12)-month period; plus
- (g) professional fees paid to consultants to assist Bally's, BMG and Subsidiaries thereof to preserve tax refunds resulting from prior net operating losses; plus
- (h) charges related to Hedging Agreements; plus
- (i) fees and expenses (x) relating to the Transactions, (y) actually incurred in any acquisition by Bally's or its Subsidiary of a Controlling ownership interest in a business by a purchase of equity interests, merger, consolidation, stock exchange, stock purchase, asset purchase or other similar transaction (an "**Acquisition**"), provided that, unless otherwise agreed by the Division and the DBR, the amount of professional fees and expenses directly related to the Acquisition added back to Consolidated Net Income in respect of any such acquisition in this clause (y) may not exceed the greater of (A) three percent (3%) of the purchase price (calculated in accordance with GAAP) for such Acquisition and (B) \$500,000, and (z) actually incurred in connection with the pursuit of an Acquisition and which fees and expenses are included as an add-back in Bally's

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adjusted EBITDA calculations in its reports that are furnished to or filed with the SEC; provided that such amount described in this clause (z) shall not exceed \$750,000 per pursued Acquisition; plus

(j) costs and expenses (including reasonable fees, charges and disbursements of counsel, accountants and other professionals), including restructuring charges or reserves, integration costs, referendum costs and other business optimization expenses (which, for the avoidance of doubt, shall include retention, severance, systems establishment costs, one-time corporate establishment costs, contract termination costs and costs to relocate employees) or costs associated with establishing or acquiring new facilities and capital or operating expenditures related to technology, safety, financial controls and business development process upgrades; plus

(k) fees and expenses incurred and payable to the Administrative Agent; plus

(l) \$25.0 million, such amount being Bally's good faith estimate of the amount of annual VLT Addback; provided, that from and after the IGT JV Effective Date and prior to June 30, 2043, such amount shall be reduced by an amount equal to the product obtained by multiplying (x) \$25.0 million multiplied by (y) the Company's equity ownership percentage of the IGT Joint Venture; plus

(m) the Consolidated EBITDA over the applicable Test Period of (i) any Person, property, business or asset (including a management agreement or similar agreement) (other than an Unrestricted Subsidiary) acquired by Bally's or any Restricted Subsidiary during the applicable Test Period and (ii) any Unrestricted Subsidiary the designation of which as such is revoked and converted into a Restricted Subsidiary during the applicable Test Period, in each case, based on the Consolidated EBITDA of such Person (or attributable to such property, business or asset) for such period (including the portion thereof occurring prior to such acquisition or revocation), determined as if references to Bally's and its Restricted Subsidiaries in Consolidated Net Income and other defined terms therein were to such Person and its Subsidiaries; provided that (i) Bally's delivers to the DBR and the Division a certification by the chief financial officer (or person holding an equivalent position) of such Consolidated EBITDA amounts and (ii) Bally's responds promptly to any requests for additional information from the DBR and the Division with respect to the determination of such amounts; plus

(n) from and after the IGT JV Effective Date and prior to June 30, 2043, the Company's proportionate share of the net income or net loss of the IGT Joint Venture included within Bally's consolidated net income under GAAP for the relevant period; plus

(o) from and after the iGaming JV Effective Date and prior to June 30, 2043, the Company's proportionate share of the net income or net loss of the iGaming Joint Venture included within Bally's consolidated net income under GAAP for the relevant period; minus

(p) the Consolidated EBITDA of (i) any Person, property, business or asset (other than an Unrestricted Subsidiary) sold, transferred or otherwise disposed of, closed

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or classified as discontinued operations by Bally's or any Restricted Subsidiary during such Test Period and (ii) any Restricted Subsidiary that is designated as an Unrestricted Subsidiary during such Test Period, in each case based on the actual Consolidated EBITDA of such Person for such period (including the portion thereof occurring prior to such sale, transfer, disposition, closing, classification or conversion), determined as if references to Bally's and its Restricted Subsidiaries in Consolidated Net Income and other defined terms therein were to such Person and its Subsidiaries; minus

(q) to the extent included in computing Consolidated Net Income, extraordinary gains and non-recurring gains; minus

(r) non-cash income increasing Consolidated Net Income for such period, other than (i) the accrual of revenue consistent with past practice (and, notwithstanding the foregoing reference to "past practice", in accordance with GAAP) and (ii) the reversal in such period of an accrual of, or cash reserve for, cash expenses in a prior period, but only to the extent such accrual or reserve was not added back to Consolidated Net Income in calculating Consolidated EBITDA in a prior period; minus

(s) interest income except to the extent deducted in determining Consolidated Interest Expense;

in each case determined on a consolidated basis in accordance with GAAP; provided that:

(i) to the extent any non-cash charge specifically added back to Consolidated EBITDA in a prior period pursuant to any clause of this definition becomes a cash charge, a deduction in the amount of such cash charge (without duplication of any other deduction of the same amount) from Consolidated EBITDA shall be made to the full extent of such cash charge, during the period in which such non-cash charge becomes a cash charge;

(ii) to the extent all or any portion of the income of any Person is excluded from Consolidated Net Income pursuant to the definition thereof for all or any portion of such period, any amounts set forth in the preceding clauses (a) through (r) that are attributable to such Person shall not be included for purposes of this definition for such period or portion thereof;

(iii) for purposes of calculating Consolidated EBITDA for any period, Consolidated EBITDA of any Subsidiary thereof which was designated as an "Unrestricted Subsidiary" during such period in accordance with the Credit Agreement, shall in each case be excluded for such period (as if the consummation of such sale or other disposition or such designation as an Unrestricted Subsidiary, and the repayment of any Indebtedness in connection therewith occurred as of the first day of such period); and

(iv) notwithstanding anything to the contrary contained herein, Consolidated EBITDA shall be deemed to be (i) \$47,500,000 for the fiscal quarter ended September 30, 2018, (ii) \$43,200,000 for the fiscal quarter ended December

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31, 2018, (iii) \$50,500,000 for the fiscal quarter ended March 31, 2019, (iv) \$75.6 million for the fiscal quarter ended March 31, 2020, (v) \$76.2 million for the fiscal quarter ended June 30, 2020, (vi) \$83.2 million for the fiscal quarter ended September 30, 2020, (vii) \$75.9 million for the fiscal quarter ended December 31, 2020, and (viii) \$85.9 million for the fiscal quarter ended March 31, 2021.

"Consolidated Interest Expense" means, for any Test Period, the sum of (a) the interest expense (including imputed interest expense in respect of Capital Lease Obligations and synthetic lease obligations) of Bally's and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP (including, for the avoidance of doubt, all commissions, discounts and other fees and charges owed in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP), plus (b) any interest accrued during such period in respect of Indebtedness of Bally's and its Restricted Subsidiaries that is required to be capitalized rather than included in consolidated interest expense for such period in accordance with GAAP. For purposes of the foregoing, interest expense shall be determined after giving effect to any net payments made or received by Bally's and its Restricted Subsidiaries with respect to interest rate Hedging Agreements but shall exclude any non-cash interest expense attributable to the movement of the mark-to-market valuation of obligations in respect of Hedging Agreements or other derivative instruments pursuant to Statement of Financial Accounting Standards No. 133. For the avoidance of doubt, interest income shall not be considered when determining Consolidated Interest Expense.

"Consolidated Net Income" means, for any Test Period, the net income or loss of Bally's and its Restricted Subsidiaries for such period determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income of any Subsidiary thereof to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary thereof of that income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, statute, rule or governmental regulation applicable to such Subsidiary thereof, (b) the income or loss of any Person accrued prior to the date it becomes a Subsidiary thereof or is merged into or consolidated with Bally's or any Subsidiary thereof or the date that such Person's assets are acquired by Bally's or any Subsidiary thereof, (c) the income of any Person who is an Unrestricted Subsidiary or in which any other Person has a joint interest, except to the extent of the amount of dividends or other distributions actually paid to Bally's or a Subsidiary thereof by such Person during such period, (d) any gains attributable to sales of assets out of the ordinary course of business, and (e) (to the extent not included in clauses (a) through (d) above) any extraordinary gains or extraordinary losses that are Extraordinary Items (for the avoidance of doubt, "Extraordinary Items" shall be determined in accordance with GAAP, but without giving effect any change in accounting for determining extraordinary items pursuant to GAAP resulting from the adoption of Financial Accounting Standards Board Accounting Standards Update No. 2015-01 Income Statement – Extraordinary and Unusual Items (Subtopic 225-20), Simplifying Income Statement Presentation

by Eliminating the Concept of Extraordinary items, or any subsequent authority under GAAP, and all calculations and deliverables under this Agreement shall be made or delivered, as applicable, in accordance therewith).

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“Continuing Prior Undertakings” means the Prior Undertakings identified with an asterisk (*) on Exhibit H.

“Contractual Obligation” means as to any Person, any provision of any security issued by such Person or of any mortgage, deed of trust, security agreement, pledge agreement, promissory note, indenture, credit or loan agreement, guaranty, securities purchase agreement, instrument, lease, contract, agreement or other contractual obligation to which such Person is a party or by which it or any of its Property is bound or subject.

“Control” or **“Controlled”** means the direct or indirect power to manage, direct, or oversee the management and/or policies of a person or entity, whether through ownership of voting securities, by contract, or otherwise.

“Control Threshold” means the direct or indirect ownership of twenty percent (20%) or greater Financial Interest in UTGR or TRT.

“COVID-19” means SARS-CoV-2 or COVID-19, and any evolutions or mutations thereof or related or associated epidemics, pandemics or disease outbreaks.

“Credit Agreement” has the meaning set forth in Section 6.2 of this Agreement.

“Credit Documents” has the meaning set forth in the Credit Agreement in effect on the Effective Date.

“Credit Parties” means Bally’s and the guarantors party or to be made party to the Credit Agreement.

“DBR” has the meaning set forth in the Preamble hereto.

“Disqualified Capital Stock” means any Equity Interest that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, or requires the payment of any cash dividend or any other scheduled payment constituting a return of capital or (b) is convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) debt securities or (ii) any Equity Interest referred to in clause (a) above.

“Division” has the meaning set forth in the Preamble hereto.

“Effective Date” has the meaning set forth in the Preamble hereto.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity interests in any Person, and any option, warrant or other right entitling the holder thereof to purchase or otherwise acquire any such equity interest.

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“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“Extraordinary Items” with respect to an entity shall mean events and transactions that are distinguished by their unusual nature and by the infrequency of their occurrence. Thus, both of the following criteria shall be met to classify an event or transaction as an extraordinary item:

(a) Unusual nature. The underlying event or transaction shall possess a high degree of abnormality and be of a type clearly unrelated to, or only incidentally related to, the ordinary and typical activities of such entity, taking into account the environment in which the entity operates.

(b) Infrequency of occurrence. The underlying event or transaction shall be of a type that would not reasonably be expected to recur in the foreseeable future, taking into account the environment in which such entity operates.

“Facility” means, collectively, the Tiverton Facility and the Lincoln Facility.

“Facility Sale Leaseback” means any conveyance, sale, transfer or other disposition of cash and/or cash equivalents or a sale, transfer or conveyance of a Facility or other assets of a Rhode Island Company in connection with a “sale-leaseback” transaction; provided, that such (i) transactions are reviewed and approved by the Division and the DBR, (ii) the net proceeds from such transaction are used to repay outstanding Indebtedness unless otherwise approved or agreed to by the Division and the DBR and (iii) the buyer-lessor of the Facility or other Rhode Island Company assets are approved by the Division and licensed by the DBR.

“Financial Interest” means a direct or indirect equity or economic interest in a Person, including but not limited to Article an interest as a shareholder of a corporation, partner (general or limited) of a partnership or member of a limited liability company or through the ownership of derivative interests in a Person. Notwithstanding the foregoing, “Financial Interests” shall not include (i) the Bond Debt, (ii) any unsecured indebtedness of the Company, its Subsidiaries or Affiliates of any kind that is not convertible into a Financial Interest in such Person (including but not limited to indebtedness of the Company, its Subsidiaries or Affiliates for borrowed money, unpaid interest or fees, or any guarantee by the Company, its Subsidiaries or Affiliates of any such unsecured non-convertible indebtedness of any other Person), (iii) any interest in such unsecured non-convertible indebtedness, (iv) any derivative instrument related solely to any such unsecured non-convertible indebtedness, or (v) Non-Recourse Capital Lease Obligations or (vi) any Inchoate Rights of any Secured Party (or agent therefor), notwithstanding that such interest is secured by, among other things, (A) pledges of shares or membership or other equity interests (as applicable) in a Rhode Island Company, its parent and/or Affiliate (“Equity Interests”) or (B) a mortgage, other security interest or Pledge of or in the real estate consisting of any Facility or any assets related thereto, and notwithstanding the exercise of remedies by the collateral agent or Secured Parties under the documents governing any loan, line of credit or other financing to which the Company or any Rhode

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3. No Recourse Against Others. No director, officer, Island Company is a party, unless and until a (1) default or any event of default (each as defined in the Credit Agreement) occurs and (2) the Collateral Agent and/or the other Secured Parties enforces one or more of the Pledges of Equity Interests in a Rhode Island Company or any direct or indirect parent or Affiliate thereof, (3) the Collateral Agent or other Secured Parties acquires title to the real estate consisting of a Facility by foreclosure, deed in lieu or similar enforcement of remedies, or (4) the Collateral Agent or the other Secured Parties enforce similar remedies that grant an ownership interest in any Facility, in any such case if and to the extent that any enforcement action described in clauses (1), (2) and (3) above otherwise constitutes the acquisition of a Financial Interest in a Rhode Island Company without giving effect to this proviso, in which events such enforcement actions, as such, shall be subject to, and conditioned upon, prior receipt of all necessary government approvals, including any approvals required under Section 3 of this Agreement.

“GAAP” means generally accepted accounting principles used in the United States.

“Gaming/Racing Authorities” means the applicable gaming and/or racing board, commission or other Governmental Authority responsible for the interpretation, administration, execution and administrative enforcement of, or otherwise having licensing or regulatory authority with respect to the Gaming/Racing Laws applicable to the Company or any of its Subsidiaries, including, without limitation, the DBR and the Division.

“Gaming/Racing Laws” means, as clarified and supplemented by the Comfort Letters, as applicable, in respect of any Rhode Island Gaming/Racing Laws, all laws, rules, regulations, ordinances, orders and other enactments applicable to Casino Gaming, casinos, dog racing, horse racing, simulcasting, video lottery terminal and/or any other gaming, gambling or wagering operations or activities with respect to the Company or any of its Subsidiaries, as applicable, as in effect from time to time, including the policies, interpretations, orders, decisions, judgments, awards, decrees and

administration thereof by any Gaming/Racing Authority, including, without limitation, R.I. Gen. Laws §§ 41-1-1, *et seq.*, 41-2-1, *et seq.*, 41-3-1, *et seq.*, 41-3.1-1, *et seq.*, 41-4-1, *et seq.*, 41-7-1, *et seq.*, 41-11-1, *et seq.*, 42-14-17, 42-35-1, *et seq.*, 42-61-1, *et seq.*, 42-61.1-1, *et seq.*, 42-61.2-1, *et seq.* and 42-61.3-1, *et seq.*, as amended, the Act, the iGaming Act, and the DBR's and Division's Rules and Regulations promulgated by the respective directors pursuant to applicable Rhode Island laws.

"Gaming/Racing Licenses" means, as the context requires, any licenses, permits, franchises, approvals, findings of suitability or other authorizations from any Gaming/Racing Authority or any other federal, state, local or foreign or governmental agency, instrumentality or regulatory body required to own, develop, lease, manage, operate or host (directly or indirectly) any business conducted by the Company or any of its Subsidiaries because of the gaming, racing and/or simulcasting operations conducted or hosted or proposed to be conducted or hosted by the Company or any of its Subsidiaries, as clarified and supplemented by the Comfort Letters to the extent applicable, including, without limitation, as clarified and supplemented by the Comfort Letters, (i) certification by the Rhode Island Secretary of State that the qualified voters of

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the State have approved the expansion of gambling at the Lincoln Facility to include casino gaming, (ii) certification by the Board of Canvassers of the Town of Lincoln that the qualified electors of the Town of Lincoln have approved the expansion of gambling at the Lincoln Facility to include casino gaming, (iii) this Agreement, (iv) the VLT Contract, (v) the Tiverton VLT Contract, (vi) License/Facility Permit Number 2005-1 issued by the DBR on July 18, 2005 to UTGR pursuant to R.I. Gen. Laws §§ 41-1-1, *et seq.*, 41-3-1, *et seq.*, 41-3.1-1, *et seq.*, 41-4-1, *et seq.*, 41-7-1, *et seq.*, 41-11-1, *et seq.*, 42-14-17 and 42-35-1, *et seq.* and the rules and regulations promulgated thereunder, maintained in place pursuant to DBR order dated October 18, 2010 (adopting the Hearing Officer's recommendation in the matter of UTGR, Inc., DBR No. 09-L-0150), and incorporated by legislative amendment into R.I. Gen. Laws § 41-3.1-3(c), (vii) License/Facility Permit Number 2011-11 issued by the DBR on June 28, 2011 to Newport Grand, LLC pursuant to R.I. Gen. Laws §§ 41-1-1, *et seq.*, 41-7-1, *et seq.*, 41-11-1, *et seq.*, 42-14-17 and 42-35-1, *et seq.* and the rules and regulations promulgated thereunder, the transfer of which to Premier Entertainment II, LLC was authorized pursuant to DBR order dated June 29, 2015 (adopting the hearing officer's recommendation in the matter of Premier Entertainment II, LLC, DBR No. 15RA008) and confirmed by License/Facility Permit Number 2015-1 issued by the DBR on July 14, 2015, and incorporated by legislative amendment into R.I. Gen. Laws § 41-7-3(c), and License/Facility Permit Number 2018-1 issued by the DBR on August 29, 2018 to Twin River-Tiverton, LLC pursuant to R.I. Gen. Laws §§ 41-1-1, *et seq.*, 41-7-1, *et seq.*, 41-11-1, *et seq.*, 42-14-17 and 42-35-1, *et seq.* and the rules and regulations promulgated thereunder, (viii) any licenses and/or approvals issued by DBR to vendors, employees, owners or others with a Financial Interest pursuant to R.I. Gen. Laws §§.i. Gen. *et seq.*, 41-3-1, *et seq.*, 41-3.1-1, *et seq.*, 41-4-1, *et seq.*, 41-7-1, *et seq.*, 41-11-1, *et seq.*, 42-14-17 and 42-35-1, *et seq.* and the rules and regulations promulgated thereunder, (ix) lottery retailer license effective April 1, 2019 to March 31, 2020, issued by the Division to UTGR pursuant to Rhode Island law, including but not limited to R.I. Gen. Laws §§ 42-61-1, *et seq.* and the rules and regulations promulgated by the Division, as such license may be renewed, reissued or extended, (x) the video lottery retailer license, effective April 1, 2019 to March 31, 2020, issued by the Division to UTGR pursuant to Rhode Island law, including but not limited to R.I. Gen. Laws §§ 42-61.2-1, *et seq.* and the rules and regulations promulgated by the Division, as such license may be renewed, reissued or extended, (xi) the table game retailer license, effective April 1, 2019 to March 31, 2020, issued by the Division to UTGR pursuant to R.I. Gen. Laws §§ 42-61.2-1, *et seq.* and the rules and regulations promulgated by the Division, as such license may be renewed, reissued or extended, (xii) lottery retailer license effective April 1, 2019 to March 31, 2020, issued by the Division to TRT pursuant to Rhode Island Law, including R.I. Gen. Laws §§ 42-61-1, *et seq.* and the rules and regulations promulgated by the Division, as such license may be renewed, reissued or extended, (xiii) the video lottery retailer license, effective April 1, 2019 to March 31, 2020, issued by the Division to TRT pursuant to Rhode Island Law, including R. I. Gen laws §§ 42-61.2-1, *et seq.* and the rules and regulations promulgated by the Division, as such license may be renewed, reissued or extended, (xiv) the table game retailer license, effective April 1, 2019 to March 31, 2020, issued by the Division to TRT pursuant to R.I. Gen. Laws §§ 42-61.2-1, *et seq.* and the rules and regulations promulgated by the Division, as such license may be renewed, reissued or extended, (xv) Gaming License

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#915 dated January 20, 2014, issued by the Mississippi Gaming Commission to Premier Entertainment on December 19, 2013 pursuant to §§ 75-76-67 of the Mississippi Code of 1972, as amended, and all extensions and renewals thereof, (xvi) all such other licenses, permits, franchises, approvals, regulations, findings of suitability or other authorizations granted under Gaming/Racing Laws or any other applicable laws related thereto, (xvii) certification by the Rhode Island Secretary of State that the qualified voters of the State have approved the expansion of gambling at the Tiverton Facility, as defined herein, to include casino gaming, (xviii) certification by the Board of Canvassers of the Town of Tiverton that the qualified electors of the Town of Tiverton have approved the expansion of gambling at the Tiverton Facility to include casino gaming, (xiv) the Sports Wagering Hosting Agreement, (xv) the iGaming Game Agreement, and (xvi) the iGaming Platform Agreement.

"Gaming/Racing Properties" means, collectively, (i) each Facility and (ii) any other casino or other gaming or racing establishment or operation owned, managed or operated by the Company or any of its Subsidiaries from time to time.

"Governmental Authority" means any government or political subdivision of the United States or any other country, whether federal, state, provincial or local, or any agency, authority, board, bureau, central bank, commission, office, division, department or instrumentality thereof or therein, including, without limitation, any court, tribunal, grand jury or arbitrator, in each case whether foreign or domestic, or any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to such government or political subdivision including, without limitation, any Gaming/Racing Authority and any Liquor Authority.

"Guarantee" of or by any Person means any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Indebtedness or other obligation, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment of such Indebtedness or other obligation or (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation; *provided, however*, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the Indebtedness or other obligation of the primary obligor in respect of which such Guarantee is made (or, if less, the maximum amount of such Indebtedness or other obligation for which such Person may be liable, whether singly or jointly, pursuant to the terms of the instrument evidencing such Guarantee) or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder).

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"Hedging Agreement" means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

"iGaming Act" means Rhode Island Public Laws 2023, Chapters 135 & 158 (2023-H6348; 2023-S0948).

"iGaming Game Agreement" means that certain iGaming Game Agreement, dated as of March 1, 2024, by and among the Division, UTGR and TRT.

"iGaming Joint Venture" has the meaning set forth in the Preamble hereto.

"iGaming JV Effective Date" means March 1, 2024.

"iGaming Platform Agreement" means that certain iGaming Platform Agreement, dated as of March 1, 2024, by and among the Division, UTGR and TRT.

"IGT" means IGT Global Solutions Corporation, a Delaware corporation.

"IGT Joint Venture" means that certain Delaware limited liability company (which shall be regulated by the Division as a "Technology Provider") to be (i) owned by (x) IGT or Affiliates of IGT and (y) Bally or Affiliates of Bally and (ii) controlled by IGT or an Affiliate of IGT.

"IGT JV Effective Date" means January 1, 2023.

"IGT Payment" means the payment by the Company or any of its Affiliates of \$7,500,000 to IGT or, at IGT's election, the Division, in connection with the payment of the Second Intangible Asset Purchase Price.

"Incremental Commitments" means the "Incremental Commitments" as such term is defined in the Credit Agreement in effect on the Effective Date, and loans and commitments made pursuant thereto.

"Inchoate Rights" means rights of a Secured Party (or agent therefor) under a Collateral Agreement, whether or not (in any such case) such Secured Party's interest is secured by pledges of shares or membership or other equity interests (as applicable), or other grants of security interests, in a Rhode Island Company, its parent or Affiliates or by mortgages, pledges or other security interests in real estate or other property owned or leased by a Rhode Island Company, its Subsidiaries and/or Affiliates (including in the real estate on which any Facility is located) or otherwise (collectively, "Pledges") so long as such rights have not been exercised by such Secured Party (or agent therefor).

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money; (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments; (c) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person; (d) all obligations of such Person issued or assumed as the deferred purchase

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price of property or services (excluding (i) trade accounts payable and accrued obligations incurred in the ordinary course of business, (ii) the financing of insurance premiums, (iii) any such obligations payable solely through the issuance of Equity Interests, and (iv) any earn-out obligation until such obligation appears in the liabilities section of the balance sheet of such Person in accordance with GAAP (excluding disclosure on the notes and footnotes thereto); provided that any earn-out obligation that appears in the liabilities section of the balance sheet of such Person shall be excluded, to the extent (x) such Person is indemnified for the payment thereof and such indemnification is not disputed or (y) amounts to be applied to the payment therefor are in escrow; (e) all Indebtedness (excluding prepaid interest thereon) of others secured by any Lien on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed; provided, however, that if such obligations have not been assumed, the amount of such Indebtedness included for the purposes of this definition will be the amount equal to the lesser of the fair market value of such property and the amount of the Indebtedness secured; (f) with respect to any Capital Lease Obligations of such Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP (other than Capital Lease Obligations in connection with any Facility Sale Leaseback, which shall be excluded from Indebtedness); (g) all net obligations of such Person in respect of Hedging Agreements; (h) all obligations of such Person as an account party in respect of letters of credit and bankers' acceptances, except obligations in respect of letters of credit issued in support of obligations not otherwise constituting Indebtedness shall not constitute Indebtedness except to the extent such letter of credit is drawn and not reimbursed within three (3) Business Days of such drawing; (i) all obligations of such Person in respect of Disqualified Capital Stock; and (j) all Contingent Obligations of such Person in respect of Indebtedness of others of the kinds referred to in clauses (a) through (i) above. The Indebtedness of any Person shall include the Indebtedness of any partnership in which such Person is a general partner unless recourse is limited, in which case the amount of such Indebtedness shall be the amount such Person is liable therefor (except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor). The amount of Indebtedness of the type described in clause (d) shall be calculated based on the net present value thereof. The amount of Indebtedness of the type referred to in clause (g) above of any Person shall be zero unless and until such Indebtedness shall be terminated, in which case the amount of such Indebtedness shall be the then termination payment due thereunder by such Person. For the avoidance of doubt, it is understood and agreed that (w) Capital Lease Obligations in connection with any Facility Sale Leaseback, (x) casino "chips" and gaming winnings of customers, (y) any obligations of such Person in respect of Cash Management Agreements and (z) any obligations of such Person in respect of employee incorporator deferred compensation and benefit plans shall not constitute Indebtedness. Operating leases shall not constitute Indebtedness hereunder regardless of whether required to be recharacterized as Capital Lease Obligations pursuant to GAAP.

"Investment" has the meaning set forth in Section 7.6(f) of this Agreement.

"Joint Venture" means any Person, other than an individual or stockholder a wholly owned Subsidiary of Bally's, in which Bally's or a Subsidiary of Bally's (directly or indirectly) holds or acquires

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an ownership interest (whether by way of capital stock, partnership or limited liability company interest, or other evidence of ownership); provided, that “Joint Venture” shall not include an issuer of publicly-traded equity securities in which the Company beneficially owns less than five percent (5%) of the class of such publicly-traded equity securities.

“Knowledge” of, or “Known” to, the Company means the actual and constructive knowledge, after reasonable inquiry in good faith of direct reports, of all Senior Executives and all directors of the Company and each of its Subsidiaries.

“Lenders” means (a) each lender party under the Credit Agreement, (b) any lender providing an Incremental Commitment pursuant to the Credit Agreement and any Person that becomes a lender pursuant to the Credit Agreement and (c) any Person that becomes a “lender” under the Credit Agreement pursuant to an Assignment Agreement thereunder, in each case, other than any such Person that ceases to be a lender pursuant to an Assignment Agreement or a Borrower Assignment Agreement under the Credit Agreement. Unless the context requires otherwise, the term “Lenders” shall include any Swingline Lender and any L/C Lender identified in the Credit Agreement.

“Leverage Ratio” means, on any date, the ratio of Total Debt as of such date to Consolidated EBITDA for the Test Period.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, deed to secure debt, lien, pledge, encumbrance, charge or security interest in or on such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset, and (c) in the case of securities or other financial assets (as defined in the Uniform Commercial Code), any purchase option, call or similar right (including, without limitation, any adverse claim (as defined in the Uniform Commercial Code)) of a third party with respect to such securities.

“Lincoln Facility” means the facility located at 100 Twin River Road, Lincoln, Rhode Island with the name “Bally’s Twin River Lincoln Casino Resort”.

“Liquor Authorities” means, in any jurisdiction in which the Company or any of its Subsidiaries sells and distributes liquor, the applicable alcoholic beverage commission or other governmental authority responsible for interpreting, administering and enforcing the Liquor Laws, including the DBR, Division of Commercial Licensing.

“Liquor Laws” means the laws, rules, regulations and orders applicable to or involving the sale and distribution of liquor by the Company or any of its Subsidiaries in any jurisdiction, as in effect from time to time, including the policies, interpretations and administration thereof by the applicable Liquor Authorities.

“Liquor License” means, in any jurisdiction in which the Company or any of its Subsidiaries sells and distributes liquor, any license, permit or other authorization to sell and distribute liquor that is granted or issued by the applicable alcoholic beverage commission or other

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governmental authority responsible for interpreting, administering and enforcing the Liquor Laws.

“Loans” means the Revolving Loans, the Swingline Loans and the Term Loans made under the Credit Agreement.

“Lottery Rules” means the “Rhode Island Lottery Rules and Regulations”, in effect from time to time.

“Management Agreement” means any management agreement that may be entered into by the Company or any of its Subsidiaries with a third party manager for the operation and maintenance of a Gaming/Racing Property.

"Management Position" means all positions with any direct or indirect management authority over any Facility or Rhode Island Company (including any position that involves the supervision of employees or is responsible for an area or any portion of the business of the Facility) within the Company and any of its Subsidiaries.

"Material Action" means any action by the Board related to the change in composition of the Board or any other material action by the Board, including, without limitation, decisions regarding the issuance of securities or the incurrence of indebtedness by a Rhode Island Company, the Guarantee by either Rhode Island Company of Indebtedness of any other Person, decisions related to the employment and/or compensation of Persons holding Senior Executive Positions and decisions regarding material capital expenditures by a Rhode Island Company.

"Material Adverse Effect" means (a) a materially adverse effect on the business, assets, operations, condition (financial or otherwise) or operating results of the Company and its Subsidiaries, taken as a whole or (b) a material impairment of the ability of the Company or any Guarantor, as such, of its Subsidiaries to perform any of its obligations under this Agreement or any Credit Document to which it is or will have any liability for any obligations be a party; provided that the reduction in revenue of the Company and its Subsidiaries due to the commencement and implementation of gaming activities in Massachusetts shall not be deemed to be a Material Adverse Effect.

"Material Agreement" means any contract or agreement (a) that is a "material contract" (as such term is defined in Item 601(b)(10) of Regulation S-K promulgated by the SEC under the Notes, the Indenture, the Note Guarantees, or for U.S. Securities Act of 1933, as amended), (b) contracts pursuant to which any claim based on, in respect of, or by reason of, such Rhode Island Company is reasonably expected to incur obligations or their creation. Each Holder liabilities to pay in excess of Notes \$2,500,000 per annum, (c) any contract between a Rhode Island Company, on the one hand, and Bally's, BMG or any of its Subsidiaries, on the other hand, (d) contracts to which Bally's or any series by accepting of its Subsidiaries is a Note waives party with respect to which Bally's and releases all such liability. The waiver its Subsidiaries are reasonably expected to incur obligations or liabilities to pay in excess of \$5,000,000 per annum or outside the ordinary course of business, in each case, with respect to which a breach, nonperformance, cancellation or failure to renew has had or would reasonably be expected to have a material adverse effect (i) on the financial condition or results of operations of (A) any Rhode Island Company individually or (B) Bally's and release are part of the consideration for issuance of the Notes of its Subsidiaries, taken as a whole, or (ii) on any series. The waiver may not be effective to waive liabilities under the federal securities laws.

4. GOVERNING LAW. Gaming/Racing License, THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

5. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

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(e) any contract or agreement between Bally's and its Subsidiaries and any other Person with respect to any Joint Venture to which Bally's or any of its Subsidiaries is (or is proposed to be) a party and (f) any contract or agreement providing for the granting, obtaining or holding of Inchoate Rights.

"Maximum Leverage Ratio" shall be 5.5:1; provided that, (x) the DBR and the Division shall be entitled to increase the Maximum Leverage Ratio, in their sole discretion, as the DBR and the Division deem to be appropriate to account for any Shutdown Periods and (y) if the application of the debt incurrence test under the coverage ratio in the Credit Agreement would permit the Companies to incur a lesser amount of Consolidated Indebtedness, the leverage ratio so calculated.

"Minimum Employee Number" has the meaning set forth in Section 7.5(f).

"Mortgages" means an agreement, including a mortgage, deed of trust or any other document, creating and evidencing a first Lien (subject only to the Permitted Liens) in favor of Collateral Agent on behalf of the Secured Parties on each Mortgaged Real Property (as defined in the Credit Agreement).

"Net Terminal Income" has the meaning set forth in Section 42-61.2(11) of the General Laws of Rhode Island, as amended from time to time.

"Newport Facility" means the facility formerly known as the Newport Grand located at 150 Admiral Kalbfus Road, Newport, Rhode Island 02840.

"Newport Grand" means the former Newport Grand gaming facility located at the Newport Facility.

"Newport Lottery Licenses" means, collectively, (i) the lottery retailer license issued by the Division pursuant to Chapter 61 of Title 42 of the Rhode Island General Laws and the Lottery Rules promulgated thereunder and (ii) the video lottery retailer license issued by the Division pursuant to Chapter 61.2 of Title 42 of the Rhode Island General Laws and the Lottery Rules promulgated thereunder, in each case, associated with Newport Grand.

"Non-Recourse Capital Lease Obligations" means any Capital Lease Obligations entered into in connection with one or more "sale-leaseback" transactions for which the Rhode Island Companies are not liable, either as a lessee connection therewith or a guarantor thereof.

"Pari-mutuel Facility" means any facility or venue offering, pari-mutuel betting and/or Simulcasts, and/or licensed pursuant to R.I. Gen. Laws §41-3.1-3 and/or R.I. Gen. Laws §41-7-3.

"Pari-mutuel Law" means any law, statute or regulation governing or regulating pari-mutuel betting or Simulcasts in the State.

"PE II" has the meaning set forth in the Preamble hereto.

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"Permitted Investments" means:

- (a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of issuance thereof;
- (b) investments in commercial paper maturing within 270 days from the date of issuance thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;
- (c) investments in certificates of deposit, banker's acceptances and time deposits maturing within one year from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, the Administrative Agent or any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than \$500,000,000 and that issues (or the parent of which issues) commercial paper rated at least "Prime 1" (or the then equivalent grade) by Moody's or "A 1" (or the then equivalent grade) by S&P;
- (d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria of clause (c) above;
- (e) investments in "money market funds" within the meaning of Rule 2a-7 of the Investment Company Act of 1940, as amended, substantially all of whose assets are invested in investments of the type described in clauses (a) through (d) above; and
- (f) Investments made in the IGT Joint Venture and/or the iGaming Joint Venture.

"Permitted Liens" has the meaning set forth in Section 7.6(e).

"Person" means a natural person, partnership (general or limited), corporation, limited liability company, business trust, joint stock company, trust, business association, unincorporated association, joint venture, governmental entity or other entity or organization.

"Prior Agreement" has the meaning set forth in the Recitals.

"Prior Undertakings" means all commitments listed on Exhibit H.

"Property" means any right, title or interest in or to property or assets of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible and including all contract rights, income or revenue rights, real property interests, trademarks, trade names, equipment and proceeds of the

foregoing and, with respect to any Person, Equity Interests or other ownership interests of any other Person.

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"Qualified Capital Stock" means, with respect to any Person, any Equity Interests of such Person which is not Disqualified Capital Stock.

"Restricted Payment" means (a) any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in Bally's, BMG or any Subsidiary thereof, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests in Bally's, BMG or any Subsidiary thereof, (b) management, oversight or similar fees payable to any Affiliate of any of the Company and its Subsidiaries (in each case other than to the Company or any Subsidiary thereof), (c) any loan, advance or other Investment in any direct or indirect holder of any Equity Interest in Bally's, BMG or any Subsidiary thereof (other than any such loans, advances or other Investments made to BMG or any Subsidiary thereof), and (d) any payment or prepayment of principal of, premium, if any, or interest on, or redemption, purchase, retirement, defeasance (including in substance or legal defeasance), sinking fund or similar payment with respect to any Indebtedness payable to any Affiliate of the Company or any of its Subsidiaries or any subordinated indebtedness (in each case other than to BMG or any Subsidiary thereof).

"Restricted Subsidiary" means all existing and future Subsidiaries of Bally's other than the Unrestricted Subsidiaries.

"Reverse Trigger Event" means the transfer of Equity Interests of any Subsidiary or any Gaming/Racing Property from trust or other similar arrangement to Bally's or any of its Subsidiaries from time to time.

"Revolving Loans" means (a) the revolving credit loans made by the Revolving Lenders identified in the Credit Agreement to Bally's pursuant to Section 2.01(a) of the Credit Agreement and (b) revolving loans made pursuant to any Incremental Commitments.

"Rhode Island Companies" and **"Rhode Island Company"** has the meaning set forth in the Preamble hereto.

"SEC" means the Securities and Exchange Commission of the United States or any successor thereto.

"Secured Party" means a Person who or which, on behalf of itself or one or more other Persons, has an interest as mortgagee, pledgee or other secured party in any property of or interest in a Rhode Island Company pursuant to a mortgage, pledge or any other collateral agreement or arrangement (a **"Collateral Agreement"**) and any Person identified in the Credit Agreement that is party to a credit swap contract or secured cash management agreement.

"Security Agreement" means the security agreement among the Credit Parties and Collateral Agent, as the same may be amended in accordance with the terms thereof and the Credit Agreement.

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"Security Documents" means the Security Agreement, the Mortgages, the Ship Mortgages (as defined in the Credit Agreement in effect on the Effective Date) and each other security document or pledge agreement, instrument or other document executed and delivered by a Credit Party to

grant, pledge or perfect a security interest in any property acquired or developed that is of the kind and nature that would be required to constitute Collateral (as such term is defined in the Credit Agreement in effect on the Effective Date) on the Effective Date.

“Second Intangible Asset Purchase Price” means the payment of \$27,000,000 from IGT to the Division for the right of IGT to be the exclusive provider to the Division of products and services for certain lottery games

“Senior Credit Agreement” means the Credit Agreement or, if the Credit Agreement is refinanced or terminates, the principal senior credit facility of the Rhode Island Companies entered into in compliance with the terms of this Agreement, including Section 7.6.

“Senior Executive” means an individual employed in a Senior Executive Position with Bally’s, BMG, UTGR, TRT or iGaming Joint Venture.

“Senior Executive Position” has the meaning set forth in Section 4.4 of this Agreement.

“Shutdown Period” means any fiscal quarter during the Term in which any facility or property owned, operated or managed by Bally’s of any of its Subsidiaries (including the Facilities) the net income or loss of which is included in the calculation of Consolidated Net Income is not permitted by applicable law, regulation or court order (including Gaming/Racing Laws), to be open in accordance with normal practice or to operate at full capacity due to COVID-19 for all or any portion of such fiscal quarter.

“Significant Subsidiary” means UTGR, any Subsidiary of UTGR, TRT, any Subsidiary of the Company that would constitute a “Significant Subsidiary” of the Company as such term as defined in Rule 1-02 of Regulation S-X promulgated by the SEC under the U.S. Securities Act of 1933, as amended.

“Simulcast” means a live television broadcast of programs either interstate or intrastate to a licensee of a licensed facility, which programs are sanctioned or licensed in the state of origin.

“Sports Wagering Hosting Agreement” means that certain Sports Wagering Hosting Agreement, dated as of November 1, 2018, by and between the Division, UTGR and TRT, as amended on September 19, 2019.

“State” means the State of Rhode Island.

“Stockholder List” has the meaning set forth in Section 3.7 of this Agreement.

“Subsidiary” means, as to any Person, (i) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time

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stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person and/or one or more Subsidiaries of such Person and (ii) any partnership, limited liability company, association, joint venture or other entity in which such Person and/or one or more Subsidiaries of such Person has more than a 50% equity interest at the time. Unless otherwise qualified, all references to a “Subsidiary” or to “Subsidiaries” in this Agreement shall refer to a Subsidiary or Subsidiaries of Bally’s.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, assessments, withholdings, fees or other charges of any nature (including interest, penalties and additions thereto) that are imposed by any Governmental Authority.

“Test Period” means, for any date of determination, the period of the four most recently ended consecutive fiscal quarters of Bally’s and its Restricted Subsidiaries for which quarterly or annual financial statements have been delivered or are required to have been delivered to Administrative Agent or have been filed with the SEC or are required to have been filed with the SEC.

“Term” has the meaning set forth in Section 2.1 of this Agreement.

“Term Loans” means (a) the term loans made pursuant to Section 2.01(c) of the Credit Agreement and (b) term loans made pursuant to any Incremental Commitments.

“Tiverton Facility” means the Bally’s Tiverton Casino & Hotel located at 777 Tiverton Casino Boulevard, Tiverton, Rhode Island.

"Tiverton VLT Contract" means the Master Video Lottery Terminal Contract by and between the Division and Newport Grand, LLC (f/k/a Newport Grand Jai Alai, LLC), dated November 23, 2005, as amended, and as assigned to TRT, and as may be further amended from time to time.

"Total Debt" means, at any time, the total Indebtedness of Bally's and its Restricted Subsidiaries at such time, excluding all (a) Indebtedness of the Colorado Subsidiaries that is not secured by any assets of the Company or its Subsidiaries (other than the Colorado Subsidiaries) and for which recourse is limited to the Colorado Subsidiaries and their assets and (b) any Non-Recourse Capital Lease Obligations.

"Transactions" means, collectively, (a) the entry into the Credit Agreement and the other documents related thereto, (b) the issuance of the Bond Debt on May 10, 2019, (c) the acquisition of Gamesys Group plc and the debt and equity financings and refinancings related thereto, and (d) the payment of fees and expenses in connection with the foregoing.

"Transfer Agreement" means any trust or similar arrangement required by any Gaming/Racing Authority from time to time with respect to the Equity Interests of any Subsidiary (or any Person that was a Subsidiary) or any Gaming/Racing Property.

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"Trigger Event" means the transfer of shares of Equity Interests of any Subsidiary or any Gaming/Racing Property into trust or other similar arrangement required by any Gaming/Racing Authority from time to time.

"Twin River Casino" means the Bally's Twin River Lincoln Casino Resort, located in Lincoln, Rhode Island.

"Twin River Investment" means expanding and improving the Lincoln Facility and the Tiverton Facility and developing or improving real property surrounding the Facilities and performing the Company's and its Subsidiaries' obligations under each of that certain Tiverton VLT Contract, VLT Contract (including the obligation thereunder to lease at least twenty thousand (20,000) square feet of commercial space in Providence through at least June 30, 2043), the Video Lottery Technology Provider License Agreement, dated July 1, 2021, between the Division and UTGR (including, without limitation, all Video Lottery Terminals purchased by Affiliates of the Company through December 31, 2022); the naming rights agreement, dated March 3, 2021 between Bally's and I-95 Redevelopment District and this Agreement; provided that (x) any capital expenditures applied to the CapEx Amounts under Section 7.5(d) of this Agreement shall not constitute a Twin River Investment) and (y) in no event shall any expenditure or amount invested in a Twin River Investment be applied to the Twin River Investment Obligation more than once.

"Unrestricted Subsidiaries" means (a) as of the Effective Date, the Subsidiaries listed on Schedule 8.12(c) to the Credit Agreement (including the Colorado Subsidiaries), (b) any Subsidiary of Bally's designated as an "Unrestricted Subsidiary" pursuant to and in compliance with the Credit Agreement, and (c) any Subsidiary of an Unrestricted Subsidiary (in each case, unless such Subsidiary is no longer a Subsidiary of Bally's or is subsequently designated as a Restricted Subsidiary pursuant to the Credit Agreement).

"UTGR" has the meaning set forth in the Preamble hereto.

"Video Lottery Games" means lottery games played on Video Lottery Terminals.

"Video Lottery Terminal" means any electronic computerized video game machine that, upon the insertion of cash or voucher, is available to play a video game, and which uses a video display and microprocessors in which, by chance, the player may receive free games or credits that can be redeemed for cash; *provided* that this term shall not include a machine that directly dispenses coins, cash or tokens.

"VLT Addback" means, for any Test Period, the aggregate amount per annum of capital expenditures for video lottery terminal replacement or maintenance in or with respect to the Companies.

"VLT Contract" means that certain Master Video Lottery Terminal Contract, dated as of July 18, 2005, by and between the Division and UTGR, as amended, and as may be further amended from time to time.

Unless otherwise expressly provided herein, (a) references to organizational documents, agreements (including the Credit Documents) and other contractual instruments shall be

deemed to include all subsequent amendments, restatements, extensions, supplements and other modifications thereto, in each case solely to the extent that such amendments, restatements, extensions, supplements and other modifications are entered into in compliance with the terms of this Agreement, (b) references to any law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such law, (c) the word "including" means "including without limitation", (d) the word "or" is disjunctive but not exclusive, and (e) prior drafts of this Agreement will be disregarded.

2. Term and Termination; Effect of Termination; Effect of Agreement and Termination.

2.1 This Agreement shall be effective until terminated in accordance with Section 2.2 hereof (the "Term").

2.2 This Agreement shall terminate:

(a) upon written notice of such termination from DBR and the Division to the Company, which termination may be effected by DBR and the Division at any time acting in their sole discretion and in accordance with the laws of the State; or

(b) upon written notice from the Company to DBR and the Division in the event the Company shall no longer be involved in the ownership or management of both Facilities; *provided*, that, for the avoidance of doubt, any transfer or cessation of the business of either of the Facilities shall be subject to the requirements of the Pari-mutuel Laws and be subject to approval by DBR and the Division, as applicable, and, *provided, further*, that, in the event that the Company is no longer involved in the ownership or management of either one of the Facilities pursuant to a transaction permitted under this Agreement or as may be consented to by the DBR and the Division but remains involved in the ownership or management of the other Facility, only the provisions of this Agreement applicable to such Facility as to which the Company is no longer involved in the ownership or management shall terminate.

2.3 Without limitation to DBR's and the Division's regulatory authority and any remedies in law or in equity available to DBR and the Division (including as set forth in this Agreement), in the event of a termination of this Agreement by DBR and the Division pursuant to Section 2.2 hereof, DBR and the Division may, but shall not be obligated to, revoke either or both of the Rhode Island Companies' licenses with regard to the applicable Facility in a manner consistent with the laws of the State. In addition, the existence of this Agreement and any termination of this Agreement shall not affect any liability of any of the Parties that has accrued prior to the date of this Agreement or its termination or as a result of such termination or of the acts giving rise to such termination, including, without limitation, the liability of any Party for any default by such Party in the performance of its obligations under the Continuing Prior Undertakings (or, with respect to the Prior Undertakings other than the Continuing Prior Undertakings, for any default prior to July 1, 2016), the Prior Agreement or this Agreement, nor shall it affect the coming into force or continuance in force of any provision of this Agreement which is expressly

intended to continue in force on or after such termination. Sections 1, 2, 8 and 9 hereof shall survive any termination of this Agreement. Termination of this Agreement shall in no way act as a basis to affect the on-going business of any Facility. The Lincoln Facility shall continue in business unless UTGR's license(s) have been suspended or revoked or UTGR is otherwise limited by an order of the DBR or the Division and the Tiverton Facility shall continue in business unless TRT's license(s) have been suspended or revoked or TRT is otherwise limited by an order of the DBR or the Division. Subject to Section 3 hereof, for the avoidance of doubt, the regulatory authority of the DBR and the Division under applicable laws and regulations of the State in respect of the licensing of directors, officers or owners of Bally's, and in respect to any change in control of Bally's, shall not be affected hereby and shall apply independently of the terms hereof or any compliance or non-compliance with the terms hereof, the terms and

conditions required by the DBR and the Division in connection with their approval of a change of control and any acquirer of Bally's to be determined by them in light of the circumstances then presented.

2.4 This Agreement shall be effective on the Effective Date and supersede in its entirety the Prior Agreement on a prospective basis from and after the Effective Date; *provided, however*, that in no event shall (a) the Continuing Prior Undertakings be deemed to be suspended (and such Continuing Prior Undertakings shall continue in accordance with their terms), (b) the existence or operation of this Agreement relieve any of the Rhode Island Companies from liability or otherwise affect the rights of DBR or the Division for any (i) prior breach by the Company of the Prior Agreement or any of the Continuing Prior Undertakings or (ii) breach by the Company prior to July 1, 2016 of the Prior Undertakings (other than the Continuing Prior Undertakings), and (c) subject to clause (b), the Leverage Ratio shall be calculated in accordance with this Agreement for any period after June 30, 2019.

3. Ownership of the Rhode Island Companies.

3.1 Attached as Exhibit A hereto is a table indicating all Persons who, to the Company's Knowledge as of the Effective Date, hold a 5% or greater direct or indirect equity Financial Interest in each Rhode Island Company and the amount of such equity Financial Interest as of such date. In the event the Company acquires Knowledge that (i) any Person holding a direct or indirect Financial Interest in either of the Rhode Island Companies proposes to change its holding from below 5% of the total of any class of Financial Interests in such Rhode Island Company to 5% or more (but, in all cases, less than the Control Threshold) or (ii) any Person holding a 5% or more direct or indirect Financial Interest in either of the Rhode Island Companies increases its holding by more than 1% of the total of any class of Financial Interests in such Rhode Island Company (but, in all cases, less than the Control Threshold), the Company shall, within three (3) Business Days of acquiring Knowledge of any such change or proposed change, notify DBR and the Division and, subject to the review and approval process set forth below in Sections 3.2 and 3.3 hereof, as applicable, update Exhibit A hereto and deliver such updated exhibit to DBR and the Division; *provided however*, the Company may provide such notice and updated Exhibit A under clause (i) of this Section 3.1 at the end of each fiscal quarter for any Person that has already been approved by the DBR as an "Institutional Investor" to the extent that such Person has not increased its direct or indirect

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Financial Interest in any class of Financial Interests in any of the Rhode Island Companies in excess of the requirements and restrictions applicable to such Person in connection with its approval as an "Institutional Investor". The Company shall use best efforts to monitor changes in the ownership of direct or indirect Financial Interests in the Rhode Island Companies based on publicly reported information and other information reasonably available to it.

3.2 Pursuant to the organizational documents of Bally's, BMG, UTGR, iGaming Joint Venture and TRT, any purported direct or indirect transfer of Financial Interests that purports to result in a Person acquiring 5% or greater of the total of any class of Financial Interests in such entity shall be null and void and shall not be recognized by the applicable entity unless and until (A) such Person shall have received a written approval from DBR and the Division and/or been approved as suitable by DBR and the Division to hold such Financial Interest or (B) such Person has received a prior written notice from the applicable Governmental Authorities (including DBR and the Division) that such Person is not required to hold a license from DBR and the Division and/or be approved as suitable by DBR and the Division to hold such Financial Interest (the "5% Transfer Restriction"). Bally's, BMG, UTGR, iGaming Joint Venture and TRT shall maintain the 5% Transfer Restriction in their respective organizational documents so as to prohibit any Person from acquiring a 5% or greater direct or indirect Financial Interest in any class of Financial Interests in either of the Rhode Island Companies unless such Person shall have first obtained written approval from DBR and the Division making a determination of suitability to hold such direct or indirect Financial Interest in such Rhode Island Company in accordance with the rules and procedures set forth by DBR and the Division in their sole discretion from time to time; *provided, however*, that, notwithstanding any provision of any organizational documents of Bally's, BMG, UTGR, iGaming Joint Venture or TRT, the 5% Transfer Restriction and any other requirement of DBR or Division approval before a Person acquires beneficial ownership of 5% or greater of any class of Financial Interests in Bally's or either of the Rhode Island Companies shall not apply with respect to a change in the percent of class of Financial Interests held by a Person that (x) results solely from a decrease in the aggregate number of Financial Interests in such class of Financial Interests outstanding as a result of stock repurchases by the Company pursuant to a repurchase plan or program and (y) does not result in such Person acquiring a 6% or greater direct or indirect Financial Interest in any class of Financial Interests in any of the Rhode Island Companies (any change meeting the requirements of (x) and (y), a "Permitted Ownership Increase").

3.3 Pursuant to the organizational documents of Bally's, BMG, UTGR, iGaming Joint Venture and TRT, once a Person has obtained approval from DBR and the Division to hold a 5% or greater Financial Interest in either Rhode Island Company (if required), any purported transfer of Financial Interests in any of such entities that purports to result in a Person acquiring a direct or indirect Financial Interest in any class of Financial Interests in such Rhode Island Company equal to or in excess of the Control Threshold shall be null and void and shall not be recognized by the applicable entity unless (A) such Person shall have first obtained written approval from DBR and the Division making a determination of suitability to hold such Financial Interest in such Rhode Island Company equal to or in excess of the Control Threshold in accordance with the rules and

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procedures set forth by DBR and the Division in their sole discretion from time to time or (B) such Person has received prior written notice from the applicable Governmental Authorities (including the DBR and the Division) that such Person is not required to obtain written approval from DBR and the Division (the "Control Threshold Transfer Restriction"). Bally's, BMG, UTGR, iGaming Joint Venture and TRT shall maintain the Control Threshold Transfer Restriction in their respective organizational documents.

3.4 With respect to any Person that has been approved by the DBR as an "Institutional Investor," if the Company acquires Knowledge that such Institutional Investor seeks to increase its direct or indirect Financial Interest in any class of Financial Interests in either of the Rhode Island Companies in excess of the requirements and restrictions applicable to such Person in connection with its approval as an "Institutional Investor," the Company shall use all efforts within its control to not permit such increase unless such Person shall have first obtained written approval from DBR and the Division making a determination of suitability to hold such direct or indirect Financial Interest in such Rhode Island Company in accordance with the rules and procedures set forth by DBR and the Division in their sole discretion from time to time; *provided, however*, that written approval from DBR and the Division shall not be required with respect to a change in the percent of class of Financial Interests held by a Person that (x) results solely from a decrease in the aggregate number of Financial Interests in such class of Financial Interests outstanding as a result of stock repurchases by the Company pursuant a repurchase plan or program and (y) to the extent that such Person would hold 15% or more of an outstanding class of Financial Interests in either of the Rhode Island Companies following such stock repurchases, does not result in the percent of class of Financial Interests in either of the Rhode Island Companies held directly or indirectly by such Person increasing by an amount equal to 1% or more of the outstanding class of Financial Interests (after giving effect to such repurchases). Pursuant to the Bylaws of Bally's, any transfer of Financial Interests in violation of the Gaming Laws (as defined therein) will be void until (a) Bally's ceases to be subject to the jurisdiction of the applicable Gaming Authority (as defined therein) or (b) the applicable Gaming Authority, by affirmative action, validates such transfer or waives any defect in such transfer. As a result, any transfer of indirect or direct Financial Interests in any Rhode Island Company that results in the Company acquiring Knowledge that a Person that has been approved by the DBR as an "Institutional Investor" increasing its ownership of direct or indirect Financial Interest in any class of Financial Interests in such Rhode Island Company by an amount in excess of the requirements and restrictions applicable to such Person in connection with its approval as an "Institutional Investor" (other than an increase in the percent of class of Financial Interests held by a Person that (x) results solely from a decrease in the aggregate number of Financial Interests in such class of Financial Interests outstanding as a result of stock repurchases by the Company pursuant to a repurchase plan or program or (y) to the extent that such Person would hold 15% or more of an outstanding class of Financial Interests in any Rhode Island Company following such stock repurchase, does not result in the percent of class of Financial Interests in any of the Rhode Island Companies held directly or indirectly by such Person increasing by an amount equal to 1% or more of the outstanding class of Financial Interests (after giving effect to such repurchases)) shall be null and void and shall not be recognized by any Rhode Island Company or the Company, as the case may be, unless and until such

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Person shall have received written approval making a determination of suitability from DBR and the Division with respect to such increase.

3.5 The parties acknowledge that any transactions purporting to be acquisitions of Financial Interests in Bally's, BMG, UTGR, iGaming Joint Venture and/or TRT that are null and void pursuant to the applicable entity's organizational documents shall not be considered acquisitions of Financial Interests in Bally's, BMG, UTGR, iGaming Joint Venture and/or TRT for purposes of this Agreement. For the avoidance of doubt, the DBR and the Division shall be entitled to consider in making the determination of the "suitability" of a Person for any purpose under this Agreement, including, to (i) hold a 5% or greater direct or indirect Financial Interest in either Rhode Island Company or (ii) hold a direct or indirect Financial Interest in any class of Financial Interests in either Rhode Island Company equal to or in excess of the Control Threshold, the Competitive Activities of such Person (assuming the definition of "Competitive Activities" is defined by reference to any jurisdiction or geographic location in which the Company or any of its Subsidiaries owns, manages or operates a Gaming/Racing Property). The DBR and the Division will promptly notify the Company of any approval described in this Section 3 and the material terms and conditions of any such approval.

3.6 The Company shall maintain (a) Article III of the Limited Liability Company Agreement, dated as of December 31, 2023, of UTGR, (b) section 12 of the Third Amended and Restated Operating Agreement of TRT (in the form attached as Exhibit G hereto, the "TRT Operating Agreement"), (c) section 4.07 of Bally's Certificate of Incorporation (as amended February 14, 2011, the "Bally's Certificate of Incorporation"), (d) Article III of the Limited Liability Company Agreement, dated as of March 31, 2023, of BMG and (e) following the amendment of the First Amended and Restated Limited Liability Company Agreement, dated as of February 29, 2024, of the iGaming Joint Venture (as amended the "iGaming JV Operating Agreement") to include a provision substantially the same as section 12 of the TRT Operating Agreement, which amendment shall be effective within ten (10) business days of the Effective Date, such provision of the iGaming JV Operating Agreement, and shall not further amend or modify any of such sections without the prior written approval of DBR and the Division. The Company shall take all actions within its control necessary to enforce the aforementioned provisions of UTGR's, TRT's, Bally's, iGaming Joint Venture's and BMG's governing documents so as to prohibit any Person from transferring or acquiring a Financial Interest in UTGR, TRT, Bally's, iGaming Joint Venture and/or BMG, respectively, in violation of the aforementioned governing document provisions of those entities and/or the requirements and restrictions applicable to such Person, and shall promptly provide written notice to the DBR and the Division of any such actions taken by the Company.

3.7 The Company shall provide, or cause to be provided, to the DBR and the Division, (x) promptly following the 15th day of each calendar month (but no later than the 20th day of such calendar month), (y) promptly following (but no later than five (5) Business Days following the date the threshold described in this clause (y) is met) any stock repurchase(s) by the Company, following the date of the most recent Stockholder List (as defined below) pursuant to a repurchase plan or program, of a number of outstanding equity Financial Interests that represent, in the aggregate, one percent (1%)

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or more of the outstanding equity Financial Interests reported in most recent Stockholder List delivered pursuant to this Section 3.7, and (z) promptly following any more frequent request by the DBR of the Division (but no later than five (5) Business Days following such request), in each case, a list (each, a "Stockholder List") setting forth, to the Company's Knowledge (based on publicly reported information and other information reasonably available to it, including the results of any "broker searches" conducted as provided below), the fifty (50) largest stockholders owning (whether beneficially or directly) equity Financial Interests of Bally's (or, if either of UTGR or TRT is no longer the indirect wholly owned subsidiary of Bally's, a list setting forth, to the Company's Knowledge, the stockholders of any successor Person or Persons that hold, directly or indirectly, equity interests or other direct or indirect equity Financial Interests in UTGR and/or TRT), which Stockholder List shall be substantially in the form attached hereto as Exhibit I. In connection with its obligations in the preceding sentence, the Company shall use commercially reasonable efforts to obtain such information from any applicable transfer agent or other Person charged with recording or maintaining such information, and the Company shall conduct "broker searches" in the manner contemplated by Rule 14a-13 promulgated by the SEC under the Securities Exchange Act of 1934, as amended, no less frequently than annually in connection with the Company's annual meeting and, in connection with the Stockholder List delivered pursuant to clause (x) of this Section 3.7, with respect to the month of the year in which such "broker searches" were conducted, include a certification that such "broker searches" were conducted in accordance with the terms hereof.

3.8 The Company shall provide, or cause to be provided, to the DBR and the Division, promptly following the written request of the DBR or the Division access at a place and time requested by the DBR and the Division to a list of Person or Persons that (a) are Lenders, along with the amount of indebtedness thereunder held by such Person or Persons, and (b) hold, directly or indirectly, Financial Interests in either Rhode Island Company constituting Indebtedness secured by the Facility or Equity Interests in either Rhode Island Company. In connection with its obligations in

the preceding sentence, the Company shall use commercially reasonable efforts to obtain such information from any applicable Administrative Agent or other Person charged with recording or maintaining such information.

3.9 Notwithstanding any provision of any Rhode Island law or this Agreement, (A) Inchoate Rights of a Secured Party shall not be deemed to be Financial Interests and (B) granting, obtaining and holding Inchoate Rights will not require any regulatory approval as Financial Interests so long as promptly as practicable and in any event on or within five (5) Business Days after the grant of such Inchoate Rights the Company (i) notifies the Division and DBR of such grant and the identity of the Administrative Agent or Secured Parties to whom or which they were granted and (ii) provides copies of the documentation under which the Inchoate Rights arise.

3.10 Bally's shall promptly and in any event within five (5) Business Days (a) notify the DBR and Division of any breach Known of any trust as to which Bally's or any subsidiary thereto acts as trustee that holds Financial Interests, (b) use its best efforts to exercise remedies available to it in respect to such breach, and (c) hereby acknowledges

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that Bally's failure to do so would be a breach of this Agreement by Bally's. For the avoidance of doubt, a Person having beneficial interest in such a trust shall not be required to transfer or cause to be transferred additional Financial Interests to such trust as a result of any Permitted Ownership Increase.

4. Management and Officers.

4.1 The Rhode Island Companies shall each have a board of directors or managers (with respect to the applicable Rhode Island Company, the "Board") that shall be responsible for the management of such Rhode Island Company. Members of each Board shall be subject to licensing by DBR and approval by the Division pursuant to its statutory and regulatory authority, which license may be issued by DBR and which approval may be granted by the Division in accordance with the rules and procedures established by DBR and the Division from time to time. The names of the current Board members are set forth on Exhibit B hereto. In the event of any proposed change in the composition of either Board, the Company shall, within three (3) Business Days prior to such proposed change or first acquiring Knowledge of such proposed change (whichever is earlier), notify DBR and the Division of such proposed change. The Company shall also notify DBR and the Division regarding any proposed Material Action by either Board three (3) Business Days prior to any such proposed action. Upon request, the Company shall provide DBR and the Division with an opportunity to inspect at the Company's offices or at DBR's or the Division's offices (the location to be at the discretion of DBR and the Division) any minutes or resolutions of the applicable Board as well as any documents provided to such Board in connection with the execution of their management responsibilities with regard to the applicable Rhode Island Company. Subject to the licensing authority of DBR and the general statutory and regulatory authority of the Division to operate and control the Facilities and Section 4.2 hereof, the applicable Board may delegate certain management responsibilities to officers and other managers of the Company.

4.2 Attached as Exhibit C hereto is a detailed description of the organizational structure and the management structure of the Company in effect as of the Effective Date indicating (a) Bally's and each of its Subsidiaries and (b)(i) all Management Positions at the Company of director level (e.g., director of a business area or function) and higher, (ii) a description of the scope of authority and duties involved in each Management Position, and (iii) a description of to whom each Management Position reports within the management structure of the Company. Exhibit C shall also include the name of each Person who holds each Management Position as of the Effective Date. The Company agrees to make available, upon request, a description of the organization structure and management structure of the Company and its Subsidiaries indicating the management positions of director level and higher for Subsidiaries other than the Rhode Island Companies. Subject to the licensing authority of DBR and the Division's statutory and regulatory authority to operate and control the Facilities, in the event of any change or proposed change in personnel, management structure, scope of employee authority or duties, or reporting lines of the Company and its Subsidiaries that would require a modification of Exhibit C, the Company shall notify DBR and the Division in writing within

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three (3) days of such proposed change or first acquiring Knowledge of such proposed change (whichever is earlier).

4.3 The Company shall at all times employ a compliance officer (the “Compliance Officer”) who shall be subject to application and licensure process of the DBR and approval by the Division. The Compliance Officer shall have those responsibilities set forth on Exhibit D hereto (“Duties and Responsibilities of Compliance Officer”) and shall as promptly as practicable report to the DBR and the Division in writing any instances of noncompliance Known to the Compliance Officer, after due inquiry, with the terms of this Agreement or noncompliance with any Rhode Island statutory or regulatory requirements by the Company. Without limiting the responsibilities of the Compliance Officer set forth on Exhibit D hereto, the Compliance Officer shall be required to: (i) monitor compliance by the Company with all applicable Rhode Island laws and regulations and compliance with all terms of the Regulatory Agreement (including the Code of Business Conduct and Ethics set forth on Exhibit F hereto), the VLT Contract, the Tiverton VLT Contract, the Sports Wagering Hosting Agreement, the iGaming Game Agreement and the iGaming Platform Agreement, (ii) serve as a liaison between the Company, on the one hand, and the DBR and the Division, on the other hand, with respect to the foregoing, and (iii) on a quarterly basis, review the employees, vendors, personnel and other service providers with respect to each Facility who are subject to licensing by DBR and approval by the Division pursuant to its statutory and regulatory authority and shall promptly report within five (5) calendar days to the DBR and the Division in writing any noncompliance or failure of such employees, vendors, personnel or other service providers to be licensed in accordance with applicable statutory or regulatory requirements. Further, the Compliance Officer shall be made reasonably available to promptly respond to information requests from the DBR and the Division (including pursuant to Section 6) and provide reports to DBR and the Division in writing, as requested by the DBR or the Division, and on a regular basis, but no less frequently than annually, regarding compliance with (a) all applicable laws and rules and regulations; (b) this Agreement (including the Code of Business Conduct and Ethics set forth on Exhibit F hereto); (c) the VLT Contract; (d) the Tiverton VLT Contract; (e) the Sports Wagering Hosting Agreement; (f) the iGaming Game Agreement; (g) the iGaming Platform Agreement and (h) all applicable decrees and orders of any Governmental Authority. In addition to the responsibilities of the Compliance Officer set forth on Exhibit D, he/she shall be responsible for implementing a written compliance protocol, which includes a process for verification, monitoring and action plan pertaining to, compliance with (a)-(e).

4.4 As used herein, a “Senior Executive Position” shall mean any Person deemed by the DBR and/or the Division, in their sole discretion, to be in a Management Position or otherwise in a decision-making or control capacity with regard to the Facilities or the Company regardless of such Person’s position or title. The DBR and the Division reserve the right to review from time to time as it deems necessary in their sole discretion the functional duties and responsibilities of any Person and determine whether such Person is assuming duties that constitute a decision-making or control capacity.

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4.5 Without limiting any other term of this Agreement, the Rhode Island Companies shall, and the Company shall cause the Rhode Island Companies, at all times, to, employ a management team to occupy each Management Position for each Facility in accordance with the provisions of this Section 4.5. The structure of, and Management Positions included in, such management team for each Facility shall be subject to the prior approval of the DBR and the Division, and the individuals filling the Management Positions included in such management team for each Facility shall be subject to licensure by the DBR and approved by the Division. Each Person that occupies a Management Position of either Facility will be required to devote his/her primary time and attention to such Facility in order to fulfill the fiduciary duty of the Company to protect the revenue stream of the State and the Facility and manage the Facility in a manner substantially consistent with a first class gaming facility located elsewhere in the United States pursuant to regulations duly adopted pursuant to state law. Each of Bally’s and BMG acknowledges that its respective directors and officers are obligated to exercise their respective fiduciary or equivalent duties in accordance with applicable law, including to ensure that BMG’s officers oversee the management of each Facility, including the management team for each Facility, with due care and as fiduciaries.

4.6 The Company shall use reasonable commercial efforts to ensure that all officers, directors, key employees and other individuals in a management role of Bally’s, BMG, UTGR, iGaming Joint Venture and TRT be competent and suitable for their respective role, and shall cause such

individuals to fulfill their duties as contemplated hereby.

5. Competitive Activities; Related Party Transactions.

5.1 The Company confirms that (a) its fiduciary duty includes protecting the revenue stream of the State and the Facility, (b) any Competitive Activity that may affect that revenue is detrimental to the State, the Facility, UTGR, TRT, BMG, iGaming Joint Venture and Bally's, and (c) it shall cause UTGR and TRT to conduct the business of the applicable Facility in a manner consistent with fulfilling the foregoing obligations.

5.2 The Company and its Subsidiaries, and the respective directors, officers and management personnel of the Company and its Subsidiaries, shall not engage in any Competitive Activities. The Company shall immediately notify DBR and the Division in writing upon acquiring Knowledge of:

(a) any instances in which any directors, officers or other employees of the Company or its Subsidiaries have engaged or intend to engage in Competitive Activities;

(b) any transaction or series of related transactions, directly or indirectly, between the Company or any of its Subsidiaries, on the one hand, and any director, officer or other employee of the Company or any of its Subsidiaries, on the other hand, other than customary compensation arrangements (whether in the form of cash, equity awards or customary benefit plans), expense reimbursement, director and officer insurance coverage and/or indemnification arrangements (and related advancement of expenses);

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(c) any other transaction or series of transactions involving any director, officer or other employee of the Company or any of its Subsidiaries that could conflict with such director's, officer's or other employee's fiduciary, employment or other duties to the Company or any of its Subsidiaries; or

(d) any instances in which a holder of 5% or greater of any class of direct or indirect Financial Interest in either Rhode Island Company engages in, or proposes to engage in, Competitive Activities.

The Company shall provide in writing all information requested by DBR and the Division in connection with the occurrence of any of the events described in clauses (a) through (d) above.

5.3 The Company shall use best efforts to monitor whether any director, officer, other employee or 5% or greater holder of any class of direct or indirect Financial Interest of either Rhode Island Company and its Subsidiaries engages in any of the activities described in clauses (a) through (d) of Section 5.2. Said monitoring should be incorporated into any compliance protocols and reported to the DBR and the Division. In the event any director, officer or any other employee of the Company or its Subsidiaries engages in any of the activities described in clauses (a) through (d) of Section 5.2, the Company shall immediately notify DBR and the Division of the activity in writing and all steps taken to correct the issue and protect the interests of the State. Upon any notification to the DBR and the Division of any such activities by the Company or its directors, officers, or other employees, in addition to any other remedy in law or equity that protects the interests of the State, each of the DBR and the Division may take regulatory action including (a) the suspension or revocation of the pari-mutuel facility license and/or permit to conduct Simulcasts in a manner consistent with the laws of the State, (b) suspension or revocation of any other license at issue in connection with such activities in a manner consistent with the laws of the State, and/or (c) imposition of a monetary penalty in accordance with the terms set forth herein. Upon the request of the DBR or the Division, the DBR and/or the Division shall have the right to cause Bally's to convene a meeting of its board of directors at which representatives of the DBR and/or the Division may attend for the purpose of discussing the appropriate disciplinary action to be taken by the Company with respect to any engagement by any director, officer or other employee of the Company or any of its Subsidiaries in any of the activities described in clauses (a) through (d) of Section 5.2, which disciplinary action may include the termination or resignation of any directors, officers or other employees who have engaged or propose to engage in such activities.

6. Access to Information.

6.1 From and after the Effective Date, at the request of DBR or the Division or as otherwise delineated below, the Company shall comply with the following reporting obligations:

(a) Quarterly Financial Statements: As soon as practicable, and in any event within sixty (60) days after the close of each of the first three fiscal quarters of each

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fiscal year of the Company or, if earlier, the date Bally's files its Quarterly Report on Form 10-Q with the SEC, the Company shall deliver to the DBR and the Division a consolidated and consolidating balance sheet and statement of income and a consolidated statement of cash flows of Bally's as at the close of such quarter and covering business for such quarter and the portion of Bally's fiscal year ending on the last day of such quarter, all in detail and prepared in accordance with GAAP, subject to audit and year-end adjustments, setting forth in each case in comparative form the figures for the comparable period of the previous fiscal year; provided, that the materiality threshold applicable to any Rhode Island Company in connection with the preparation of such financial statements shall be the materiality standard that would be applicable to the Rhode Island Companies on a combined basis if such financial statements were prepared with respect to such Subsidiary on a stand-alone combined basis. The Company shall also provide comparisons of each pertinent item to the budget referred to in Section 6.1(c) below. The quarterly report pursuant to this Section 6.1(a) shall also include a summary of the Company's Leverage Ratio calculated in accordance with the terms of this Agreement in the form attached as Exhibit E; provided that, for the avoidance of doubt, the quarterly report with respect to the fiscal quarter ended September 30, 2019 (and subsequent periods) shall be calculated in accordance with the terms of this Agreement. This reporting requirement may be suspended or reinstated by DBR and the Division, at their discretion, at any time during the course of this Agreement; provided, however, that any such suspension or reinstatement must be in writing.

(b) Annual Statements: As soon as practicable after the end of each fiscal year of the Company, and in any event within 120 days thereafter or, if earlier the date on which Bally's files its Annual Report on Form 10-K with the SEC, the Company shall deliver to DBR and the Division duplicate copies of consolidated and consolidating balance sheets, statements of income and stockholders equity and a consolidated statement of cash flows of Bally's at the end of such year and covering business for such year, setting forth in comparative form the figures for the previous fiscal year, all in detail and prepared in accordance with GAAP; provided, that the materiality threshold applicable to any Rhode Island Company in connection with the preparation of such financial statements shall be the materiality standard that would be applicable to such Subsidiary if such financial statements were prepared with respect to such Subsidiary on a stand-alone basis.

Such financial statements provided pursuant to this Section 6.1(b) shall be audited and accompanied by an opinion thereon of independent certified public accountants of recognized national standing selected by the Company in accordance with NYSE listing requirements (or, in the event that the Company is not listed on the NYSE or another national securities exchange, satisfactory to the DBR and the Division), which opinion shall state that such financial statements fairly present in all material respects the financial position of the Company and its Subsidiaries on a consolidating and consolidated basis and have been prepared in accordance with GAAP (except for changes in application in which such accountants concur) and that the examination of such accountants in connection with such financial statements has been made in accordance with United States generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as were considered necessary in

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the circumstances, and the Company shall also provide comparisons of each pertinent item to the budget referred to in Section 6.1(c) below.

(c) Business Operating Plan; Projections: No later than forty-five (45) days after the commencement of each fiscal year of the Company, the Company shall provide DBR and the Division with an opportunity to inspect at the Company's offices or the DBR's or the Division's offices (the location to be at the discretion of the DBR and the Division), an annual business operating plan setting forth the anticipated strategic

business activities, including any marketing and promotional activities, and goals, including an expected consolidated budget, of the Company and its Subsidiaries and projections of consolidated revenue, expenses and cash position, prepared on a monthly basis, and a three (3) year business operating plan setting forth the anticipated strategic business activities and goals, including an expected consolidated budget, of the Company and its Subsidiaries and projections of consolidated operating results. Within ninety (90) days of the close of each semiannual fiscal period of the Company, the Company shall provide DBR and the Division with a similar opportunity to inspect an update of such monthly projections. Such business plans, projections and updates shall contain such substance and detail and shall be in such form as requested by DBR and the Division.

(d) **Audit Reports:** Promptly upon receipt thereof, the Company shall provide DBR and the Division with an opportunity to inspect at the Company's offices or the DBR's or the Division's offices (the location to be at the discretion of the DBR and the Division) one copy of each other financial report and internal control letter submitted to the Company and its Subsidiaries by independent accountants (and management's responses thereto or other correspondence) in connection with any annual, interim or special audit made by them of the books of the Company or any of its Subsidiaries.

(e) **Other Information:** The Company shall deliver or make available for inspection (as determined by the DBR and the Division in their discretion) such other information as DBR and the Division may request.

6.2 Additional Reporting Obligations. The Company shall provide to DBR and the Division:

(a) copies of all notices, reports or other information given to its lenders or shareholders at the same time such reports or other information are made available to such parties, including all notices, reports or other information provided to (i) its lenders under the Credit Agreement, dated as of October 1, 2021 (as amended, amended and restated, refinanced, replaced, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement, the "Credit Agreement"), by and among Bally's, certain subsidiaries of Bally's party thereto, the lenders party thereto, and the Administrative Agent and (ii) any holders of any Bond Debt of the Company or any trustee with respect thereto;

(b) copies of (i) all notices, reports and filings made by the Company and its Subsidiaries with regulatory authorities, including all Gaming/Racing Authorities and the SEC, in jurisdictions other than the State with respect to purported or actual violations

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or other non-ordinary course matters, (ii) any notice or reports delivered to the Company or any of its Subsidiaries by regulatory authorities, including all Gaming/Racing Authorities and the SEC, in jurisdictions other than the State with respect to purported or actual violations or other non-ordinary course matters, and (iii) any other material notices, reports, filings and communications between the Company and its Subsidiaries and regulatory authorities, including all Gaming/Racing Authorities and the SEC, in other jurisdictions, in each case to the extent permitted by applicable law. The Company shall provide DBR and the Division with a release in a form requested by DBR and the Division to directly obtain any and all information it deems necessary from other jurisdictions;

(c) (i) reasonable advance written notice of its intention to execute and deliver a Material Agreement (or a renewal, amendment or modification thereof) (A) as to which the Company intends to make a public announcement or (B) which is entered into by the Company outside the ordinary course of business, in each case, at least five (5) Business Days prior to entering into any such Material Agreement, renewal, amendment or modification (enclosing in such notice a copy of the then current drafts of all material documentation related to such Material Agreement, renewal, amendment or modification; *provided*, that the DBR and the Division shall not publicly disclose the terms of any Material Agreements that are otherwise confidential unless disclosed under R.I. Gen. Laws 38-2-1, *et seq.* (Access to Public Records Act) or otherwise required by applicable law or court order or other legal process; *provided, further*, that to the extent the Company provides notice to the DBR and the Division prior to the entry of any Material Agreement (or a renewal, amendment or modification thereof) and does not enclose a copy of the then-current drafts of all material documentation related thereto, the Company shall in such notice provide the contact information (including a telephone number) for a representative of the Company who can be contacted by the DBR and the Division via telephone to discuss the contents of such notice, the reason for the failure of the Company to enclose a copy of the then-current drafts of all material documentation related thereto and the procedures pursuant to which the DBR or the Division may review the then-current drafts of such material documentation); *provided even further*, that the Company acknowledges and agrees that it shall not, and it shall cause its Subsidiaries to not, enter into a confidentiality agreement with any Person that would restrict the ability of the Company to comply with its obligations under this Section 6.2(c), (ii) promptly following execution thereof (but not later than two (2) Business Days thereafter), copies of any Material Agreement entered into by the Company (or a renewal, amendment or modification thereof) other than a Material

Agreement of the type referred to in the foregoing clause (i)(A) or (B), and (iii) upon and after such notice or delivery, as applicable, such information regarding the Material Agreements referred to in the foregoing clauses (i) and (ii), renewal, amendment or modification thereof, as the DBR and the Division shall reasonably request;

(d) written notice at least five (5) Business Days prior to the adoption of any action by the Board or the applicable board of directors or equivalent governing body of the Company or any of its Subsidiaries approving the undertaking of any proposed change to the corporate or organizational structure of the Company and its Subsidiaries (including material amendments to any certificate of incorporation, bylaws, operating agreement, limited partnership agreement, certificate of formation or other similar

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document of the Company or any of its Subsidiaries and the formation, creation or acquisition by the Company or its Subsidiaries of any direct or indirect Subsidiary);

(e) written notice at least five (5) Business Days prior to (i) any Material Action, (ii) the entry by the Company and its Subsidiaries into any transaction providing for the sale, lease, pledge, assignment, transfer or other disposition of any material portion of the assets of the Company or any of its Subsidiaries, (iii) any merger, consolidation or other combination involving the Company or any of its Subsidiaries, (iv) any acquisition by the Company or any of its Subsidiaries, by purchasing all or a substantial portion of the assets or stock of, or by any other manner, any business or any corporation, partnership, joint venture, limited liability company, association or other business organization or division thereof or any material assets, except purchases of supplies in the ordinary course of business, (v) any other transaction that has or is reasonably likely to have a material effect on the financial condition or results of operations of (A) any Rhode Island Company individually or (B) the Company and its Subsidiaries, taken as a whole, and (vi) the authorization by the Company or any of such Subsidiaries of, or the entry by the Company or any of such Subsidiaries of, any agreement with respect to any of the foregoing matters;

(f) written notice promptly following the occurrence of any event that, to the Knowledge of the Company, would reasonably be expected to have a material adverse effect on the financial condition or results of operations of (x) any Rhode Island Company individually or (y) the Company and its Subsidiaries, taken as a whole;

(g) written notice promptly following the occurrence of any event that, to the Knowledge of the Company, would reasonably be expected to have a material adverse effect on any Gaming/Racing License; and

(h) an annual report to DBR and the Division including a signed certification (the "Compliance Report") making an affirmative representation that to the knowledge of the Company after due inquiry, the Company has satisfied/is in compliance with all of its obligations under (i) state laws, rules and regulations in all material respects; (ii) this Agreement; (iii) the VLT Contract; (iv) the Tiverton VLT Contract; (v) the Sports Wagering Hosting Agreement; (vi) the iGaming Game Agreement; (vii) the iGaming Platform Agreement and (viii) all applicable orders and decrees of any Governmental Authority all material respects. To the extent that the Company has not satisfied its obligations or is not in compliance with such obligations described above, then the Compliance Report shall set forth in reasonable detail the nature and extent to which it has not satisfied its obligations and/or is out of compliance and further shall provide a corrective action plan to come into compliance. The Compliance Report shall be filed with the DBR and the Division on or before March 1 of each year.

Notwithstanding the foregoing, if the Company determines in good faith that compliance with any of the provisions of clauses (b), (c), (d) or (e) of this Section 6.2 would (i) violate any contractual or legal obligation of the Company or (ii) involve the disclosure of (x) competitively sensitive information or (y) notices or other written communication to other Gaming/Racing Authorities in the ordinary course of business that do not relate to

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any violation or potential violation of Gaming/Racing Laws or investigation, the Company shall provide the DBR and the Division with reasonable access to such information at a place and time requested by the DBR and the Division.

6.3 Following the Effective Date, the Company shall provide to the DBR and the Division a copy of all federal tax returns and material state tax returns (or any amendment to a prior year return) that are filed following the Effective Date, in each case, promptly after the filing thereof and will make available to the DBR and the Division upon reasonable request a copy of all other state tax returns. In connection with the delivery to the DBR and the Division of any such state or federal tax returns, the Company hereby consents (on behalf of Bally's, BMG, UTGR, TRT, iGaming Joint Venture and their respective Subsidiaries) to the DBR and the Division communicating or meeting with the Rhode Island Tax Administrator; *provided* that any information obtained from such communications or meetings shall be subject to the same confidentiality obligations that is required of the Rhode Island Division of Taxation. Following the Effective Date, within sixty (60) days of the filing by a Rhode Island Company (or any other entity or successor to such Rhode Island Company that is a taxpayer in the State in respect of the Facilities) of any income Tax return with the State, the Company shall provide to DBR and the Division a summary of all deductions and any other items included in such tax return resulting from operations outside of the State that were used to reduce the Taxes payable by such Rhode Island Company to the State.

6.4 The Company shall grant to DBR, the Division and their respective representatives access to all books, records, audit work papers, properties and personnel of the Company and its Subsidiaries (including related to the properties of the Company and its Subsidiaries), and shall permit DBR, the Division and their respective representatives to discuss the Company affairs, finances and accounts with the officers, managers, key employees and independent public accountants of the Company and its Subsidiaries or any of them (and by this provision the Company authorizes said accountants to discuss with DBR, the Division and their respective representatives the finances and affairs of the Company and its Subsidiaries), during regular daytime business hours of the Facilities, with advance notification and as often as may be requested by DBR and the Division.

7. Other Regulatory Compliance Covenants by the Company.

7.1 The Company (a) shall at all times comply and remain in compliance with, and shall cause its Senior Executives and directors and (b) shall use its best efforts to cause the owners of a direct or indirect Financial Interest of 5% or greater in any class of Financial Interests in each Rhode Island Company, to comply and remain in compliance, in all material respects, in each case, with: (i) all applicable requirements under all laws, statutes and rules and regulations applicable to the Companies and/or the Facilities; (ii) this Agreement; (iii) the VLT Contract; (iv) the Tiverton VLT Contract; (v) the Sports Wagering Hosting Agreement; (vi) the iGaming Game Agreement; (vii) the iGaming Platform Agreement and (viii) all applicable decrees and orders of any Governmental Authority and Gaming/Racing Authority, as applicable.

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7.2 The Company has adopted a "best practices" code set forth on Exhibit F hereto ("Code of Business Conduct and Ethics"), shall not amend or modify such code in any respect without the prior written approval of DBR and the Division and shall use best efforts to comply with such code in all material respects.

7.3 The Company agrees to submit to examinations by DBR and the Division of the business and management functions of the Facility.

7.4 The Company agrees that if a Gaming/Racing License applied for or granted to the Company or any of its Senior Executives or directors in another jurisdiction is suspended, revoked, withdrawn or denied, the Company shall immediately notify the DBR and the Division in writing upon acquiring Knowledge of such suspension, revocation, withdrawal or denial and shall provide all details as may be requested by DBR and the Division in connection with such suspension, revocation, withdrawal or denial. The Company agrees to provide DBR and the Division with a release in a form provided by DBR and the Division to directly obtain any and all information it deems necessary from other jurisdictions.

7.5 Each of Bally's, BMG, UTGR, TRT and iGaming Joint Venture covenants and agrees with the Division and the DBR that so long as this Agreement shall remain in effect, unless the Division and the DBR shall otherwise consent in writing (which determination shall be provided by the Division and the DBR as soon as reasonably practicable following receipt of any request in writing made by the Company in accordance with Section 9.5 for such consent and the Company's providing all documentation and other information reasonably requested by the DBR and the Division in connection therewith), each of Bally's, BMG, UTGR, TRT and iGaming Joint Venture shall, and shall cause each of their Subsidiaries to:

(a) Existence; Compliance with Laws; Businesses and Properties. With respect to UTGR, TRT, Bally's, BMG, iGaming Joint Venture and their respective Significant Subsidiaries:

(i) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence; and

(ii) Do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the Gaming/Racing Licenses and Liquor Licenses and all other rights, licenses, leases, permits, franchises, authorizations, patents, copyrights, trademarks and trade names material to the conduct of its business except as would not have a Material Adverse Effect; comply in all material respects with all applicable laws, rules, regulations and decrees and orders of any Governmental Authority, whether now in effect or hereafter enacted except as would not have a Material Adverse Effect; and at all times maintain and preserve all property material to the conduct of such business and keep such

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property in good repair, working order and condition and from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times.

Without limiting the generality of the agreement set forth in this Section 7.5(a) the Company agrees that: (1) it shall, and shall cause its Subsidiaries to cause each Gaming/Racing Property to conduct the business, in all material respects, in accordance with all applicable Gaming/Racing Laws and all Gaming/Racing Licenses. The Company shall, or shall cause its Subsidiaries to, post all required bonds, if any, with any Gaming/Racing Authority as and in the amounts required under all applicable laws and (2) it shall make (or cause to be made) all filings required under applicable Gaming/Racing Laws, or in connection with any Gaming/Racing Licenses. The Company shall, or shall cause its Subsidiaries to, diligently and comprehensively respond to any inquiries and requests from the Gaming/Racing Authorities and promptly file or cause to be filed any additional information required in connection with any required filings as soon as practicable after receipt of requests therefor.

(b) Insurance. With respect to the Company and its Subsidiaries:

(i) Keep its insurable properties adequately insured at all times by financially sound and reputable insurers; maintain such other insurance, to such extent and against such risks, including fire and other risks insured against by extended coverage, as is customary with companies in the same or similar businesses operating in the same or similar locations, including public liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of any properties owned, occupied or controlled by it; and maintain such other insurance as may be required by law. At the inception of each policy of insurance referred to in this Section 7.5(b)(i) and periodically thereafter, the Division, in consultation with DBR, may reasonably require, with respect to each policy, specific policy limits, coverage, deductibles and insurer rating to ensure adequate coverage and reflect changing conditions affecting the Facility;

(ii) Deliver original or certified copies of each policy of insurance referred to in Section 7.5(b)(i), that is material or relates to any Rhode Island Company or any property in the State of Rhode Island to the DBR and the Division. The Company and its Subsidiaries shall provide prompt written notice (but not later than two (2) Business Days thereafter) to the DBR and the Division of the cancellation, modification or non-renewal of any such policy of insurance, along with any proposed renewal or replacement policy. Within 30 days of inception of all such policies of insurance, the Company and its Subsidiaries shall deliver to the Division and the

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DBR final renewal or replacement policies, together with evidence satisfactory to the Division and the DBR of payment of the premium therefor;

(iii) If at any time the area in which any real property owned or leased by the Company or any of its Subsidiaries is located is designated (A) an area as having special flood hazards as described in the National Flood Insurance Act of 1968, obtain flood insurance in such total amount as the DBR and the Division may from time to time reasonably require, and otherwise comply with the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as it may be amended from time to time, or (B) a "Zone 1" area, obtain earthquake insurance in such total amount as the DBR and the Division may from time to time reasonably require; and

(iv) With respect to the Facility, carry and maintain comprehensive general liability insurance including the "broad form CGL endorsement" and coverage on an occurrence basis against claims made for bodily injury, death and property damage and personal and advertising injury and umbrella liability insurance against any and all claims, in no event for a combined single limit of less than that which is customary for companies in the same or similar businesses operating in the same or similar locations.

(c) Management and Maintenance of each Gaming/Racing Property. With respect to the Company and each of its Significant Subsidiaries, manage and maintain each Gaming/Racing Property (including all gaming equipment used at any Gaming/Racing Property that is owned or may be leased by any the Company or any of its Significant Subsidiaries) in a first-class manner (and in all material respects consistent with the manner in which such Gaming/Racing Property is operated and maintained as of the Effective Date), ordinary wear and tear and damage caused by casualty and condemnation excepted.

(d) Capital Expenditures. With respect to UTGR, with respect to each calendar year, to make capital expenditures for capital improvements to the Lincoln Facility in an aggregate amount at least equal to the greater of (i)(x) \$5,000,000 with respect to each calendar year (other than the calendar years ending December 31, 2020, December 31, 2021 and December 31, 2022) and (y) \$12,000,000 with respect to each calendar year ending December 31, 2020, December 31, 2021 and December 31, 2022, *provided* that there was not a CapEx Shortfall Amount in the immediately preceding fiscal year, and (ii) following any calendar year during which there was a CapEx Shortfall Amount (as defined below), the sum of \$5,000,000 (or, as applicable, \$12,000,000 with respect to each calendar year ending December 31, 2020, December 31, 2021 and December 31, 2022) and the CapEx Shortfall Amount (such greater amount, as applicable, the "CapEx Amount"). With respect to any calendar year, upon the written approval of the Division and the DBR, UTGR may make annual capital expenditures in

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an amount of less than the applicable CapEx Amount for such calendar year, *provided* that the amount required to be expended during the succeeding calendar year on capital improvements to the Lincoln Facility shall be increased by the difference between (x) the applicable CapEx Amount for such calendar year and (y) the aggregate amounts actually expended on capital improvements to the Lincoln Facility during such fiscal year (such difference, with respect to a fiscal year, the "CapEx Shortfall Amount"). For the avoidance of doubt, there shall be no cap or other limitation on the amount that the CapEx Amount with respect to any calendar year may be increased as a result of a CapEx Shortfall Amount occurring in the preceding fiscal year. To the extent that the expenditures for capital expenditures to the Lincoln Facility exceed the CapEx Amount with respect to any calendar year ending December 31, 2020 or December 31, 2021, the Company may elect to apply all or a portion of such excess (not to exceed \$7,000,000 with respect to any calendar year) to the CapEx Amount for the succeeding calendar year. Without limiting the foregoing, to the extent that the expenditures for capital improvements to the Lincoln Facility exceed the CapEx Amount with respect to any calendar year, the Company may request that such excess be applied to the CapEx Amount for the succeeding calendar year, which approval shall be accepted or rejected by the DBR and the Division in their sole discretion. The Company shall provide DBR and the Division, on an annual basis and reasonably in advance of each calendar year, with a copy of its budget for capital improvements to the Lincoln Facility and the Tiverton Facility for 2020, 2021 and 2022, and the DBR and the Division shall have the right to approve such budget, with such approval not to be unreasonably withheld, conditioned or delayed; *provided*, that the DBR and the Division shall be deemed to have approved budgeted capital expenditures to design, develop and construct a fifty thousand (50,000) square foot expansion of the Lincoln Facility. Without limitation of, and in addition to, the foregoing capital expenditure obligations, the Company shall invest, or cause to be invested by any of its Subsidiaries or Affiliates, or any third party acting jointly with, or at the direction of, IGT or

the Company, prior to June 30, 2043, at least \$100,000,000 in the aggregate (such obligation, the “Twin River Investment Obligation”) in connection with one or more Twin River Investments. For the avoidance of doubt and in accordance with Section 12 of the Act, any amounts required to be spent on capital expenditures shall be without duplication of any amounts required to be expended by IGT or the IGT Joint Venture. The Compliance Report shall include a specific certification of (w) each capital improvement project made by the Company in the applicable calendar year pursuant to the provisions of this Section 7.5(d), (x) the amount expended with respect to each such capital improvement, (y) the amount of any CapEx Shortfall Amount with respect to such calendar year and (z) the CapEx Amount for the following calendar year.

(e) Location of Executive Offices. Cause the executive offices of Bally’s (or any direct or indirect parent thereof formed in any holding company reorganization by Bally’s then-current shareholders not involving a change in control of Bally’s or such parent entity) to be located in the State; *provided, however*, that in connection with any change in control of Bally’s or such parent entity, Bally’s or such parent entity, as applicable, shall use its best efforts to cause the executive officers of Bally’s (or such parent entity) to continue to be located in the State following such change in control.

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(f) Number of Employees. Notwithstanding, and in addition to, any requirements set forth in the VLT Contract and the Tiverton VLT Contract, respectively, cause to be employed in Rhode Island at least 1,200 full-time equivalent employees (the “Minimum Employee Number”).

(g) Location of Senior Management Level Employees. The Company shall use its best efforts to cause senior management level employees to be located with a principal place of employment in the State. Without limitation of the foregoing and any other provisions in this Agreement or imposed by applicable law, including the General Laws of Rhode Island, as amended from time to time, the Company shall, prior to December 31, 2022, cause the principal place of employment of at least thirty (30) members of the senior management of the Company and/or BMG to be located in the State (such employees, the “Senior Management Employees” and such obligation to locate such Senior Management Employees, the “Senior Management Location Obligation”). With respect to each calendar year, the aggregate compensation of the Senior Management Employees (which compensation shall include pre-tax deductions made on behalf of such Senior Management Employees) shall be not less than the product of (x) such number of Senior Management Employees (which shall not be less than thirty (30), multiplied by (y) two thousand eighty (2,080) multiplied by (z) two hundred fifty percent (250%) of the minimum wage in effect from time to time pursuant to Section 28-12-3 of the General Laws of Rhode Island, as amended from time to time (such compensation obligation with respect to such Senior Management Employees, the “Senior Management Compensation Obligation”). The Compliance Report shall include a specific certification that the Company and/or BMG is in compliance with the provisions of this Section 7.5(g). In the event that the Company and/or BMG do not satisfy the Senior Management Compensation Obligation for any calendar year commencing with the calendar year ending on December 31, 2023, then the Division shall have the right to assess liquidated damages pursuant to, and as contemplated by, Section 8.2(B) of the Agreement.

7.6 The Company agrees that during the Term of this Agreement, unless the DBR and the Division shall have consented in writing (which determination shall be made by the DBR and the Division as soon as reasonably practicable following receipt of any request in writing made by the Company in accordance with Section 9.5 for such consent to take any of the actions described below and the Company’s providing all documentation and other information reasonably requested by the DBR and the Division in connection therewith), the Company shall not, and shall not permit any of its Subsidiaries to:

(a) Amendments to Credit Agreement and Credit Documents. Enter into (i) any amendment to, modification of or waiver of, in each case, any of the provisions of the Credit Agreement or any other Credit Document if such amendment, modification or waiver (A) increases the principal amount of the Loans to be made available under the Credit Agreement or other Credit Documents from that contemplated as of the Effective Date (and for the avoidance of doubt, the amount contemplated on the Effective Date includes the Incremental Commitments), or increases the interest rate or fees applicable thereto, (B) relaxes the requirements of Section 10.06 (Restricted Payments) of the Credit

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Agreement, or (C) changes any right or remedy available to Collateral Agent or any other Secured Party under any Security Document (it being understood that a forbearance or agreement to forbear by Collateral Agent, Administrative Agent and/or any other Secured Party from exercising remedies is not a change to any such provision) or (ii) any refinancing of the Credit Agreement in which a Lien is granted on the Facilities or the direct or indirect Equity Interests in UTGR or TRT or any other direct or indirect Financial Interest is granted.

(b) **Indebtedness.** Incur any additional Indebtedness (other than Revolving Loans, Non-Recourse Capital Lease Obligations or Indebtedness deemed to exist in connection with any bona fide Hedging Agreement entered into in good faith and in the ordinary course of business) that would result, after giving effect to the incurrence of such additional Indebtedness, in the Leverage Ratio exceeding the Maximum Leverage Ratio.

(c) **Restricted Dividends and Distributions.** During any period in which the Leverage Ratio of Bally's (determined on a pro forma basis after giving effect to such dividend or distribution described below) is greater than or equal to the Maximum Leverage Ratio, declare, set aside or pay any dividends on, or make any other distributions in respect of the Equity Interests of any Rhode Island Company, except for dividends or distributions of (i) amounts to the extent necessary to pay the portions of general corporate and overhead expenses of BMG and Bally's (which amount allocated to the Rhode Island Companies will not exceed \$20,000,000 in the aggregate in 2021 (the "Allocation Amount") and, for each calendar year thereafter, (A) the Allocation Amount will not exceed the amount of the immediately preceding calendar year increased by the Adjustment Amount, and (B) the amount allocated to any other Rhode Island Company other than UTGR will not exceed the product of (1) the sum of (a) Net Terminal Income for such Rhode Island Company *plus* (b) table games revenue for such Rhode Island Company *divided by* the sum of (c) Net Terminal Income for UTGR *plus* (d) table games revenue for UTGR *times* (2) the allowed management fee for UTGR for such calendar year; *provided*, that in no event shall the amount allocated to any other Rhode Island Company other than UTGR with respect to any calendar year exceed twelve percent (12%) of the amount allocated to UTGR in respect of such calendar year) reasonably allocated to the Rhode Island Companies to represent each Rhode Island Company's proportionate share of such general corporate and overhead expenses based on the percentage of the aggregate revenues of BMG and Bally's represented by such Rhode Island Company's revenues; *provided* that (x) such allocation methodology (the "Allocation Principles") and (y) the amounts allocated to the Rhode Island Companies with respect to any fiscal year, in each case, are acceptable to the outside accounting firm of Bally's, (ii) amounts actually payable by the Rhode Island Companies pursuant to the Tax Sharing Agreement as in effect on the Effective Date, (iii) amounts to pay any and all payment, indemnity, expenses or other obligations or liabilities under the Credit Agreement and the other Credit Documents, (iv) amounts not to exceed \$25,000,000 in the aggregate during the Term of this Agreement for the purpose of making investments in the Colorado Subsidiaries, and for expenses in connection with the Colorado gaming amendment referendum, in accordance with Section 7.6(f)(x)(b) of this Agreement, (v) (x) advances to employees and directors to pay amounts required to be paid by employees

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and directors upon exercise of equity awards granted pursuant to Bally's incentive equity plan, and (y) amounts paid in settlement of management or director equity awards upon separation of service or expiration of the awards pursuant to Bally's incentive equity plan, (vi) amounts not in excess of \$1,000,000 in the aggregate during the Term of this Agreement to BMG for amounts necessary to repurchase Equity Interests or Indebtedness of BMG or Bally's to the extent required by the Gaming/Racing Authorities for not more than the fair market value thereof in order to avoid the suspension, revocation or denial by the Gaming/Racing Authorities of a Gaming/Racing License; *provided*, that so long as such efforts do not jeopardize any such Gaming/Racing License, BMG and Bally's shall have diligently and in good faith attempted to find a third-party purchaser(s) for such Equity Interests or Indebtedness and no third-party purchaser(s) acceptable to the Gaming/Racing Authorities was willing to purchase such Equity Interests or Indebtedness within a time period acceptable to the Gaming/Racing Authorities, (vii) amounts, from UTGR to BMG, necessary to allow TRT to pay costs, fees or expenses that are required to be paid in connection with the continued operation, maintenance and business of the Tiverton Facility (including the funding of operating expenses and capital expenditures) to the extent that TRT does not, as of such time, have sufficient cash on-hand to fund such costs, fees or expenses; *provided*, that immediately following the dividend or distribution of any amounts from UTGR to BMG pursuant to this Section 7.6(c)(vii), such amounts are contributed to TRT for the purpose of paying such costs, fees or expenses, and (viii) amounts necessary to make the IGT Payment.

(d) **Related Party Transactions.** Enter into any agreement, sell, transfer, loan or borrow any property or assets, purchase or acquire any property or assets, acquire equity interests or make an investment in, or otherwise engage in any transaction, in each case, between any of the

Rhode Island Companies, on the one hand, and Bally's and its Subsidiaries or any of their respective Affiliates (other than such Rhode Island Company or Companies, as applicable), on the other hand; except, in each case, for: (i) transactions expressly provided by the Tax Sharing Agreement, *provided* that any such payments by the Rhode Island Companies thereunder are not prohibited pursuant to Section 7.6(c)(ii) of this Agreement, (ii) transactions providing for dividends or distributions not prohibited under Section 7.6(c) of this Agreement, (iii) transactions contemplated by, and the entering into and performance obligations of the Company and its Subsidiaries under, the Credit Agreement and the other Credit Documents, (iv) guarantees of Indebtedness permitted to be incurred pursuant to Section 7.6(b) of this Agreement, and (v) transactions entered into to provide for shared services that benefit the operations of the Facility and other properties managed or operated by the Company and its Subsidiaries (such as a "players club," joint marketing programs and an IT infrastructure); *provided*, that such expenses are reasonably allocated to the Rhode Island Companies pursuant to the Allocation Principles and *provided, further*, that the Company shall be obligated to provide a summary, with respect to each fiscal year, of the transactions entered into pursuant to this Section 7.6(d)(v) to the DBR and the Division and the cost savings to the Rhode Island Companies resulting from such shared services.

(e) Liens. Create, incur, grant, assume or permit to exist, directly or indirectly, any Lien on the Rhode Island Companies (or Equity Interests in any Rhode Island Company) or a Facility or any other property or assets (including Equity Interests)

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or other securities of any Person) now owned or hereafter acquired by any Rhode Island Company (or any Subsidiary thereof) or on any income or revenues or rights in respect of any thereof, except (the "Permitted Liens"):

(i) Liens for Taxes, assessments or governmental charges or levies not yet due and payable or delinquent and Liens for Taxes, assessments or governmental charges or levies, which are being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP;

(ii) Liens in respect of property of any Rhode Island Company (or any Subsidiary thereof) imposed by law, which were incurred in the ordinary course of business and do not secure Indebtedness for borrowed money, such as carriers', warehousemen's, materialmen's, landlord's and mechanics' liens, maritime liens and other similar Liens arising in the ordinary course of business (A) which do not in the aggregate materially detract from the value of the property of the applicable Rhode Island Company, and do not materially impair the use thereof in the operation of the business of such Rhode Island Company and (B) (x) for amounts not yet overdue for a period of sixty (60) days or (y) for amounts that are overdue for a period in excess of sixty (60) days that are being contested in good faith by appropriate proceedings (inclusive of amounts that remain unpaid as a result of bona fide disputes with contractors, including where the amount unpaid is greater than the amount in dispute), so long as adequate reserves have been established in accordance with GAAP;

(iii) Liens securing Indebtedness disclosed on Schedule 10.02 of the Credit Agreement (as in effect on the Effective Date); *provided, however*, that (A) such Liens do not encumber any Facility or any other property or assets (including Equity Interests or other securities of any Person) of a Rhode Island Company other than (x) any such property subject thereto on the Effective Date, (y) after-acquired property that is affixed or incorporated into property covered by such Lien and (z) proceeds and products thereof, and (B) the amount of Indebtedness secured by such Liens does not increase except in accordance with the terms of this Agreement;

(iv) easements, rights-of-way, restrictions (including zoning restrictions), covenants, encroachments, sub-division maps, protrusions and other similar charges or encumbrances, and minor title deficiencies on or with respect to any real property, in each case whether now or hereafter in existence, not (A) securing Indebtedness and (B) individually or in the aggregate materially interfering with the conduct of the business of the Rhode Island Companies;

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(v) Liens arising out of judgments or awards not resulting in an Event of Default (as such term is defined in the Credit Agreement in effect on the Effective Date);

(vi) Liens (other than any Lien imposed by ERISA) (A) imposed by law or deposits made in connection therewith in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, (B) incurred in the ordinary course of business to secure the performance of tenders, statutory obligations (other than excise taxes), surety, stay, customs and appeal bonds, statutory bonds, bids, leases, government contracts, trade contracts, rental obligations (limited, in the case of rental obligations, to security deposits and deposits to secure obligations for taxes, insurance, maintenance and similar obligations), utility services, performance and return of money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money), (C) arising by virtue of deposits made in the ordinary course of business to secure liability for premiums to insurance carriers or (D) Liens on deposits made to secure any Rhode Island Company's Gaming/Racing License applications or to secure the performance of surety or other bonds issued in connection therewith; *provided, however*, that to the extent such Liens are not imposed by applicable law, such Liens shall in no event encumber any property other than cash and cash equivalents or, in the case of clause (C), proceeds of insurance policies;

(vii) Leases with respect to the assets or properties of any Rhode Island Company or its respective Subsidiaries, in each case entered into in the ordinary course of such Rhode Island Company's or Subsidiary's business so long as each of the Leases entered into after the date hereof with respect to real property do not, individually or in the aggregate, (x) interfere in any material respect with the ordinary conduct of the business of the Rhode Island Companies and their respective Subsidiaries, taken as a whole, or (y) materially impair the use (for its intended purposes) or the value of the properties of the Rhode Island Companies and their respective Subsidiaries, taken as a whole;

(viii) Liens (A) arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by any Rhode Island Company or any of its Subsidiaries in the ordinary course of business and (B) that are contractual rights of set-off relating to purchase orders and other agreements entered into with customers of any Credit Party in the ordinary course of business, but in the case of this clause (B) not to exceed \$1.0 million in the aggregate at any one time;

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(ix) Liens securing purchase money indebtedness and Capital Lease Obligations of the Rhode Island Companies not to exceed \$2,000,000 at any time outstanding;

(x) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and cash equivalents on deposit in one or more accounts maintained by any Rhode Island Company or its respective Subsidiaries, in each case granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank with respect to cash management and operating account arrangements, including those involving pooled accounts and netting arrangements, *provided, however*, that, unless such Liens are non-consensual and arise by operation of law, in no case shall any such Liens secure (either directly or indirectly) the repayment of any Indebtedness;

(xi) Liens on assets of a Person existing at the time such Person is acquired or merged with or into or consolidated with any Rhode Island Company or its respective Subsidiaries in accordance with the terms of this Agreement (and not created in connection with or in anticipation or contemplation thereof); *provided, however*, that such Liens do not extend to assets not subject to such Liens at the time of acquisition (other than improvements and attachments thereon, accessions thereto and proceeds thereof) and are no more favorable to the lienholders than the existing Lien;

(xii) licenses or sublicenses of intellectual property granted by any Rhode Island Company or its respective Subsidiaries in the ordinary course of business and not interfering in any material respect with the ordinary conduct of the business of the

Rhode Island Company and their respective Subsidiaries, taken as a whole;

(xiii) Liens pursuant to the Credit Documents, including, without limitation, Liens related to cash collateralizations;

(xiv) Permitted Vessel Liens;

(xv) Liens arising under applicable Gaming/Racing Laws; *provided, however*, that no such Lien constitutes a Lien securing repayment of Indebtedness for borrowed money;

(xvi) (A) Liens pursuant to leases entered into for the purpose of, or with respect to, operating or managing gaming facilities and related assets, which Liens are limited to the leased property under the applicable lease and granted to the landlord under such lease for the purpose of securing the obligations of the tenant under such lease to such landlord, (B) Liens on cash and cash

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equivalents (and on the related escrow accounts or similar accounts, if any) required to be paid to the lessors (or lenders to such lessors) under such leases or maintained in an escrow account or similar account pending application of such proceeds in accordance with the applicable lease and (C) in the case of any real property that constitutes a leasehold interest, any mortgages, Liens, security interest, restrictions, encumbrances or any other matters of record to which the fee simple interest (or any superior leasehold interest) is subject (and with respect to which none of the Credit Parties shall have any obligation whatsoever);

(xvii) [Reserved];

(xviii) Prior Mortgage Liens (as such term is defined in the Credit Agreement as in effect on the Effective Date) with respect to the applicable mortgaged real property so long as such Liens do not secure Indebtedness;

(xix) Liens on cash and cash equivalents deposited to discharge, redeem or defease Indebtedness that was permitted to so be repaid and on any cash and cash equivalents held by a trustee under any indenture or other debt agreement issued in escrow pursuant to customary escrow arrangements pending the release thereof;

(xx) Liens arising from precautionary UCC financing statements filings regarding operating leases or consignment of goods entered into in the ordinary course of business;

(xxi) Liens solely on any cash earnest money deposits made by any of the Rhode Island Companies and their respective Subsidiaries in connection with any letter of intent or purchase agreement in respect of an acquisition or investment that is permitted by this Agreement;

(xxii) in the case of any non-wholly owned Subsidiary or Joint Venture, any put and call arrangements or restrictions on disposition related to its Equity Interests set forth in its organizational documents or any related joint venture or similar agreement;

(xxiii) Liens arising in connection with transactions relating to the selling or discounting of accounts receivable in the ordinary course of business;

(xxiv) licenses, sublicenses, leases or subleases granted to other Persons not materially interfering with the conduct of the business of the Rhode Island Companies and their respective Subsidiaries taken as a whole;

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(xxv) any interest or title of a lessor, sublessor, licensee or licensor under any lease or license agreement permitted by this Agreement;

(xxvi) Liens created by the applicable Transfer Agreement;

(xxvii) rights of first refusal under the Hard Rock Licensing Agreement (as in effect on the date hereof); and

(xxviii) Liens to secure any refinancing, refunding, extension, renewal or replacement (or successive refinancings, refundings, extensions, renewals or replacements) as a whole, or in part, in accordance with the terms of this Agreement, of any Indebtedness secured by any Lien permitted by this Section 7.6(e); *provided, however*, that (x) such new Lien shall be limited to all or part of the same type of property that secured the original Lien (plus improvements on and accessions to such property, proceeds and products thereof, customary security deposits and any other assets pursuant to after-acquired property clauses to the extent such assets secured (or would have secured) the Indebtedness being refinanced), and (y) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (A) the outstanding principal amount (or accreted value, if applicable) of such Indebtedness or, if greater, committed amount of the applicable Indebtedness at the time the original Lien became a Lien permitted hereunder and (B) any unpaid accrued interest and premium (including tender premiums) thereon and an amount necessary to pay associated underwriting discounts, defeasance costs, fees, commissions and expenses related to such refinancing, refunding, extension, renewal or replacement.

(f) Investments, Loans and Advances. During any period in which the Leverage Ratio of Bally's (determined on a pro forma basis after giving effect to such Investment described below) is greater than or equal to the Maximum Leverage Ratio, purchase or acquire any Equity Interests, evidences of indebtedness or other investment securities of, make or permit to exist any loans or advances to, or Guarantee any Indebtedness of, or make or permit to exist any other investment or any other interest in, any other Person, or purchase or acquire all or substantially all of the assets (whether tangible or intangible) of any Person, or the property constituting a business unit, line of business or division of any Person (collectively, "Investments"), except for the following:

(i) (A) Investments existing on the Effective Date, (B) Investments by the Company and its Subsidiaries in the Equity Interests of BMG and its Subsidiaries, and (C) additional Investments following the Effective Date by the Company and its Subsidiaries in the Equity Interests of BMG and its Subsidiaries (other than the Colorado Subsidiaries);

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(ii) Investments and commitments to make Investments outstanding on the date hereof and any Investments received in respect thereof without the payment of additional consideration (other than through the issuance of or exchange of copies Qualified Capital Stock), Permitted Investments and all Investments made or contracted to be made prior to the Effective Date and replacements, renewals or modifications thereof that, in each case, do not increase the aggregate principal amount of the replaced, renewed or modified Investment;

(iii) Investments in cash and cash equivalents;

(iv) Hedging Agreements; *provided* that such Hedging Agreements are entered into for bona fide hedging activities and not for speculative purposes;

(v) Investments (A) by Bally's in any Subsidiary, (B) by any Subsidiary in Bally's, and (C) by a Subsidiary in another Subsidiary;

(vi) Investments in securities of trade creditors or customers or suppliers received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditors or customers or suppliers or in settlement of delinquent or overdue accounts in the ordinary course of business or Investments acquired by Bally's as a result of a foreclosure

by Bally's or any of the Subsidiaries with respect to any secured Investments or other transfer of title with respect to any secured Investment in default;

(vii) Investments made by Bally's or any Subsidiary as a result of consideration received in connection with an Asset Sale made in compliance with Section 7.6(g);

(viii) Investments consisting of (A) moving, entertainment and travel expenses, drawing accounts and similar expenditures made to officers, directors, managers and employees in the ordinary course of business, (B) loans or advances to officers, directors, managers and employees in connection with such Persons' purchase of Equity Interests of Bally's (*provided* that the amount of such loans and advances described in this clause (viii)(B) shall be contributed to Bally's in cash as common equity) and (C) other loans or advances to officers, directors, managers and employees for any other purpose not described in the foregoing clauses (A) and (B); *provided* that the aggregate principal amount outstanding at any time under the foregoing clauses (B) and (C) shall not exceed \$25.0 million in the aggregate at any time outstanding;

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(ix) extensions of trade credit (including to gaming customers) and prepayments of expenses in the ordinary course of business;

(x) Investments of a Subsidiary acquired after the Effective Date or of a Person merged or consolidated with or into Bally's or a Subsidiary, in each case in accordance with the terms of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as Agreement, to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger or consolidation and were in existence (or were committed) on the date of such acquisition, merger or consolidation;

(xi) Investments in the nature of pledges or deposits (A) with respect to leases or utilities provided to third parties hereto in the ordinary course of business or (B) Permitted Liens under Section 7.6(e)(vi), (x), (xx) or (xxiv);

(xii) advances of payroll payments to employees of Bally's and may be used its Restricted Subsidiaries in the ordinary course of business;

(xiii) the occurrence of a Reverse Trigger Event under any applicable Transfer Agreement;

(xiv) Guarantees by Bally's or any Subsidiary of operating leases (other than Capital Lease Obligations) or of other obligations that do not constitute Indebtedness, in each case entered into by Bally's or any Subsidiary in the ordinary course of business;

(xv) Investments to the extent that payment for such Investments is made with Equity Interests in Bally's (other than Disqualified Capital Stock);

(xvi) any Investment (A) deemed to exist as a result of a Subsidiary distributing a note or other intercompany debt to a parent of such Subsidiary (to the extent there is no cash consideration or services rendered for such note) and (B) consisting of intercompany current liabilities in connection with the cash management, tax and accounting operations of Bally's and its Subsidiaries, in the case of each of (A) and (B), entered into in accordance with this Agreement;

(xvii) Restricted Payments permitted by Section 7.6(h);

(xviii) Investments consisting of purchases and acquisitions of inventory, supplies, materials, equipment, contract rights or licenses of intellectual property, in each case in this Section 7.6(f)(xix), in the ordinary course of business;

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(xix) Investments not to exceed \$25.0 million in the aggregate at any one time outstanding consisting of letters of credit (including Letters of Credit (as defined in the Credit Agreement as in effect on the Effective Date)) issued to support completion guarantees for construction loans provided to the Colorado Subsidiaries (including, for the avoidance of doubt, drawings by the beneficiaries under such letters of credit); and

(xx) Investments required by Gaming/Racing Authorities or made in lieu of payment of a tax or in consideration of a reduction in tax.

Any Investment in any person other than a Credit Party that is otherwise permitted by this Section 7.6(f) may be made through intermediate Investments in Restricted Subsidiaries that are not Credit Parties and such intermediate Investments shall be disregarded for purposes of determining the original Supplemental Indenture for all purposes. Signatures outstanding amount of Investments pursuant to any clause set forth above. The amount of any Investment made other than in the form of cash or cash equivalents shall be the fair market value thereof valued at the time of the parties hereto transmitted making thereof, and without giving effect to any subsequent write-downs or write-offs thereof.

(g) Mergers, Consolidations and Sales of Assets. No Rhode Island Company will wind up, liquidate or dissolve its affairs or enter into any transaction of merger or consolidation (other than solely to change the jurisdiction of organization or type of organization), or convey, sell, lease or sublease (as lessor or sublessor), transfer or otherwise dispose of any substantial part of its business, property or assets, except for:

(i) sales or dispositions of used, worn out, obsolete or surplus property or property no longer used or useful in the business of the Rhode Island Companies and their Subsidiaries in the ordinary course of business and the abandonment or other sale of intellectual property that is, in the reasonable judgment of Bally's, no longer economically practicable to maintain or useful in the conduct of the business of the Rhode Island Companies and their Subsidiaries taken as a whole; and the termination or assignment of Contractual Obligations to the extent such termination or assignment does not have a Material Adverse Effect; and sales or transfers of inventory in the ordinary course of business;

(ii) Asset Sales by facsimile the Rhode Island Companies or PDF any Subsidiary (other than any Asset Sales of (A) any interest (other than *de minimis* assets and other assets that are not material and do not consist of owned or leased real property of any Facility, Gaming/Racing Licenses that are necessary for the ownership, lease or operation of any Facility or any other asset integral or material to, or necessary for, the operation of any Facility) in any fee or leasehold

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interest in, or the operations of, any Facility or (B) the Equity Interests in any Person that directly or indirectly owns any of the foregoing); provided that (I) the Rhode Island Companies and their Subsidiaries shall receive not less than 75% of such consideration in the form of (x) cash or cash equivalents or (y) Permitted Business Assets (as such term is defined in the Credit Agreement as of the Effective Date) (in each case, free and clear of all Liens at the time received other than Permitted Liens) (it being understood that for the purposes of clause (iii)(B)(I)(x), the following shall be deemed to be cash: (1) any liabilities (as shown on Bally's or such Subsidiary's most recent balance sheet provided hereunder or in the footnotes thereto) of the Rhode Island Companies or such Subsidiary that are assumed by the transferee with respect to the applicable Asset Sale and for which the Rhode Island Companies and all of their original signatures for Subsidiaries shall have been validly released by all purposes.

6. Effect applicable creditors in writing, (2) any securities received by the Rhode Island Companies or such Subsidiary from such transferee that are converted by the Rhode Island Companies or such Subsidiary into cash or cash equivalents (to the extent of Headings. The Section headings herein are for convenience only the cash or cash equivalents received) within one hundred and shall not affect eighty (180) days following the construction hereof.

7. The Trustee. The Trustee shall not be responsible closing of the applicable disposition, and (3) any Designated Non-Cash Consideration (as such term is defined in any manner whatsoever for or the Credit Agreement in effect on the Effective Date) received in respect of the validity or sufficiency of such disposition having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this Supplemental Indenture or for or clause (3) that is at that time outstanding, not in respect excess of the recitals contained herein, all greater of \$30.0 million and 15% of Consolidated EBITDA at the time of determination for the Test Period most recently ended, with the fair market value of each item of Designated Non-Cash Consideration being measured at such date of receipt or such agreement, as applicable, and without giving effect to subsequent changes in value) and (II) during any period in which recitals are made solely the Leverage Ratio of Bally's is greater than or equal to the Maximum Leverage Ratio, the net available proceeds (as determined in good faith by the Guaranteeing Subsidiaries and the Company.

8. Ratification of Indenture; Supplemental Indenture Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder Bally's) therefrom shall be bound hereby, applied to reduce outstanding Indebtedness of Bally's and its Subsidiaries;

[(iii) Signature Pages Follow Liens permitted by]Section 7.6(e), Investments may be made to the extent permitted by Section 7.6(f), and Restricted Payments may be made to the extent permitted by Section 7.6(h);

(iv) subject to compliance with Sections 7.6(c) and (d), the Rhode Island Companies and their Subsidiaries may dispose of cash and cash equivalents;

(v) the Rhode Island Companies and their Subsidiaries may lease (as lessor or sublessor) real or personal property to the extent permitted under Section 7.6(e);

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

Dated: April 13, 2022

Gamesys Group Limited

By: /s/ D.J. Talisman

Name: Daniel Talisman

Title: Director

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IN WITNESS WHEREOF,(vi) licenses and sublicenses by the parties hereto have caused Rhode Island Companies or any of their Subsidiaries of software and intellectual property in the ordinary course of business shall be permitted;

(vii) subject to the other provisions of this Supplemental Indenture Agreement (including, for the avoidance of doubt, Section 7.6(i)), (A) the Rhode Island Companies or any Subsidiary may transfer or lease property to or acquire or lease property from Bally's or any Subsidiary; (B) any Subsidiary may merge or consolidate with or into a Rhode Island Company (as long as such Rhode Island Company is the surviving Person); (C) any Subsidiary (other than a Rhode Island Company) may merge or consolidate with or into any other Subsidiary (other than a Rhode Island Company); and (D) any Subsidiary (other than a Rhode Island Company) may be duly executed voluntarily liquidated, voluntarily wound up or voluntarily dissolved (so long as any such liquidation or winding up does not constitute or involve an Asset Sale to any Person other than to Bally's or any other Subsidiary or any other owner of Equity Interests in such Subsidiary unless such Asset Sale is otherwise permitted pursuant to this Section 7.6(g));

(viii) voluntary terminations of Hedging Agreements and attested, all as other assets or contracts in the ordinary course of business;

(ix) conveyances, sales, leases, transfers or other dispositions which do not constitute Asset Sales;

(x) any taking by a Governmental Authority of assets or property, or any part thereof, under the power of eminent domain or condemnation;

(xi) the Rhode Island Companies and their Subsidiaries may make sales, transfers or other dispositions of property subject to a Casualty Event;

(xii) subject to the other provisions of this Agreement, including Section 7.6(d) hereof, and subject to any separate licensure requirements of the date first above written.

Dated: April 13, 2022 Division and the DBR, as applicable, the Rhode Island Companies and their Subsidiaries may make sales, transfers or other dispositions of Investments in Joint Ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the Joint Venture parties set forth in Joint Venture arrangements and similar binding arrangements;

Gamesys Limited

By: (xiii) /s/ D.J. Talisman any transfer of Equity Interests of any Subsidiary or any Gaming/Racing Property in connection with the occurrence of a Trigger Event;

Name: Daniel Talisman

Title: Director

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IN WITNESS WHEREOF, (xiv) subject to the parties hereto have caused other provisions of this Supplemental Indenture Agreement, (A) the lease, sublease or license of any portion of any property (other than any property of a Rhode Island Company) to Persons who, either directly or through Affiliates of such Persons, intend to operate or manage nightclubs, bars, restaurants, recreation areas, spas, pools, exercise or gym facilities, or entertainment or retail venues or similar or related establishments or facilities and (B) the grant of declarations of covenants, conditions and restrictions and/or easements with respect to common area spaces and similar instruments benefiting such tenants of such leases, subleases and licenses (collectively, the "Venue Easements," and together with any such leases, subleases or licenses, collectively the "Venue Documents"); provided that no Venue Document or operations conducted pursuant thereto would reasonably be duly executed expected to materially interfere with, or materially impair or detract from, the operations of Bally's and attested, all the Subsidiaries taken as a whole;

(xv) subject to the other provisions of this Agreement, the dedication of space or other dispositions of property in connection with and in furtherance of constructing structures or improvements reasonably related to the development,

construction and operation of any project; *provided* that in each case such dedication or other dispositions are in furtherance of, and do not materially impair or interfere with the operations of the date first above written.

Dated: April 13, 2022 Rhode Island Companies and their Subsidiaries;

Gamesys Group (Holdings) Limited

By: (xvi) /s/ D.J. Talisman

Name: Daniel Talisman

Title: Director dedications of, or the granting of easements, rights of way, rights of access and/or similar rights, to any Governmental Authority, utility providers, cable or other communication providers and/or other parties providing services or benefits to any project, any real property held by the Rhode Island Companies or their Subsidiaries or the public at large that would not reasonably be expected to interfere in any material respect with the operations of the Rhode Island Companies and their Subsidiaries;

(xvii) any disposition of Equity Interests in a Subsidiary (other than a Rhode Island Company) pursuant to an agreement or other obligation with or to a person (other than Bally's and its Subsidiaries) from whom such Subsidiary was acquired or from whom such Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(xviii) dispositions of non-core assets acquired in connection with an Investment; *provided*, that (A) the amount of non-core assets that are disposed of in connection with any such Investment pursuant

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IN WITNESS WHEREOF, the parties hereto have caused to this Supplemental Indenture to be duly executed and attested, all as clause (xviii) does not exceed 25% of the date first above written.

Dated: April 13, 2022 aggregate purchase price for such Investment and (B) to the extent that any such Investment is financed with the proceeds of Indebtedness of the Rhode Island Companies or their Subsidiaries, then any proceeds from such Investment shall be used to prepay such Indebtedness (to the extent otherwise permitted hereunder) or other Indebtedness;

Gamesys Jersey Limited

By: (xix) /s/ D.J. Talisman

Name: Daniel Talisman

Title: Director during any period in which the Leverage Ratio of Bally's is not greater than or equal to the Maximum Leverage Ratio, other dispositions of assets with a fair market value of not more than the greater of \$25.0 million and 5% of Consolidated EBITDA at the time of determination for the Test Period most recently ended; and

(xx) Facility Sale Leaseback transactions.

(h) Restricted Payments. During any period in which the Leverage Ratio of Bally's (determined on a pro forma basis after giving effect to such Restricted Payment described below) is greater than or equal to the Maximum Leverage Ratio, declare or make, or agree to make, directly or indirectly, declare or make any Restricted Payment at any time, or incur any obligation (contingent or otherwise) to do so; provided, however, that, subject to compliance with Section 7.6(c) and the other provisions of this Agreement, without duplication:

- (i) any Subsidiary of Bally's may declare and make Restricted Payments to Bally's or any wholly owned Subsidiary of Bally's;
- (ii) any Subsidiary of Bally's, if such Subsidiary is not a wholly owned Subsidiary, may declare and make Restricted Payments in respect of its Equity Interests to all holders of such Equity Interests generally so long as Bally's or its respective Subsidiary that owns such Equity Interest or interests in the Person making such Restricted Payments receives at least its proportionate share thereof (based upon its relative ownership of the subject Equity Interests and the terms thereof);
- (iii) Bally's and its Subsidiaries may engage in transactions to the extent permitted by Section 7.6(g); provided that any proceeds from such transactions shall be subject to this Section 7.6(h) and the other provisions of this Agreement, and Restricted Payments to permit Bally's or another Subsidiary to pay Indebtedness or apply the net proceeds of a Sale-Leaseback Obligation in accordance with this Agreement;
- (iv) Bally's and its Subsidiaries may make Restricted Payments in the form of Disqualified Capital Stock issued in compliance with the terms hereof;

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IN WITNESS WHEREOF,(v) Bally's may repurchase common stock or common stock options from present or former officers, directors or employees (or heirs of, estates of or trusts formed by such Persons) of any Company upon the parties hereto have caused death, disability, retirement or termination of employment of such officer, director or employee or pursuant to the terms of any stock option plan, employment agreement, severance agreement or like agreement; provided, however, that (i) Bally's shall provide prior written notice to the Division and the DBR at least ten (10) Business Days prior to any such repurchase pursuant to this Supplemental Indenture clause (v) and (ii) the aggregate amount of payments under this clause (v) shall not exceed in any fiscal year of Bally's the greater of \$10.0 million and 5% of Consolidated EBITDA at the time of determination for the Test Period most recently ended (with unused amounts in any fiscal year being carried over to succeeding fiscal years);

(vi) Bally's and its Restricted Subsidiaries may (A) repurchase Equity Interests to the extent deemed to occur upon exercise of stock options, warrants or rights in respect thereof to the extent such Equity Interests represent a portion of the exercise price of such options, warrants or rights in respect thereof and (B) make payments in respect of withholding or similar taxes payable or expected to be duly executed payable by any present or former member of management, director, officer, employee, or consultant of Bally's or any of its Subsidiaries or family members, spouses or former spouses, heirs of, estates of or trusts formed by such Persons in connection with the exercise of stock options or grant, vesting or delivery of Equity Interests;

(vii) Bally's and attested, all as its Subsidiaries may make Restricted Payments to allow the payment of cash in lieu of the date first above written.

Dated: April 13, 2022 issuance of fractional shares upon the exercise of options or, warrants or rights or upon the conversion or exchange of or into Equity Interests, or payments or distributions to dissenting stockholders pursuant to applicable law;

(viii) to the extent constituting Restricted Payments, Bally's Holdings UK Limited

By: /s/ D.J. Talisman

Name: Daniel Talisman

Title: Director may make payments to counterparties under Hedging Agreements entered into in connection with the issuance of convertible or exchangeable debt;

(ix) Bally's and its Subsidiaries may make payments of amounts necessary (not in excess of the greater of \$10.0 million and 5% of Consolidated EBITDA at the time of determination for the Test Period most recently ended (with any unused amounts being carried over to succeeding fiscal years) in any fiscal year of Bally's) to repurchase or retire Equity Interests of Bally's or any Subsidiary to

IN WITNESS WHEREOF, the parties hereto extent required by any Gaming/Racing Authority in order to avoid the suspension, revocation or denial of a Gaming/Racing License by that Gaming/Racing Authority; provided that, (i) Bally's shall provide prior written notice to the Division and the DBR at least ten (10) Business Days prior to any such repurchase or retirement pursuant to this clause (ix) and (ii) in the case of any such repurchase or retirement of Equity Interests of Bally's or any Subsidiary, if such efforts do not jeopardize any Gaming/Racing License, Bally's or any such Subsidiary will have caused this Supplemental Indenture previously used commercially reasonable efforts to be duly executed attempt to find a suitable purchaser for such Equity Interests and attested, all as no suitable purchaser acceptable to the applicable Gaming/Racing Authority and Bally's was willing to purchase such Equity Interests on terms acceptable to the holder thereof within a time period acceptable to such Gaming/Racing Authority; and

(x) to the extent constituting Restricted Payments, make the IGT Payment.

(i) Transactions with Affiliates. (1) None of the date first above written.

Dated: April 13, 2022 Rhode Island Companies shall enter into any transaction or (2) none of Bally's nor any of its Subsidiaries (other than the Rhode Island Companies) shall enter into any transaction or series of related transactions involving aggregate consideration in excess of \$5.0 million, in the case of (1) or (2), including, without limitation, any purchase, sale, lease or exchange of property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than Bally's or any Subsidiary); provided, however, that notwithstanding the foregoing, Bally's and its Subsidiaries, subject to Section 7.6(d):

Dumarca Holdings Limited

By: (i) /s/ Simon Mizzi

Name: Simon Mizzi

Title: Director may enter into indemnification and employment and severance agreements and arrangements with directors, officers and employees (and may pay customary fees and reasonable out of pocket costs to, and indemnities provided on behalf of, directors, officers, board managers and employees of Bally's and its Subsidiaries in the ordinary course of business to the extent attributable to the ownership or operation of Bally's and its Subsidiaries;

(ii) [Reserved];

(iii) may make Investments and Restricted Payments to the extent permitted hereunder;

(iv) may enter into the transactions contemplated by each applicable Transfer Agreement;

(v) subject to Section 7.6(d), may enter into customary expense sharing and tax sharing arrangements entered into between

IN WITNESS WHEREOF, Bally's and its Subsidiaries in the parties hereto have caused this Supplemental Indenture ordinary course of business pursuant to which such Subsidiaries shall reimburse Bally's or the applicable Subsidiaries for certain shared expenses and taxes;

(vi) may enter into transactions in the ordinary course of business upon fair and reasonable terms no less favorable to Bally's or such Subsidiary, as the case may be, duly executed and attested, all as than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate; provided that with respect to any transaction (or series of related transactions) involving consideration of more than \$20.0 million, such transaction shall be approved by the majority of the date first above written.

Dated: April 13, 2022 disinterested directors of Bally's;

Dumarca Gaming Limited

By: (vii) /s/ Simon Mizzi

Name: Simon Mizzi

Title: Director [Reserved];

(viii) [Reserved];

(ix) may enter into transactions with any Person, which is an Affiliate solely due to a director or directors of such Person (or a parent company of such Person) also being a director or directors of Bally's;

(x) may enter into transactions with a Person who is not an Affiliate immediately before the consummation of such transaction that becomes an Affiliate as a result of such transaction;

(xi) transactions pursuant to the Tax Sharing Agreement; and

(xii) may issue Equity Interests in Bally's to any Person in accordance with the terms of this Agreement.

(j) Other Indebtedness and Agreements. Bally's shall not, and shall not permit (i) any Subsidiary to amend, modify or change in any manner adverse to the Rhode Island Companies, the DBR or the Division in any material respect (A) its certificate of incorporation, by-laws, operating, management or partnership agreement or other Organizational Documents or the Tax Sharing Agreement, (B) any Management Agreement, any Material Agreement (other than the Credit Documents which shall be governed by Section 7.6(a)) or any Material Gaming/Racing Agreement, or (ii) any (x) waiver, supplement, modification or amendment of the Gaming/Racing Licenses of any Subsidiary (except for any Gaming/Racing Licenses issued by the State (including the Division and the DBR)) to the extent that any such waiver, supplement, modification or amendment would be adverse to the Rhode Island Companies, the Division or the DBR in any material respect or (y) any termination of the Gaming/Racing Licenses of any Subsidiary.

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IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture 7.7 The Company shall pay, or cause to be duly executed and attested, all as paid, to the Division the amount required by Section 3(c)(7) of the date first above written.

Dated: April 13, 2022

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: /s/ Laurel Casasanta
Name: Laurel Casasanta
Title: Vice President

[Signature Page to Second Supplemental Indenture]

Exhibit 4.5

THIRD SUPPLEMENTAL INDENTURE

This Third Supplemental Indenture (this "Supplemental Indenture"), dated as iGaming Act and Section 9 of December 30, 2022, among Tropicana Las Vegas Hotel and Casino, Inc., a Delaware corporation, Tropicana Las Vegas Intermediate Holdings Inc., a Delaware corporation, Tropicana Las Vegas, Inc., a Delaware corporation, and The Shops at Tropicana Las Vegas, LLC, a Nevada limited liability company (each a "Guaranteeing Subsidiary" and, collectively, the "Guaranteeing Subsidiaries"), each a subsidiary of Bally's Corporation (or its permitted successor), a Delaware corporation iGaming Platform Agreement (the "Company Financial Protection Payment"), in accordance with the terms thereof.

7.8 The Company shall directly pay all of DBR's and the Division's (or of such entities that the DBR and the Division may identify) costs and expenses associated with DBR's and the Division's oversight and review of the business of the Facilities, including, without limitation, all such costs and expenses associated with the negotiation of and execution of this Agreement, the monitoring and enforcing compliance by the Company the other Guarantors (as defined in the Indenture referred to herein) and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association), as trustee under the Indenture referred to below (the "Trustee").

WITNESSETH

WHEREAS, the Company has heretofore executed and delivered to the Trustee an Indenture, dated as of August 20, 2021 (as amended and supplemented from time to time, the "Indenture"), providing for the issuance of 5.625% Senior Notes due 2029 and 5.875% Senior Notes due 2031 (together, the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiaries shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiaries shall unconditionally guarantee all of the Company's Obligations under the Notes of each series and the Indenture on with the terms and conditions set forth herein (the "Note Guarantee"); of this Agreement (which shall include, without limitation, all such costs and

WHEREAS, pursuant to Section 9.01 expenses associated with DBR's and the Division's review of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture without any matters requiring the consent of Holders DBR or the Division pursuant to the terms of this Agreement), all such costs and expenses associated with the DBR's and the Division's review of any Material Agreement entered into (or proposed to be entered into) by the Company (whether or not such Material Agreement or the subject matter thereof requires the consent of the Notes DBR or the Division pursuant to the terms of this Agreement) and any series, other costs and expenses required to be paid by the Company pursuant to applicable law or any other agreement or arrangement between the Company and the State.

NOW, THEREFORE, in consideration 7.9 In connection with any certification, report, filing or other information provided by the Company pursuant to the terms of this Agreement, (i) the Company shall certify that such certification, report, filing or other information provided by the Company pursuant to the terms of this Agreement complies with the requirements of the foregoing Agreement as to the form and for content of such certification, report, filing or information, as applicable, or (ii) in the event that the Company is not able to make the certification contemplated by the immediately preceding clause (i), to the extent that such certification, report, filing or other good and valuable consideration, information does not comply with the receipt requirements of which is hereby acknowledged, the Guaranteeing Subsidiaries Agreement as to the form or content of such certification, report, filing or information, the Company shall provide concurrent written notice to the DBR and the Trustee mutually covenant and agree for Division with a description of such failure to comply.

8. Remedies in the benefit Event of each other Noncompliance.

8.1 The Company agrees that irreparable damage would occur to DBR, the Division and the equal and ratable benefit State in the event that any of the Holders terms or provisions of this Agreement to be performed by the Notes as follows:

1. Capitalized Terms. Capitalized Company shall not be performed in accordance with their specific terms used herein without definition or shall have been otherwise breached. The Company accordingly agrees that, without posting a bond or other undertaking, notwithstanding anything to the meanings assigned contrary contained in this Agreement, at any time DBR and/or the Division shall be entitled to them in seek injunctive or other equitable relief against the Indenture.

2. Company and its Subsidiaries to prevent or cure breaches of this Agreement by the Company and to Guarantee. The Guaranteeing Subsidiaries hereby agree to provide an unconditional Guarantee on specifically enforce against the Company the terms and subject provisions hereof, such remedy against the Company being in addition to any other remedy against the Company to which DBR and/or the Division may be entitled at law or in equity. In the event that, pursuant to the conditions set forth immediately preceding sentence, any action, suit or proceeding is brought by DBR and/or the Division in equity to enforce the Note Guarantee and in the Indenture including but not limited to Article 10 thereof.

3. No Recourse Against Others. No director, officer, employee, incorporator or stockholder provisions of this Agreement against the Company, or any Guarantor, as such, will have any liability for any obligations of the Company or the Guarantors under the Notes, the Indenture, the Note Guarantees, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes of any series by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes of any series. The waiver may shall not be effective to waive liabilities under the federal securities laws.

4. GOVERNING LAW. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

5. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to

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allege, and the parties hereto and Company hereby waives the defense or counterclaim, that there is an adequate remedy at law.

8.2 Without limitation to any other remedy that DBR and/or the Division may be used in lieu have against the Company for breach of any provision of the original Supplemental Indenture for all purposes. Signatures Compliance Agreement, Prior Undertakings or the Prior Agreement (in each case, subject to Section 2.4) or this Agreement, the Company agrees that in the event of a breach of the parties hereto transmitted terms of the Compliance Agreement, Prior Undertakings or the Prior Agreement (in each case, subject to Section 2.4) or this Agreement by facsimile or PDF the Company, which breach shall be deemed determined in the sole discretion of the DBR and/or the Division, the actual damages suffered by DBR and/or Division shall be difficult or impossible to determine and DBR and/or the Division shall be their original signatures entitled to take the following actions:

A. In the event of the breach of any provision hereof, the breach of the terms of the Compliance Agreement, Continuing Prior Undertakings or the Prior Agreement prior to the Effective Date (or the Prior Undertakings, other than the Continuing Prior Undertakings, prior to July 1, 2016), or the breach of the terms of the VLT Contract or the Tiverton VLT Contract (including any breach of the Tiverton VLT Contract prior to its assignment by PE II to TRT), the Division shall be entitled to hold any Net Terminal Income otherwise payable to the Company beginning on the date of such breach. The Division shall be entitled to not remit any such Net Terminal Income otherwise payable to the Company until such time as the Company shall have cured the applicable breach of the Compliance Agreement, Prior Undertakings or the Prior Agreement, the VLT Contract, the Tiverton VLT Contract (including any breach of the Tiverton VLT Contract prior to its assignment by PE II to TRT) or this Agreement, as applicable, which shall be determined in the discretion of DBR and the Division. In the event the Company shall cure such breach to the satisfaction of DBR and the Division, the Division shall remit to the Company all amounts held in the escrow account as a result of such breach.

B. In the event that the Company breaches Sections 2, 3, 4, 5, 6, 7 or 9 of this Agreement, or has breached the terms of the Compliance Agreement, Continuing Prior Undertakings or the Prior Agreement prior to the Effective Date (or the Prior Undertakings, other than the Continuing Prior Undertakings, prior to July 1, 2016), breaches the terms of the VLT Contract or the Tiverton VLT Contract (including any breach of the

Tiverton VLT Contract prior to its assignment by PE II to TRT), or breaches the terms of the iGaming Game Agreement, the iGaming Platform Agreement or the Sports Wagering Hosting Agreement, the DBR and the Division shall be entitled to levy a penalty for all purposes.

6. Effect such breach in an amount not less than \$100 nor more than \$150,000 per violation. The DBR and/or the Division shall also have the right to levy a penalty in an amount not less than \$100 nor more than \$150,000 per violation on Bally's, BMG, UTGR, TRT and iGaming Joint Venture with respect to any Person that is an employee or director of Headings. The Section headings herein are for convenience only the Company holding a license from DBR and shall not affect is subject to the construction hereof.

7. The Trustee. The Trustee shall not be statutory and regulatory authority of the Division if it finds said Person is responsible in any manner whatsoever for, or in respect has contributed to, any such breach by the Company. Without limitation of the validity foregoing, in the event that the Company and/or sufficiency of this Supplemental Indenture or BMG do not satisfy the Senior Management Compensation Obligation for or in respect of any calendar year commencing with the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiaries and the Company.

8. Ratification of Indenture; Supplemental Indenture Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder shall be bound hereby.

[calendar year ending on December 31, 2023, Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

Tropicana Las Vegas Hotel and Casino, Inc.

By: /s/ George Papanier

Name: George Papanier

Title: President

Tropicana Las Vegas Intermediate Holdings, Inc.

By: /s/ George Papanier

Name: George Papanier

Title: President

Tropicana Las Vegas, Inc.

By: /s/ George Papanier

Name: George Papanier

Title: President

The Shops at Tropicana Las Vegas, LLC

By: /s/ George Papanier
Name: George Papanier
Title: Manager

[Signature Page to Third Supplemental Indenture]- 62 -

IN WITNESS WHEREOF, then the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: /s/ Laurel Casasanta
Name: Laurel Casasanta
Title: Vice President

[Signature Page to Third Supplemental Indenture]

Exhibit 10.43

FIRST AMENDMENT TO SERVICE AGREEMENT

THIS FIRST AMENDMENT TO SERVICE AGREEMENT (this “**Amendment**”) is entered into effective as of June 1, 2022 (“**Effective Date**”), by and between Gamesys Group LIMITED (“**Employer**”) and Robeson Reeves (“**you**”). Capitalized terms not otherwise defined herein **Division** shall have the meanings ascribed right to assess liquidated damages against the Company or BMG in an amount equal to the product of (A) the difference between the actual number of employees less than the thirty (30) employees required under the Senior Management Employee Location Obligation and (B) seven thousand five hundred dollars (\$7,500).

8.3 The remedies provided to DBR and the Division in this **Section 8** shall be contractual in nature, pursuant to the terms of this Agreement, and shall not limit, and shall be in addition to, any remedies that DBR and/or the Division shall have in law or equity or any regulatory action DBR and/or Division may take with regard to the Company's involvement in the **Service Agreement**, as defined below.

WHEREAS, Employer and you are parties to that certain Service Agreement dated as of **[October 1, 2021]** (the “**Agreement**”); and Employer and you desire to amend certain terms and conditions ownership or management of the **Agreement**, as provided herein.

NOW, THEREFORE, in consideration Facilities, including the revocation or suspension of the terms, covenants and provisions hereinafter set forth and other good and valuable consideration, it is hereby mutually agreed by and between Employer and Employee as follows:

1. **Section 5.1** Company's license in a manner consistent with the laws of the **Agreement** is hereby amended to include the following new **Section 5.1.1**:

State.

5.1.1 **You** 8.4 The parties acknowledge and the **Employer** agree that in lieu the update, amendment, restatement and reinforcement of the aforementioned monthly conversion of your salary from US dollars into a sterling equivalent, the Employer may instead continue paying your salary based on the exchange rate applicable as of **[October 1, 2021]** and determine **Prior Agreement** or any adjustments to your salary based on the exchange rate on June 30 and December 31 of each year during the term of the Agreement. The Employer agrees to reconcile the amounts paid to you during each

six-month period ending on such dates Prior Undertakings in connection with the applicable exchange rate. If the aforementioned reconciliation reflects additional amounts remaining due to you, the additional amount will be added to the payment due to you on the following month (i.e., July and January). If the aforementioned reconciliation reflects an overpayment entry by the Employer, the overpaid amount will be deducted from the payment due to you on the following month (i.e., July and January). The first such reconciliation will cover the period of [October 1, 2021] through June 30, 2022.

2. Other than the amendments to the Agreement as specifically provided herein, all other terms and conditions of the parties into this Agreement shall remain not waive or constitute a waiver in full force and effect, and Employer and you hereby ratify any respect of any rights or remedies that DBR and/or the Division might otherwise have, including pursuant to the terms of the Agreement, Compliance Agreement, the Prior Undertakings or the Prior Agreement that the State may be entitled to exercise at any time on, prior to, or following the Effective Date, including any enforcement actions or administrative penalties, relating to any matter or state of facts which arose on or prior to the Effective Date or is existing as of the Effective Date (or, with respect to the Prior Undertakings other than the Continuing Prior Undertakings, July 1, 2016).

9. General.

9.1 Relationship to Regulatory Authority of DBR and the Division. This Agreement shall be deemed to supplement the regulatory authority granted to DBR and/or the Division pursuant to the laws of the State and shall not be interpreted to limit the regulatory authority granted to either the DBR and/or the Division by the State. In the event of any conflict or inconsistency between the terms of the this Agreement and the terms regulatory authority granted to the DBR and/or the Division, the regulatory authority granted to the DBR and/or the Division shall govern.

9.2 Amendment. This Agreement shall not be amended except by a writing of this Amendment, the terms subsequent date hereto, executed by duly authorized representative of the Agreement shall govern and control parties hereto.

3. This Amendment may be executed in 9.3 Modifications. Without limiting any number of counterparts, all the regulatory authority granted to the DBR and/or the Division pursuant to the laws of which shall be deemed an original and all the State or any of which together shall constitute one the rights of the DBR and the same instrument.

[Signature page follows]

Division under this Agreement, including the rights of the DBR and the Division set forth in Section 3, to the extent that the Company in good faith proposes certain modifications to this Agreement in connection with a contemplated initial public sale of any class of shares of equity interests of the Company or any of its Subsidiaries, any merger, consolidation or other combination involving the Company or any of its Subsidiaries, or any acquisition of the Company or any of its Subsidiaries, the parties agree to consider such proposed modifications in good faith; provided, that the foregoing

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shall not obligate the DBR and the Division in any way to agree to any such modification to this Agreement proposed by the Company.

9.4 Assignment. This Amendment has been executed Agreement shall not be assigned by any party without the prior written consent of the other parties, provided, that, the transfer of the management of the Facilities by the Company is subject to the licensing authority of the DBR and the Division and in the event that a transfer is permitted by the DBR and the Division, the transferee thereof shall assume all obligations of the Company hereunder.

9.5 Notices. All notices, demands and other communications required or permitted hereunder shall be in writing and shall be deemed received (i) upon receipted delivery if sent by messenger or personal courier, (ii) two Business Days after being deposited with an internationally recognized overnight courier, (iii) upon email/facsimile transmission to the email address/number indicated below and receipt of a confirmation of receipt with respect thereto, or (iv) on actual receipt, if sent in any other manner, in each case with postage/delivery prepaid or billed to sender and addressed as a deed and is delivered and takes effect on the date stated at the beginning of it, follows:

If to the Company:

EXECUTED General Counsel
Bally's Corporation
100 Westminster Street
Providence, Rhode Island 02865
Email: asadeed@craig@ballys.com

GAMESYS GROUP LIMITED

acting by a director, in the presence of:

Signature

/s/Daniel Talisman

Director With copies to (which shall not constitute notice):

Print name

Jones Day
250 Vesey Street
New York, New York 10281-1047
Attention: Robert A. Profusek, Esq.
Julia Feldman, Esq.
Email: rprofusek@jonesday.com, jfeldman@jonesday.com

Daniel Talisman

If to DBR:

Director of the Department of Business Regulation
1151 Pontiac Avenue
Cranston, Rhode Island 02920
Attention: Director
Email: to such email addresses as may be provided by the DBR from time to time

If to Division:

Director of the Division of Lotteries
1425 Pontiac Avenue
Cranston, RI 02920
Attention: Director
Email: to such email addresses as may be provided by the Division from time to time

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With copy to (which shall not constitute notice):

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019
Attention: Thomas M. Cerabino, Esq.
Michael E. Brandt, Esq.
Email: tcerabino@willkie.com, mbrandt@willkie.com

Any party may change its address for purposes of notice hereunder by sending notice in the manner provided above, together with the effective date of such change.

Witness signature 9.6 **/s/Gabriella Walker** **Binding Effect**. This Agreement (including any applicable Prior Undertakings or the Prior Agreement in each case to the extent set forth in **Section 2.4**) shall be binding upon and inure to the benefit of each of the parties hereto, and each of their respective successors and permitted assigns. The Company hereby acknowledges and agrees that this Agreement is consistent with and fully enforceable under the laws of the State.

Name (in BLOCK CAPITALS) 9.7 **GABRIELLA WALKER** **Waiver**. The failure of any party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this Agreement, or any part thereof, or the right of the other party thereafter to enforce each and every provision.

Address 9.8 **[.] Severability**. The parties acknowledge that the provisions contained herein are required for the protection of the business interests of the parties and the State. The illegality, invalidity or unenforceability of any provision of this Agreement under any applicable law shall not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision of this Agreement, and to this end the provisions hereof are declared to be severable.

9.9 **Authorization to Execute Agreement**. The parties warrant that they are authorized to execute and deliver this Agreement and to perform the obligations set forth herein, and the persons executing this Agreement on behalf of such party are authorized to do so.

9.10 **Headings and Interpretation**. Section headings of this Agreement are for convenience only and shall neither form a part nor affect the interpretation hereof. Words in the singular number shall be interpreted to include the plural (and vice-versa), when context so requires. Use of "including" herein shall be interpreted to be followed by the words "without limitation".

9.11 **Governing Law; Consent to Jurisdiction**. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State, without regard to conflict of law principles. The parties agree that any suit for the enforcement of this Agreement may be brought in the courts of the State or any federal court sitting therein and consent to the nonexclusive jurisdiction of such court and to service of process in any

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such suit being made upon the parties at the addresses set forth for the parties above. The parties hereby waive any objection that they may now or hereafter have to the venue of any such suit or any such court or that such suit was brought in an inconvenient court.

9.12 **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

9.13 **Recitals**. The Recitals set forth above are hereby incorporated into and made a part of this Agreement.

9.14 **Interpretation and Meaning of "Operate."** To the extent that this Agreement, any other document executed by any Company and/or the Agents or the Lenders uses the term "operate" as it relates to any Facility, it is explicitly understood by UTGR, TRT and the Division that the Facilities are in fact operated by the State as required by the Rhode Island Constitution and that the State, as operator of the Facilities, has full control over all aspects of the functioning of the Facilities with the power and authority to make all decisions related thereto. Therefore, the use of the term "operate" herein or therein is not intended to imply that any Person other than the State (through the Division) operates the lotteries as provided in Section 15 of Article VI of the Rhode Island Constitution.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto effective as of the date first above written.

STATE LOTTERY DIVISION OF THE RHODE ISLAND DEPARTMENT OF REVENUE

By: /s/ Mark A. Furcolo
Name: Mark A. Furcolo
Title: Director

RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION

SIGNED
as a deed
by

ROBESON
REEVES

in the
presence
of:

By: Signature /s/ Elizabeth K. Dwyer
Name: Elizabeth K. Dwyer
Title: Director
/s/Robeson Reeves

[Amended and Restated Regulatory Agreement]

Witness signature /s/Raja B-Sheikh

Name (in BLOCK CAPITALS) RAJA B-SHEIKH

Address [•]

Exhibit 10.45

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "IN WITNESS WHEREOF, this Agreement") is has been executed by the parties hereto effective as of the Effective Date (defined below), by and between Twin River Management Group, Inc., a Delaware corporation (the "Company"), and Kim Barker Lee ("Executive").

WHEREAS, the Company desires to employ Executive as its Executive Vice President, Chief Legal Officer, and Executive desires to accept said employment, subject to the terms and conditions set forth below.

NOW, THEREFORE, for and in consideration of the premises and the mutual promises, representations and covenants contained herein, the parties hereto agree as follows:

1. **EMPLOYMENT.** The Company hereby employs Executive, and Executive hereby accepts such employment, subject to the terms and conditions set forth herein. Executive will hold the position of Executive Vice President, Chief Legal Officer of the Company (the "**Position**") and will report directly to the Chief Executive Officer, Bally's Corporation, or such other person as may be assigned by the Board of Directors of the Company in its sole discretion. Executive's place of employment shall be primarily in Rhode Island, although Executive may be required to travel as part of their duties, but such travel shall not involve relocation for more than 3 months a year.

2. **TERM.** The term of employment under this Agreement will begin on a mutually agreed upon date dependent upon any licensing required for her to commence employment (the "**Effective Date**"), and continue through December 31, 2024, subject to earlier termination by either party pursuant to Section 8 (the "**Term**"). The Executive acknowledges and agrees that the Executive is an "at-will" employee, and that their employment may be terminated at any time for any reason or for no reason, in accordance with the terms of Section 8.

3. **COMPENSATION.**

(a) The Company will pay to Executive, in accordance with the Company's regular payroll practices, an annual base salary of Five Hundred Fifty thousand dollars (\$550,000.00), which will be reviewed annually thereafter.

(b) Executive will be eligible to receive an annual cash performance bonus for each calendar year that ends during the Term, based on performance against performance criteria (each, an "**Annual Bonus**"). The performance criteria for any particular calendar year will be approved by the Compensation Committee of the Board of Directors of Bally's Corporation (the "**Board**"). Such performance criteria may, at the sole and exclusive discretion of the Board, include factors and considerations not directly related to the Company's financial performance. If no such performance criteria are established for Executive's position, then the payment of any Annual Bonus is at the sole discretion of the Company. Executive's target Annual Bonus for a calendar year will be in an amount equal one hundred percent (100%) of annual base salary. The actual amount of the Annual Bonus paid, if any, shall be subject to the achievement of the performance criteria established by the Board for that year to the satisfaction of the Board, with greater or lesser amounts paid for performance first above and below target levels, as determined in the Board's sole and exclusive discretion, and with no amount payable for performance below a

threshold level of performance established by the Board. Executive's Annual Bonus for a bonus period, if any, will be paid in the fiscal year following the fiscal year to which such Annual Bonus relates at the time as annual bonuses are paid to other similarly situated employees generally, but in any event no later than March 15th of the year following the year to which the Annual Bonus relates. Executive shall be eligible for an Annual Bonus on a pro-rated basis (as provided under section 8(d)) for any partial years of employment.

4. **BUSINESS EXPENSES.** During the Term, the Company will reimburse Executive, upon presentment of suitable receipts, vouchers, and completed expense reports, for all reasonable business expenses which may be incurred by Executive in connection with their employment. This shall include expenses for continuing legal education, executive education for Executive Vice President, Chief Legal Officers, bar dues, applicable insurance, and other reasonable professional expenses. Executive will comply with such restrictions and will keep such records as the Company may deem necessary to meet the requirements of the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder (the "**Code**").

5. **RELOCATION EXPENSES.** N/A

6. **OTHER BENEFITS.** During the Term, Executive will be eligible for paid time off ("**PTO**") in accordance with the Company's policy as established and amended from time to time and will be eligible to participate in such benefit plans and arrangements and to receive any other benefits customarily provided by the Company to its senior management personnel (the "**BenefitPlans**"). Unused PTO in any calendar year may not be carried over to any subsequent calendar year (or partial portions thereof).

7. DUTIES.

(a) Executive will have such powers and perform such duties as the Chief Executive Officer may assign to them, consistent with the duties and functions customarily associated with the position of Executive Vice President, Chief Legal Officer, including any legal duties or functions with or for any member of the Company Group (as defined below). Executive agrees to comply with the policies of Bally's Corporation and the Company and be subject to the direction of Bally's Chief Executive Officer. In the performance of their duties, Executive shall comply with the ABA Model Rules of Professional Conduct, or applicable state bar rules.

(b) During the Term, Executive will devote all of Executive's business time and attention to the business of Bally's Corporation and the Company, as necessary to fulfill Executive's duties; provided that the foregoing will not prevent Executive from (i) serving on the boards of directors of non-profit organizations and, subject to the prior written approval of the Board, other for-profit companies; (ii) participating in charitable, civic, educational, professional, community or industry affairs; and (iii) managing Executive's passive personal investments, so long as all such activities in the aggregate do not interfere or conflict with Executive's duties hereunder or create a potential business or fiduciary conflict.

(c) Executive will perform the duties assigned to Executive with fidelity and to the best of Executive's ability, and in all cases, in compliance with their professional and ethical obligations as an attorney.

(d) Executive agrees that, at all times during the Term, Executive will obtain and maintain, in full force and effect, any and all licenses, permits and work authorizations in respect of the Position that may be required by any government authority or agency to enable Executive to properly work and perform the duties of Executive's Position and the Company shall reimburse Executive for the costs and expenses of such licensing.

8. TERMINATION OF EMPLOYMENT; EFFECT OF TERMINATION OF EMPLOYMENT.

(a) Executive's employment hereunder will terminate upon the first to occur of the following:

(i) in accordance with the terms of Section 8(f) upon written notice to Executive upon the determination by the Company that Executive's employment will be terminated for any reason which would not constitute Justifiable Cause (as herein defined);

(ii) upon written notice to Executive upon the determination by the Company that there is Justifiable Cause for such termination;

(iii) automatically upon the death of Executive;

(iv) in accordance with the terms of Section 8(e) upon the Disability (as herein defined) of Executive;

(v) in accordance with the terms of Section 8(f) upon Executive's notice to the Company of Executive's determination to voluntarily terminate Executive's employment for Good Reason;

(vi) upon Executive providing the Company with thirty (30) days' written notice of Executive's determination to voluntarily terminate Executive's employment without Good Reason; or

(vii) Upon the expiration of the Term set forth in Section 2.

(b) For the purposes of this Agreement:

(i) "Disability" means the inability of Executive, due to illness, accident or any other physical or mental incapacity, substantially to perform the material and essential functions of Executive's duties for a period exceeding a total of thirteen (13) weeks (whether or not consecutive) in any twelve (12) month period, as reasonably determined by the Company in good faith, with a reasonable accommodation (as defined under applicable law).

(ii) "Good Reason" means a termination of employment by Executive upon the occurrence of any of the following without Executive's consent: (1) a material

diminution in Executive's Base Salary, other than a general reduction in Base Salary that affects all similarly situated senior executives of Bally's Corporation in substantially the proportion; (2) a requirement to relocate Executive's principal place of employment location by more than fifty (50) miles from Executive's then current job location; or (3) a material diminution in Executive's responsibilities (other than temporarily while Executive is

physically or mentally incapacitated); provided, however, that the foregoing conditions will constitute Good Reason only if (A) Executive provides written notice to the Company within thirty (30) days of the initial existence of the condition(s) constituting Good Reason and (B) the Company fails to cure such condition(s) within sixty (60) days after receipt from Executive of such notice; and provided further, that Good Reason will cease to exist with respect to a condition six (6) months following the initial existence of such condition if Executive has elected to remain employed with the Company. Notwithstanding Section 8(b)(ii)(3) above, Executive acknowledges and agrees that any change in Executive's reporting structure, duties, or responsibilities, including any change in any employees reporting to Executive, in connection with a reorganization of the management of the Company or Bally's Corporation, shall not constitute "Good Reason" for the purposes of this Agreement, provided that Executive's title remains Executive Vice President, Chief Legal Officer.

(iii) "Justifiable Cause" means:

- (1) Executive's continued failure or refusal to perform Executive's duties pursuant to this Agreement after notice from the Company which, if curable, is not cured within thirty (30) business days of Executive's receipt of written notice thereof from the Company;
- (2) Executive's material breach of this Agreement which, if curable, is not cured within thirty (30) business days of Executive's receipt of written notice thereof from the Company;
- (3) Executive's actions resulting in the conviction of or plea of guilty or *nolo contendere* to any crime involving moral turpitude or any felony;
- (4) Executive's performance of any act, or their failure to act, which constitutes, in the reasonable good faith determination of the Company, dishonesty or fraud, including misappropriation of funds;
- (5) Executive's illegal use of controlled substances;
- (6) Executive's intentional violation of a material Company written policy or code of conduct;
- (7) the revocation, loss, or non-renewal of any gaming license required to be held by Executive; or
- (8) any act or omission by Executive Involving gross malfeasance or gross negligence in the performance of Executive's duties

(iv) "Person" means an individual, corporation, limited liability

company, association, partnership, joint venture, organization, business, trust or any other entity or organization, including a government or any subdivision or agency thereof, other than any direct or indirect subsidiary of Bally's Corporation.

(c) Upon termination of Executive's employment by the Company for Justifiable Cause, or by Executive without Good Reason, Executive will not be entitled to any amounts or benefits hereunder, other than such unpaid portion of Executive's Base Salary and any other monies Executive is entitled to as a matter of right under the Company's written and established policies and Benefit Plans and reimbursement of expenses pursuant to Section 4 as have been accrued through the date of their termination of employment, which amounts will be paid as soon as reasonably practicable following the termination date (collectively, the "Accrued Amounts").

(d) If Executive should die during the Term, this Agreement will terminate immediately. In such event, Executive's estate will thereupon be entitled to receive (i) any Accrued Amounts and (ii) a pro-rata portion of the Annual Bonus (determined by multiplying the Annual Bonus otherwise payable to Executive for the year in which their termination of employment occurred by a fraction equal to (1) the number of days Executive was employed by the Company during the applicable performance period, divided by (2) the total number of days in the applicable performance period), payable when annual bonuses for the applicable performance period is paid to other senior executives of the Company and Bally's Corporation generally, but in no event later than two and one-half (2 ½) months following the calendar year of Executive's termination (a "Pro-Rata Bonus"). Executive's estate also will be entitled to any benefits payable under the terms of the Benefit Plan.

(e) Upon a finding by the Company of Executive's Disability in accordance with Section 8(b)(iii), the Company will have the right to terminate Executive's employment. Any termination of Executive's employment pursuant to this Section 8(e) will be effective on the date thirty (30) days after the date on which the Company notifies Executive of the Company's election to terminate. In such event, Executive will thereupon be

entitled to receive any Accrued Amounts and a Pro-Rata Bonus for the year in which their termination of employment occurred. Executive will also be entitled to any benefits payable under the terms of the Benefit Plans.

(f) (i) Termination by the Company Without Justifiable Cause or by Executive for Good Reason. In the event that Executive's employment is terminated during the Term by (1) the Company without Justifiable Cause (other than due to Executive's death or Disability) or (2) Executive for Good Reason, in addition to any Accrued Amounts, subject to Section 8(f)(ii), (A) Executive will be entitled to receive, to the extent earned but not yet paid, Executive's Annual Bonus for the year prior to the year in which the termination of employment occurred (which, for purposes of this Section 8(f)(i), will be deemed to be earned if Executive remained employed by the Company through the end of the fiscal year to which such Annual Bonus relates); (B) Executive will be entitled to receive a Pro-Rata Bonus for the year in which their termination of employment occurred; and (C) the Company will continue to pay Executive their Base Salary for twelve (12) months in accordance with ordinary payroll practices (the "Severance Period"). In addition, the Executive will receive a monthly payment during the Severance Period in an amount

equivalent to the approximate monthly COBRA Premium, that Executive may use to purchase continuation coverage benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), subject to the requirements of Section 8(f)(ii) below. The payments and benefits set forth in this Section 8(f)(i) will be in lieu of any and all other payments due and owing to Executive under the terms of this Agreement (other than any Accrued Amounts or benefits payable under the Benefit Plans).

(ii) Release and Compliance Requirement. The payments and benefits payable pursuant to Section 8(f)(i), other than any Accrued Amounts, are collectively referred to as the "Severance Payments." Notwithstanding anything herein to the contrary, the Company's obligation to make or pay any portion of any Severance Payment is conditional upon (1) within sixty (60) days following Executive's termination of employment, Executive delivering to the Company a valid and effective separation and general release agreement in favor of Bally's Corporation and the Company, including their respective officers, directors, employees, subsidiaries and affiliates, arising from Executive's employment in the Position, waiving all claims against the foregoing, in a form and substance acceptable to the Company, with all periods for revocation therein having expired; and (2) Executive's compliance with their obligations under Sections 10, 11, 12 and 13 hereof. Subject to the foregoing, any Severance Payments due hereunder will commence with the Company's first regularly scheduled payroll date upon or following the 60th day after Executive's termination of employment (the "Severance Payment Commencement Date"), with any such Severance Payments that would otherwise have been payable prior to the Severance Payment Commencement Date instead being accumulated (without interest) and paid on the Severance Payment Commencement Date.

(g) Upon Executive's voluntary termination of employment hereunder, this Agreement (subject to Section 26) will terminate. Executive will be entitled to (1) any Accrued Amounts and (2) continue to participate in the Benefit Plans to the extent participation by former employees is required by law, with the expense of such participation to be as specified in such plans for former employees. Executive will also be entitled to any benefits payable under the terms of the Benefit Plans.

(h) Upon the Company giving notice of termination pursuant to Section 8(a)(i), or 8(a)(ii) or 8(a)(iii) or Executive giving notice of termination pursuant to Section 8(a)(v) or 8(a)(vi), the Company may require that Executive immediately leave the Company's premises and cease reporting to work, but such requirement will not affect the effective date of termination of employment or any other amounts payable pursuant to this Section 8.

(i) Following the termination of Executive's employment for any reason, if and to the extent requested by the Board, Executive agrees to resign from all fiduciary positions (including as trustee) and all other offices and positions Executive holds with the Company Group (as defined below); provided, however, that if Executive refuses to tender Executive's resignation after the Board has made such request, then the Board will be empowered to remove Executive from such offices and positions without providing Employee any additional consideration.

9. REPRESENTATIONS AND AGREEMENTS OF EXECUTIVE. Executive represents and warrants that Executive is free to enter into this Agreement and to perform the duties required hereunder, and that there are no employment contracts or understandings, restrictive covenants or other restrictions, whether written or oral, preventing or hindering the performance of Executive's duties hereunder.

10. NON-COMPETITION.

(a) In view of the unique and valuable services expected to be rendered by Executive to the Company Group (as defined below), Executive's knowledge of the trade secrets and other proprietary information relating to the business of the Company Group and in consideration of the compensation to be received hereunder, Executive agrees that, during Executive's employment by the Company and during the twelve (12) month period following termination of Executive's employment for any reason (the "Non-Competition Period"), Executive will not, directly or indirectly,

perform the same duties or substantially similar services to a Competing Business (as defined below) within the Restricted Area (as defined below) as were performed by Executive while employed by the Company, whether as an employee, owner, principal, partner, member, shareholder, independent contractor, or consultant. As referenced herein, "Competing Business" means any Person engaged in the business of owning, operating, or managing any (i) gaming, gambling, pari-mutuel, wagering, horseracing, video lottery terminal, or lottery-related enterprise or facility, including mobile sports wagering or online gaming, or (ii)

hotel, restaurant, or resort activities; any of which is undertaken or proposed to be undertaken by Bally's Corporation, the Company, or any of their subsidiaries (collectively, the "Company Business"). As further referenced herein, the "Restricted Area" means the fifty (50)-mile radius of any location or facility where Bally's Corporation, the Company, or any of their subsidiaries is engaged in or undertaking, or proposing to engage in or undertake, any Company Business. The record or beneficial ownership by Executive of up to one percent (1%) of any class of securities of any corporation whose securities are publicly traded on a national securities exchange or in the over-the-counter market will not of itself constitute a breach hereunder.

(b) Executive will not, directly or indirectly, during Executive's employment by the Company or during the Non-Competition Period, alone, or in association with any other person or entity, request or cause any suppliers or customers with whom Bally's Corporation, the Company, their parent(s), subsidiaries or affiliates (collectively, the "Company Group") has a business relationship, to cancel or terminate any such business relationship with any member of the Company Group or solicit, interfere with, entice from any member of the Company Group any employee or other service provider of any member of the Company Group.

(c) Executive will not, directly or indirectly, during Executive's employment by the Company or during the Non-Competition Period, solicit or induce any employee of the Company Group to terminate their employment within the Company Group, or actually employ, hire or engage any such employee for Executive's own purposes or on behalf of any other person or business entity.

(d) At no time after the termination of Executive's employment for any reason

will Executive utter, issue or circulate publicly any false statements, or remarks about any member of the Company Group and/or any of their respective businesses, or any of their respective officers, employees, directors, agents or representatives. At no time after the termination of Executive's employment for any reason will the Company, by press release or other formally released announcement, make any false statements about Executive. Notwithstanding the foregoing, statements made in the course of testimony in administrative, judicial or arbitral investigations or proceedings (including depositions in connection with such proceedings) will not be subject to this Section 10(d).

(e) If any portion of the restrictions set forth in this Section 10 is, for any reason whatsoever, declared invalid by a court of competent jurisdiction, the validity or enforceability of the remainder of such restrictions will not thereby be adversely affected.

(e) Executive acknowledges that the territorial and time limitations set forth in this Section 10 are reasonable and properly required for the adequate protection of the business of the Company Group. Executive hereby waives, to the extent permitted by law, any and all right to contest the validity of this Section 10 on the grounds of reasonableness or the breadth of its geographic or product and service coverage or length of term. In the event any such territorial or time limitation is deemed to be unreasonable by a court of competent jurisdiction, Executive agrees to the reduction of the territorial or time limitation to the area or period which such court will deem reasonable.

(f) The existence of any claim or cause of action by Executive against Bally's Corporation, the Company or any other member of the Company Group will not constitute a defense to the enforcement by the Company Group of the foregoing restrictive covenants, but such claim or cause of action will be litigated separately.

11. INVENTIONS AND DISCOVERIES.

(a) Executive hereby acknowledges that all duties performed hereunder, were specifically ordered or commissioned by the Company ("Works"); that the Works shall constitute a work-made-for-hire as defined in the United States Copyright Act of 1976, United States Code, Title 17, §101, et seq; that the Company is and shall be the author of said work-made-for-hire and the owner of all rights in and to the Works throughout the universe, in perpetuity and in all languages, for all now known or hereafter existing uses, media and forms, including, without limitation, the copyrights therein and thereto throughout the universe for the Term; and that the Company shall have the right to make such changes therein and such uses thereof as it may deem necessary or desirable. Executive will promptly and fully disclose to Bally's Corporation and the Company, with all necessary detail for a complete understanding of the same, all developments, know-how, discoveries, inventions, improvements, concepts, ideas, writings, formulae, processes and methods (whether copyrightable, patentable or otherwise) made, received, conceived, developed, acquired or written during working hours, or otherwise, by Executive (whether or not at the request or upon the suggestion of Bally's Corporation or the Company) during the Term, solely or jointly with others or relating to any current or proposed business or activities of the

Company Group known to him as a consequence of their employment or the rendering of advisory and consulting services hereunder, all of which further constitute the

Works.

(b) Executive hereby assigns and transfers, and agrees to assign and transfer, to the Company all of Executive's rights, title and interest in and to the Works, and Executive further agrees to deliver to the Company any and all drawings, notes, specifications and data relating to the Works, and to execute, acknowledge and deliver all such further papers, including applications for trademarks, copyrights or patents, as may be necessary to obtain trademarks, copyrights and patents for any thereof in any and all countries and to vest title thereto in the Company. Executive will assist the Company in obtaining such trademarks, copyrights or patents during the Term, and any time thereafter, on reasonable notice and at mutually convenient times, and Executive agrees to testify in any prosecution or litigation involving any of the Works.

12. NON-DISCLOSURE OF CONFIDENTIAL INFORMATION.

(a) Executive will not, during the Term, or at any time following expiration or termination of this Agreement, directly or indirectly, disclose or permit to be disclosed, other than as is required in the regular and proper course of the performance of her duties hereunder (including required disclosures to the Company's auditors, advisors and consultants and gaming regulators) or as is required by law and their professional responsibilities as a lawyer (in which case Executive will give the Company prior written notice of such required disclosure as soon as possible and will make the most minimal disclosure required), or with the prior written consent of the Company, to any person, firm, corporation or other entity, any confidential information

acquired by Executive during the course of, or as an incident to, Executive's employment with the Company Group, relating to the Company Group, any client of the Company Group, or any corporation, partnership or other entity owned or controlled, directly or indirectly, by any of the foregoing, or in which any of the foregoing has a beneficial interest, including the business affairs of each of the foregoing. Such confidential information shall include proprietary technology, trade secrets, patented processes, research and development data, know-how, market studies and forecasts, competitive analyses, pricing policies, employee lists, personnel policies, the substance of agreements with customers, suppliers and others, marketing or dealership arrangements, servicing and training programs and arrangements, customer lists, patron data and any other documents embodying such confidential information. These confidentiality obligations shall not apply to any confidential information which becomes publicly available.

(b) All information and documents relating to the Company Group as hereinabove described (or other business affairs) will be the exclusive property of the Company Group, and Executive will use Executive's best efforts to prevent any publication or disclosure thereof. Upon termination of Executive's employment with the Company, all documents, records, reports, writings, and other similar documents containing confidential information, including copies thereof, then in Executive's possession or control shall be returned to the Company.

13. SPECIFIC PERFORMANCE. Executive agrees that if Executive breaches, or threatens to commit a breach of, any of the provisions of Sections 10, 11 or 12 (the "Restrictive Covenants"), the Company and each other member of the Company Group shall have, in addition to, and not in lieu of, any other rights and remedies available under law and in equity, the right

to injunctive relief and/or to have the Restrictive Covenants specifically enforced by a court of competent jurisdiction, without the posting of any bond or other security, it being agreed that any breach or threatened breach of the Restrictive Covenants would cause irreparable injury to the Company Group and that money damages would not provide an adequate remedy. Notwithstanding the foregoing, nothing herein shall constitute a waiver by Executive of their right to contest whether a breach or threatened breach of any Restrictive Covenant has occurred. Executive shall, and the Company may, inform any future employer of the Restrictive Covenants and provide such employer with a copy thereof, prior to the commencement of that employment (or, in the Company's case, at any time thereafter).

14. INDEMNIFICATION. During Executive's employment by the Company, and thereafter, Executive will be indemnified and held harmless for their activities as an employee to the fullest extent provided by the governing documents of the Company.

15. LIABILITY INSURANCE. During Executive's employment by the Company, the Company will cover Executive under directors' and officers' liability insurance in the same amount and to the same extent as the Company Group covers its directors and senior executive employees.

16. AMENDMENT OR ALTERATION. No amendment or alteration of the terms of this Agreement will be valid unless made in writing and signed by both of the parties hereto. Any amendment or alteration of this Agreement in violation of this section shall be void.

17. GOVERNING LAW. This Agreement will be governed by and construed in accordance with the laws of the State of Rhode Island applicable to agreements made and to be performed therein. The parties hereto consent to the exclusive jurisdiction of the state and federal courts

located in Providence, Rhode Island, as well as to the jurisdiction of courts to which an appeal may be taken from such courts, for the purpose of any suit, action or other proceeding arising out of, or in connection with, this Agreement or that otherwise arises out of the employment relationship. Each of the parties agrees that a final and non-appealable judgment in any action so brought will be conclusive and may be enforced by suit on the judgment in any jurisdiction within or outside the United States or in any other manner provided in law or in equity. Each party hereby expressly waives (a) any and all rights to bring any suit, action or other proceeding in or before any court or tribunal other than the courts described above, and covenants that it will not seek in any manner to resolve any dispute other than as set forth in this paragraph, and (b) any and all objections either may have to venue, including the Inconvenience of such forum, in any of such courts. In addition, each party consents to the service of process by personal service or any manner in which notices may be delivered hereunder in accordance with this Agreement. Notwithstanding the foregoing, no claim or controversy for injunctive or equitable relief contemplated by or allowed under applicable law pursuant to Sections 10, 11, 12 or 13 will be subject to the limitations in this Section 17.

18. **SEVERABILITY.** The holding of any provision of this Agreement to be invalid or unenforceable by a court of competent jurisdiction will not affect any other provision of this Agreement, which will remain in full force and effect.

19. **WITHHOLDING.** The Company shall deduct and withhold from the payments to

be made to Executive hereunder all amounts required to be deducted and withheld under the provisions of any applicable statute, law, regulation or ordinance now or hereafter enacted, or as otherwise authorized by Executive in writing.

20. **SECTION 409A.** The parties intend that any amounts payable under this Agreement, and the Company's and Executive's exercise of authority or discretion hereunder, comply with the provisions of Section 409A of the Code ("Section 409A"). To the extent Executive would otherwise be entitled to any payment under this Agreement, or any plan or arrangement of the Company Group, that constitutes a "deferral of compensation" subject to Section 409A and that if paid during the six (6) months beginning on the date of termination of Executive's employment would be subject to the Section 409A additional tax because Executive is a "specified employee" (within the meaning of Section 409A and as determined by the Company), the payment will be paid to Executive on the earlier of the six (6) month anniversary of their date of termination or on the date of their death. To the extent Executive would otherwise be entitled to any benefit (other than a payment) during the six (6) months beginning on termination of Executive's employment that would be subject to the Section 409A additional tax, the benefit will be delayed and will begin being provided on the earlier of the first day following the six (6) month anniversary of Executive's date of termination or on the date of their death. Any payment or benefit due upon a termination of employment that represents a "deferral of compensation" within the meaning of Section 409A will be paid or provided only upon a "separation from service" as defined in Treas. Reg. § 1.409A-1(h). Each payment made under this Agreement will be deemed to be a separate payment for purposes of Section 409A. Amounts payable under this Agreement will be deemed not to be a "deferral of compensation" subject to Section 409A to the extent provided in the exceptions in Treas. Reg. § 1.409A-1(b)(4) ("short-term deferrals") and (b)(9) ("separation pay plans," including the exception under subparagraph (iii)) and other applicable provisions of Treas. Reg. §§ 1.409A-1 through A-6. With respect to any amount of expenses eligible for reimbursement or the provision of any in-kind benefits under this Agreement, to the extent such payment or benefit would be considered deferred compensation under Section 409A or is required to be included in Executive's gross income for federal income tax purposes, such expenses (including expenses associated with in-kind benefits) will be reimbursed no later than December 31st of the year following the year in which Executive incurs the related expenses. In no event will the reimbursements or in-kind benefits to be provided by the Company in one taxable year affect the amount of reimbursements or in-kind benefits to be provided in any other taxable year, nor will Executive's right to reimbursement or in-kind benefits be subject to liquidation or exchange for another benefit. Notwithstanding anything herein to the contrary, no particular tax result for Executive with respect to any income recognized by Executive in connection with this Agreement is guaranteed, and Executive will be responsible for any and all income taxes due with respect to the arrangements contemplated by this Agreement.

21. **ADDITIONAL COMPANY COVENANTS.** For purposes of this Section 21: (a) "ExciseTax" means the excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax and (b) "Payment" means any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of Executive, whether paid or payable pursuant to this Agreement or otherwise. The parties hereto agree to work in good faith in order to mitigate the potential

impact of the Excise Tax on Executive. In the event that the Company determines (after consulting with an independent accounting or compensation consulting company) that any Payment would subject Executive to the Excise Tax, then the Payments will be reduced to the extent necessary so that no portion thereof is subject to the Excise Tax.

22. **NOTICES.** All notices and other communications required or permitted hereunder will be in writing and will be deemed given when delivered (a) personally, (b) by registered or certified mail, postage prepaid with return receipt requested, (c) by PDF email scan with evidence of

completed transmission, or (d) delivered by overnight courier to the party concerned at the address indicated below or to such changed address as such party may subsequently give such notice of:

If to the Company: Twin River Management Group, Inc.

100 Westminster Street, 11th Floor Providence, Rhode Island 02903

Attn: Executive VP, General Counsel & Compliance Officer

If to Executive: Executive's most recent home address, as set forth in the employment records of the Company

23. **COUNTERPARTS AND FACSIMILE/PDF SIGNATURES.** This Agreement may be signed in counterparts with the same effect as if the signatures to each counterpart were upon a single instrument, and all such counterparts together will be deemed an original of this Agreement. For purposes of this Agreement, a facsimile or PDF copy of a party's signature will be sufficient to bind such party.

24. **WAIVER OF BREACH.** It is agreed that a waiver by either party of a breach of any provision of this Agreement will not operate, or be construed, as a waiver of any subsequent breach by that same party.

25. **ENTIRE AGREEMENT AND BINDING EFFECT.** This Agreement contains the entire agreement of the parties with respect to the subject matter hereof (with the exception of documents related to performance requirements for Annual Bonuses and senior executive equity plans in force during the course of employment), supersedes all prior and contemporaneous agreements, both written and oral, between the parties with respect to the subject matter hereof (including any employment agreement previously entered into by the Company (or any of their respective predecessors) and Executive). This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, heirs, distributors, successors and assigns; provided, however, that Executive will not be entitled to assign or delegate any of their rights or obligations hereunder without the prior written consent of the Company. It is intended that Sections 10, 11, 12 and 13 are to the benefit of each of Bally's Corporation, the Company and each other member of the Company Group, each of which is entitled to enforce the provisions of Sections 10, 11, 12 and 13 and is deemed to be an intended third-party beneficiary of this Agreement.

26. **SURVIVAL.** The obligations of the parties under this Agreement that by their nature may require either partial or total performance after the expiration or termination of the

Term or this Agreement (including those under Sections 10, 11, 12 and 13) shall survive any termination or expiration of this Agreement.

27. **FURTHER ASSURANCES.** The parties agree to execute and deliver all such further documents, agreements and instruments and take such other and further action as may be necessary or appropriate to carry out the purposes and intent of this Agreement.

28. **CONSTRUCTION OF AGREEMENT.** No provision of this Agreement or any related document will be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured or drafted such provision. Unless otherwise indicated, any reference to a "Section" means a Section of this Agreement. The word "including" (in its various forms) means including without limitation. All references in this Agreement to "days" refer to "calendar days" unless otherwise specified.

29. **HEADINGS.** The Section headings appearing in this Agreement are for the purposes of easy reference and are not considered a part of this Agreement nor do any Section heading(s) in any way modify, amend and/or affect any of the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the respective dates set forth below, to be effective as of the Effective Date.

written.

By: /s/ Lee Fenton BALLY'S CORPORATION Date: 10/19/2022 BALLY'S MANAGEMENT GROUP, LLC

Lee Fenton Chief Executive Officer By: /s/ Craig Eaton Name: Craig Eaton Title: SR VP

UTGR, LLC TWIN RIVER-TIVERTON, LLC

By: /s/ Craig Eaton Name: Craig Eaton Title: President By: /s/ Craig Eaton Name: Craig Eaton Title: President

BALLY'S RI ICASINO, LLC

By: /s/ Kim Barker Lee Craig Eaton Date: October 14, 2022 Name: Craig Eaton Title: President

13 [Amended and Restated Regulatory Agreement]

Exhibit A – Persons with 5% or Greater Equity Financial Interest

Exhibit B – Board Members of the Rhode Island Companies

Exhibit C – Corporate Organizational Chart and Management Organizational Chart

Exhibit D – List of Responsibilities of Compliance Officer

Exhibit E – Summary of Leverage Ratio Form

Exhibit F – Code of Best Practices

Exhibit G – Third Amended and Restated Operating Agreement of TRT

Exhibit H – Prior Undertakings

Exhibit I – Stockholder List

Exhibit 21.1

BALLY'S CORPORATION

Subsidiary Name	State or Other Jurisdiction of Incorporation
120 Sports Holding I, LLC	Delaware
120 Sports LLC	Delaware
Association of Volleyball Professionals, LLC	Delaware
AVA Entertainment Limited Partnership	California
Aztar Indiana Gaming Company, LLC	Indiana
BACA Limited	Isle of Man
Bally's Canada Inc.	Ontario
Bally's Chicago Holding Company, LLC	Delaware
Bally's Chicago Operating Company, LLC	Delaware
Bally's Chicago, Inc.	Delaware
Bally's Estonia OU	Estonia
Bally's Finance Corporation Limited	Malta
Bally's Foundation North America, Inc.	Delaware
Bally's Holdings Limited	Jersey
Bally's Holdings UK Limited	Jersey
Bally's Interactive Maryland, LLC	Delaware
Bally's Interactive, LLC	Delaware
Bally's Interactive (Stadium) LLC	Delaware
Bally's Management Group, LLC	Delaware
Bally's New York Holding Company, LLC	Delaware
Bally's New York Operating Company, LLC	Delaware
Bally's New York, Inc	Delaware
Bally's Pennsylvania, LLC	Delaware
Bally's Premier Interactive ULC	British Columbia, Canada
Bally's RI iCasino, LLC	Delaware
Bally's-Galaxy Acquisition Corp.	Delaware
BetWorks (US) LLC	Nevada
Cryptologic Operations Limited	Malta
Degree 53 Limited	United Kingdom
Dover Downs, Inc. LLC	Delaware
Dual-Pro LIC TLV, LLC	Nevada
Dumarca Asia Limited	Hong Kong
Dumarca Gaming Limited	Malta
Dumarca Holdings Limited	Malta
Dumarca Live Limited	Malta
Dumarca Services Limited	Malta
Entertaining Play Limited	Gibraltar
Fantasy Draft Player Funds, LLC	Delaware
Fantasy Draft, LLC	Delaware
Fantasy Sports Shark, LLC d/b/a Monkey Knife Fight	Delaware
Fifty States Limited	Isle of Man
Games Spain Operations, S.A. S.A.U.	Ceuta
Gamesys Group (Holdings) Limited	Jersey
Gamesys Group Limited	United Kingdom

Subsidiary Name	State or Other Jurisdiction of Incorporation
Gamesys Jersey Limited	Jersey
Gamesys Limited	United Kingdom
Gamesys Network Limited	Malta
Gamesys Operations Limited	Gibraltar
Gamesys Spain S.A.	Ceuta
Gamesys US LLC	Delaware
Golden Hero Group Ltd. Gyps Fulvus Limited	Bahamas Gibraltar
Horses Mouth Limited d/b/a SportCaller	Ireland

Subsidiary Name	State or Other Jurisdiction of Incorporation
Interstate Racing Association, LLC	Colorado
Intertain Financial Services AB	Sweden
IOC-Kansas City, Inc. d/b/a Casino KC	Missouri
Jackpotjoy Operations Ltd.	Bahamas
Jet Media Limited	Gibraltar
Joker Gaming, LLC d/b/a Live at the bike	California
JPJ Group Holdings Limited	Jersey
JPJ Group Jersey Finance Limited	Jersey
JPJ Holding II Limited	Jersey
JPJ Holding Jersey Limited	Jersey
JPJ Jersey Limited	Jersey
JPJ Maple II Limited	Malta
JPJ Maple Media Limited	British Columbia, Canada
JPJ Spain Operations S.A. Ops, S.A.U.	Spain
Leisure Spin Limited	Gibraltar
Libita Group Ltd.	Isle of Man
Luxembourg Investment Company 192 SarL	Luxembourg
MB Development, LLC	Nevada
Mice and Dice Limited	United Kingdom
Mile High USA, LLC	Delaware
Nozee Ltd. Limited	Gibraltar
Passi Services Limited	Malta
Premier Entertainment AC, LLC d/b/a Bally's Atlantic City Hotel & Casino	New Jersey
Premier Entertainment Biloxi LLC	Delaware
Premier Entertainment Black Hawk, LLC d/b/a Mardi Gras Casino, Golden Gates Casino and Golden Gulch Casino	Colorado
Premier Entertainment Finance Corp.	Delaware
Premier Entertainment II, LLC d/b/a Newport Grand	Delaware
Premier Entertainment III, LLC d/b/a/ Dover Downs Hotel and Casino	Delaware
Premier Entertainment Louisiana I, LLC d/b/a Eldorado Resort Casino Shreveport	Delaware
Premier Entertainment Parent, LLC	Delaware
Premier Entertainment Shreveport, LLC	Louisiana
Premier Entertainment Sub, LLC	Delaware
Premier Entertainment Tahoe, LLC	Nevada
Premier Entertainment Vicksburg, LLC d/b/a Casino Vicksburg	Delaware
Profitable Play Limited	Gibraltar
Racing Associates of Colorado, Ltd.	Colorado
Rhode Island VLT Company LLC	Delaware
Rock Island Foodservice, LLC	Illinois

Subsidiary Name	State or Other Jurisdiction of Incorporation
Silverspin AB	Sweden
Solid (IOM) Limited	Isle of Man
Solid Innovations Limited	Gibraltar
Solid Services Limited	Isle of Man
Sportsoft Solutions Inc.	British Columbia, Canada
Stockwell Ltd.	Isle of Man
Telescope EMEA S.L.	Spain
Telescope Inc.	Delaware

Subsidiary Name	State or Other Jurisdiction of Incorporation
Telescope UK Ltd	United Kingdom
The Intertain Group Finance LLC	Delaware
The Intertain Group Limited	Ontario, Canada
The Rock Island Boatworks, LLC	Illinois
The Shops at Tropicana Las Vegas, LLC	Nevada
TR Black Hawk Promotional Association I	Colorado
Tropicana Las Vegas Hotel and Casino, Inc.	Delaware
Tropicana Las Vegas Intermediate Holdings, Inc.	Delaware
Tropicana Las Vegas, Inc.	Nevada
Twin River – Tiverton, LLC d/b/a Tiverton Casino Hotel	Delaware
Twin River Management Group, Inc.	Delaware
UTGR, Inc. LLC. d/b/a Twin River Casino Hotel	Delaware
WagerLogic Bahamas Israel Ltd.	Bahamas Israel
WagerLogic Malta Holding Limited	Malta

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-228973 on Form S-4, Registration Statement Nos. 333-263437, 333-256435, and 333-230675 on Form S-8, and Registration Statement Nos. 333-254450 and 333-254448 on Form S-3 of our reports dated March 1, 2023 March 15, 2024, relating to the consolidated financial statements of Bally's Corporation and the effectiveness of Bally's Corporation's internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

/s/ Deloitte & Touche LLP

New York, New York

March 1, 2022 15, 2024

Exhibit 31.1

BALLY'S CORPORATION

CERTIFICATION

I, **Lee D. Fenton, Robeson M. Reeves**, certify that:

1. I have reviewed this Annual Report on Form 10-K of Bally's Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March **1, 2023 15, 2024**

By: /s/ **LEE D. FENTON ROBESON M. REEVES**

Lee D. Fenton Robeson M. Reeves

Chief Executive Officer

Exhibit 31.2

BALLY'S CORPORATION

CERTIFICATION

I, **Robert M. Lavan, Marcus Glover**, certify that:

1. I have reviewed this Annual Report on Form 10-K of Bally's Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2023 15, 2024

By: /s/ ROBERT M. LAVAN MARCUS GLOVER

Robert M. Lavan Marcus Glover

Chief Financial Officer

(Principal Financial Officer)

Exhibit 32.1

BALLY'S CORPORATION

CERTIFICATION

In connection with the Annual Report of Bally's Corporation (the "Company") on Form 10-K for the year ended December 31, 2022 December 31, 2023 (the "Report"), as filed with the Securities and Exchange Commission, I, Lee D. Fenton, Robeson M. Reeves, Chief Executive Officer of the Company, hereby certify as of the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: March 1, 2023 15, 2024

By: /s/ LEE D. FENTON ROBESON M. REEVES

Lee D. Fenton Robeson M. Reeves

Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, except to the extent that the Company specifically incorporates it by reference.

BALLY'S CORPORATION

CERTIFICATION

In connection with the Annual Report of Bally's Corporation (the "Company") on Form 10-K for the year ended December 31, 2022 December 31, 2023 (the "Report"), as filed with the Securities and Exchange Commission, I, Robert M. Lavan, Marcus Glover, Chief Financial Officer of the Company, hereby certify as of the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: March 1, 2023 15, 2024

By: /s/ ROBERT M. LAVAN MARCUS GLOVER

Robert M. Lavan Marcus Glover

Chief Financial Officer

(Principal Financial Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, except to the extent that the Company specifically incorporates it by reference.

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Exhibit 97.1

BALLY'S CORPORATION

COMPENSATION CLAWBACK POLICY

Compensation Clawback Policy Page 1 of 7

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1. DOCUMENT OVERVIEW AND STATEMENT

Organization	Bally's Corporation
Title	Compensation Clawback Policy
Date	October 2, 2023

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2. PURPOSE

As required pursuant to the listing standards of the New York Stock Exchange (the "**Stock Exchange**"), Section 10D of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and Rule 10D-1 under the Exchange Act, the Board of Directors (the "**Board**") of Bally's Corporation (the "**Company**") has adopted this Compensation Clawback Policy (the "**Policy**") to empower the Company to recover Covered Compensation (as defined below) erroneously awarded to a Covered Officer (as defined below) in the event of an Accounting Restatement (as defined below).

Notwithstanding anything in this Policy to the contrary, at all times, this Policy remains subject to interpretation and operation in accordance with the final rules and regulations promulgated by the U.S. Securities and Exchange Commission (the "**SEC**"), the final listing standards adopted by the Stock Exchange, and any applicable SEC or Stock Exchange guidance or interpretations issued from time to time regarding such Covered Compensation recovery requirements (collectively, the "**Final Guidance**"). Questions regarding this Policy should be directed to the Company's Executive Vice President of People.

3. POLICY STATEMENT

Unless a Clawback Exception (as defined below) applies, the Company will recover reasonably promptly from each Covered Officer the Covered Compensation Received (as defined below) by such Covered Officer in the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (each, an **"Accounting Restatement"**). If a Clawback Exception applies with respect to a Covered Officer, the Company may forgo such recovery under this Policy from such Covered Officer.

4. COVERED OFFICERS

For purposes of this Policy, **"Covered Officer"** is defined as any current or former "Section 16 officer" of the Company within the meaning of Rule 16a-1(f) under the Exchange Act, as determined by the Board or the Compensation Committee of the Board (the **"Committee"**). Covered Officers include, at a minimum, "executive officers" as defined in Rule 3b-7 under the Exchange Act and identified under Item 401(b) of Regulation S-K.

5. COVERED COMPENSATION

For purposes of this Policy:

- **"Covered Compensation"** is defined as the amount of Incentive-Based Compensation (as defined below) Received during the applicable Recovery Period (as defined below) that exceeds the amount of Incentive-Based Compensation that otherwise would have been Received during such Recovery Period had it been determined based on the relevant restated amounts and computed without regard to any taxes paid.

Incentive-Based Compensation Received by a Covered Officer will only qualify as Covered Compensation if: (i) it is Received on or after October 2, 2023; (ii) it is Received after such Covered Officer begins service as a Covered Officer; (iii) such Covered Officer served as a Covered Officer at any time during the performance period for such Incentive-Based Compensation; and (iv) it is Received while the Company has a class of securities listed on a national securities exchange or a national securities association.

For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of erroneously awarded Covered Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement, the amount of such Incentive-Based Compensation that is deemed to be Covered Compensation will be based on a reasonable estimate of the effect of the Accounting

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Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received, and the Company will maintain and provide to the Stock Exchange documentation of the determination of such reasonable estimate.

- **"Incentive-Based Compensation"** is defined as any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure (as defined below). For purposes of clarity, Incentive-Based Compensation includes compensation that is in any plan, including the Company's 2021 Equity Incentive Plan, as amended from time to time, other than tax-qualified retirement plans, including long term disability, life insurance, and supplemental executive retirement plans, and any other compensation that is based on such Incentive-Based Compensation, such as earnings accrued on notional amounts of Incentive-Based Compensation contributed to such plans.
- **"Financial Reporting Measure"** is defined as a measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also Financial Reporting Measures.
- Incentive-Based Compensation is deemed **"Received"** in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period.

6. RECOVERY PERIOD

For purposes of this Policy, the applicable “**Recovery Period**” is defined as the three completed fiscal years immediately preceding the Trigger Date (as defined below) and, if applicable, any transition period resulting from a change in the Company’s fiscal year within or immediately following those three completed fiscal years (provided, however, that if a transition period between the last day of the Company’s previous fiscal year end and the first day of its new fiscal year comprises a period of nine to 12 months, such period would be deemed to be a completed fiscal year).

For purposes of this Policy, the “**Trigger Date**” as of which the Company is required to prepare an Accounting Restatement is the earlier to occur of: (i) the date that the Board, applicable Board committee, or officers authorized to take action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare the Accounting Restatement or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare the Accounting Restatement.

7. CLAWBACK EXCEPTIONS

The Company is required to recover all Covered Compensation Received by a Covered Officer in the event of an Accounting Restatement unless (i) one of the following conditions are met and (ii) the Committee has made a determination that recovery would be impracticable in accordance with Rule 10D-1 under the Exchange Act (under such circumstances, a “**Clawback Exception**” applies):

- the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered (and the Company has already made a reasonable attempt to recover such erroneously awarded Covered Compensation from such Covered Officer, has documented such reasonable attempt(s) to recover, and has provided such documentation to the Stock Exchange);
- recovery would violate home country law that was adopted prior to November 28, 2022 (and the Company has already obtained an opinion of home country counsel, acceptable to the Stock Exchange, that recovery would result in such a violation, and provided such

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opinion to the Stock Exchange); or

- recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended, and regulations thereunder. For purposes of clarity, this Clawback Exception only applies to tax-qualified retirement plans and does not apply to other plans, including long term disability, life insurance, and supplemental executive retirement plans, or any other compensation that is based on Incentive-Based Compensation in such plans, such as earnings accrued on notional amounts of Incentive-Based Compensation contributed to such plans.

8. PROHIBITIONS

The Company is prohibited from paying or reimbursing the cost of insurance for, or indemnifying, any Covered Officer against the loss of erroneously awarded Covered Compensation.

9. ADMINISTRATION AND INTERPRETATION

The Committee will administer this Policy in accordance with the Final Guidance, and will have full and exclusive authority and discretion to supplement, amend, repeal, interpret, terminate, construe, modify, replace and/or enforce (in whole or in part) this Policy, including the authority to correct any defect, supply any omission or reconcile any ambiguity, inconsistency or conflict in the Policy, subject to the Final Guidance. The Committee will review the Policy from time to time and will have full and exclusive authority to take any action it deems appropriate.

The Committee will have the authority to offset any compensation or benefit amounts that become due to the applicable Covered Officers to the extent permissible under Section 409A of the Internal Revenue Code of 1986, as amended, and as it deems necessary or desirable to recover any Covered Compensation.

Each Covered Officer, upon being so designated or assuming such position, may be required to execute and deliver to the Company’s Executive Vice President of People an acknowledgment of and consent to this Policy, in a form reasonably acceptable to and provided by the Company from time to time, (i)

acknowledging and consenting to be bound by the terms of this Policy, (ii) agreeing to fully cooperate with the Company in connection with any of such Covered Officer's obligations to the Company pursuant to this Policy, and (iii) agreeing that the Company may enforce its rights under this Policy through any and all reasonable means permitted under applicable law as it deems necessary or desirable under this Policy.

10. DISCLOSURE

This Policy, and any recovery of Covered Compensation by the Company pursuant to this Policy that is required to be disclosed in the Company's filings with the SEC, will be disclosed as required by the Securities Act of 1933, as amended, the Exchange Act, and related rules and regulations, including the Final Guidance.

11. ACKNOWLEDGEMENT AND CONSENT

See next page.

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BALLY'S CORPORATION

**Compensation Clawback Policy
Acknowledgment and Consent**

The undersigned hereby acknowledges that he or she has received and reviewed a copy of the Compensation Clawback Policy (the "**Policy**") of Bally's Corporation (the "**Company**"), effective as of October 2, 2023, as adopted by the Company's Board of Directors.

Pursuant to such Policy, the undersigned hereby:

- acknowledges that he or she has been designated as (or assumed the position of) a "Covered Officer" as defined in the Policy;
- acknowledges and consents to the Policy;
- acknowledges and consents to be bound by the terms of the Policy;
- agrees to fully cooperate with the Company in connection with any of the undersigned's obligations to the Company pursuant to the Policy; and
- agrees that the Company may enforce its rights under the Policy through any and all reasonable means permitted under applicable law as the Company deems necessary or desirable under the Policy.

ACKNOWLEDGED AND AGREED:

Name: [NAME]

Date: [DATE]

Compensation Clawback Policy Page 7 of 7

Exhibit 99.1

Description of Governmental Regulations

General

The ownership, operation, and management of our gaming, betting and racing facilities (generically referred to herein as "gaming") are subject to significant regulation under the laws, rules and regulations of each of the jurisdictions in which we operate. Gaming laws and regulations are generally based upon declarations of public policy designed to protect gaming consumers and the viability and integrity of the gaming industry. The continued growth and success of gaming is dependent upon public confidence, and gaming laws protect gaming consumers and the viability and integrity of the gaming industry, including prevention of **crime, money laundering**, cheating and fraudulent practices. Gaming laws also may be designed to protect and maximize **state and local** revenues derived through taxes and licensing fees imposed on gaming industry participants, as well as to enhance economic development and tourism. To accomplish these public policy goals, gaming laws establish stringent procedures to ensure that participants in the gaming industry meet certain suitability standards. In addition, gaming laws require gaming industry participants to:

- ensure that unsuitable individuals and organizations have no role in gaming operations;
- establish procedures designed to prevent cheating and fraudulent practices;
- establish and maintain anti-money laundering practices and procedures;
- establish and maintain responsible accounting practices and procedures;
- maintain effective controls over their financial practices, including establishing minimum procedures for internal fiscal affairs and the safeguarding of assets and revenues;
- maintain systems for reliable record keeping;
- file periodic reports with gaming regulators and maintain certain minimum internal controls;
- establish programs to promote responsible gaming; and
- enforce minimum age requirements.

Typically, a **state** regulatory environment is established by statute and underlying regulations and is administered by one or more regulatory agencies with broad discretion to regulate the affairs of owners and other persons with financial interests in gaming operations. Among other things, gaming authorities in the various jurisdictions in which we operate:

- adopt, interpret and enforce gaming laws and regulations;
- impose disciplinary sanctions for violations, including fines and penalties;
- review the character and fitness of participants in gaming operations and make determinations regarding their suitability or qualification for licensure;
- grant licenses for participation in gaming operations;
- **issue license conditions and codes of practice;**
- collect and review reports and information submitted by participants in gaming operations;
- in the case of Rhode Island and Delaware, collect proceeds from our operations and provide us with commissions based on such proceeds;
- review and approve certain transactions, such as acquisitions or change-of-control transactions of gaming industry participants, securities offerings and debt transactions engaged in by such participants; and

-
- establish and collect fees and taxes in jurisdictions where applicable.

Any change in **or the interpretation of** the laws or regulations of a gaming jurisdiction could adversely affect our gaming operations.

Licensing and Suitability Determinations

Gaming laws require us, each of our subsidiaries engaged in gaming operations, certain of our directors, officers and employees, and in some cases, certain of our shareholders and holders of our debt securities, to obtain licenses or findings of suitability from gaming authorities. Licenses or findings of suitability typically require a determination that the applicant qualifies or is suitable to hold the license. Gaming authorities have broad discretion in determining whether an applicant qualifies for licensing or should be deemed suitable. Subject to certain administrative proceeding requirements, the gaming regulators have the authority to deny any application or limit, condition, restrict, revoke or suspend any license, registration, finding of suitability or approval, or fine any person licensed, registered or found suitable or approved. Criteria used in determining whether to grant or renew a license or finding of suitability, while varying between jurisdictions, generally include consideration of factors such as:

- the character, honesty and integrity of the applicant;
- the financial stability, integrity and responsibility of the applicant, including whether the operation is adequately capitalized in the **state jurisdiction** and exhibits the ability to maintain adequate insurance levels;
- the quality of the applicant's casino **facilities; facilities or online casino offerings;**
- the amount of revenue to be derived by the applicable **state jurisdiction** from the operation of the applicant's casino;
- the applicant's practices with respect to minority hiring and training; and
- the effect on competition and general impact on the community.

In evaluating individual applicants, gaming authorities consider the individual's business experience and reputation for good character, the individual's criminal history and the character of those with whom the individual associates.

Some gaming jurisdictions limit the number of licenses granted to operate casinos within the state **or territory**, and some states **or territories** limit the number of licenses granted to any one gaming operator. Licenses under gaming laws are generally not transferable without regulatory approval. Licenses in most of the jurisdictions in which we conduct gaming operations are granted for limited durations and require renewal from time to time. There can be no assurance that any of our licenses will be renewed. The failure to renew any of our licenses could **have** adversely affect our gaming operations.

In addition to us and our direct and indirect subsidiaries engaged in gaming operations, gaming authorities may investigate any individual who has a material relationship to or material involvement with any of our entities to determine whether such individual is suitable or should be licensed. Our officers, directors and certain key employees must file applications with the gaming authorities in various jurisdictions to be qualified, licensed, or found suitable. Qualification, licensure and suitability determinations require submission of detailed personal and financial information followed by a thorough investigation. The applicant must pay all the costs of the investigation. Changes in licensed positions must be reported to gaming authorities and in addition to their authority to deny an application for licensure, qualification or a finding of suitability, gaming authorities have jurisdiction to disapprove a change in a corporate position.

If one or more gaming authorities were to find that an officer, director or key employee fails to qualify or is unsuitable for licensing or unsuitable to continue having a relationship with us, we would be required to sever all relationships with such person. In addition, gaming authorities may require us to terminate the employment of any person who refuses to file appropriate applications.

Moreover, in many jurisdictions, certain of our shareholders may be required to undergo a suitability investigation similar to that described above. Many jurisdictions require any person who acquires beneficial ownership of more than a certain percentage of our voting securities, typically 5%, to report the acquisition to gaming authorities, and gaming authorities may require such holders to apply for qualification or a finding of suitability. Most gaming authorities, however, allow an "institutional investor" to apply for a waiver or reduced disclosure obligation. An "institutional investor" is generally defined as an investor acquiring and holding voting securities in the ordinary course of business as an institutional investor for passive investment purposes only, and not for the purpose of causing, directly or indirectly, the election of a member of our board of directors, any change in our corporate charter, bylaws, management, policies or operations, or those of any of our gaming affiliates, or the taking of any other action which gaming authorities find to be inconsistent with holding our voting securities for passive investment purposes only. Even if a waiver or reduced disclosure obligation is granted, an institutional investor generally may not take any action inconsistent with its status when the waiver was granted without once again becoming subject to the foregoing reporting and application obligations.

Generally, any person who fails or refuses to apply for a finding of suitability or a license within the time period mandated by the applicable gaming laws may be denied a license or found unsuitable, as applicable. Any shareholder found unsuitable or denied a license and who holds, directly or indirectly, any beneficial ownership of our voting securities beyond such period of time, as may be prescribed by the applicable gaming authorities, may be guilty of a criminal offense. Pursuant to our bylaws, if a shareholder were to be found by an applicable gaming authority to be an unsuitable person, or if the Board were otherwise to determine that a shareholder is an unsuitable person under applicable gaming laws, then the Company may, subject to compliance with its bylaws, redeem such shareholder's voting securities. In addition, in these circumstances, until such voting securities are owned by suitable shareholders:

- we would not be required or permitted to pay any dividend, payment, distribution or interest with respect to such voting securities,
- the unsuitable shareholder holder would not be entitled to exercise any voting rights in respect of such voting securities,
- we would not pay any remuneration in any form to the holder of such voting securities (other than, if applicable, the redemption price for such securities),

- an unsuitable shareholder may not be engaged as an employee, officer, or director, and may not provide any services to us or any of our subsidiaries, and
- all other rights (including economic and voting rights) of such unsuitable persons in respect of the voting securities would be suspended.

The gaming jurisdictions in which we operate also require that suppliers of certain goods and services to gaming industry participants be licensed or qualified, and require us to purchase and lease gaming equipment, **and including** certain supplies and services, only from licensed or qualified suppliers.

Violations of Gaming Laws

If we or our subsidiaries violate applicable gaming laws, our gaming licenses could be limited, conditioned, suspended or revoked by gaming authorities, and we and any other persons involved could be subject to substantial fines. Further, a supervisor or conservator can be appointed by gaming authorities to operate our gaming properties, or in some jurisdictions, take title to our gaming assets in the jurisdiction, and under certain circumstances, earnings generated during such appointment could be forfeited to the applicable state or **states, territory**. Furthermore, violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions. As a result, violations by us of applicable gaming laws could adversely affect our gaming operations.

Some gaming jurisdictions prohibit certain types of political activity by a gaming licensee, its officers, directors and key employees. A violation of such a prohibition may subject the offender to criminal and/or disciplinary action.

Reporting and Recordkeeping Requirements

We are required to submit detailed financial and operating reports and furnish any other information about us or our subsidiaries, as required by various laws and regulations. Under federal law, we **are required to must** record and submit detailed reports of currency transactions involving **greater more** than \$10,000 at our casinos **as well as and** any suspicious activity that may occur at such facilities. Certain jurisdictions require logging, reporting, and/or review of transactions and winning wagers over certain amounts. We are required to maintain a current stock ledger which may be examined by gaming authorities at any time. If any securities are held in trust by an agent or by a nominee, the record holder may be required to disclose the identity of the beneficial owner to gaming authorities. A failure to make such **a** disclosure may be grounds for finding the record holder unsuitable. Gaming authorities may require certificates for our securities to bear a legend indicating that the securities are subject to specified gaming laws. In certain jurisdictions, gaming authorities have the power to impose additional restrictions on the holders of our securities at any time.

Review and Approval of Transactions

Substantially all material loans, capital leases, sales of securities and similar financing transactions by us and our subsidiaries must be reported to and in some cases approved by gaming authorities. Neither we nor any of our subsidiaries may make a public offering of securities without the prior approval of certain gaming authorities. Changes in control through merger, consolidation, stock or asset acquisitions, management or consulting agreements, or otherwise are subject to receipt of prior approval of gaming authorities. Entities seeking to acquire control of us or one of our subsidiaries must satisfy gaming authorities with respect to a variety of stringent standards prior to assuming control. Gaming authorities may also require controlling shareholders, officers, directors and other persons having a material relationship or involvement with the entity proposing to acquire control to be investigated and licensed as part of the approval process relating to the transaction.

Because of regulatory restrictions, our ability to grant a security interest in any of our gaming assets is limited and subject to receipt of prior approval by certain gaming authorities. A pledge of the stock of a subsidiary holding a gaming license and the foreclosure of such a pledge may be ineffective without the prior approval of gaming authorities in certain jurisdictions. Moreover, our subsidiaries holding gaming licenses may be unable to guarantee a security issued by an affiliated or parent company pursuant to a public offering, or pledge their assets to secure payment of the obligations evidenced by the security issued by an affiliated or parent company, without the prior approval of certain gaming authorities.

Certain jurisdictions require the implementation of a compliance review and reporting system created for the purpose of monitoring **our** activities related to our continuing qualification. These plans require periodic reports to the regulatory authorities.

License Fees and Gaming Taxes

We pay substantial license fees and taxes in many jurisdictions, including some of the counties, cities and towns in which our operations are conducted, in connection with our **casino** gaming operations, computed in various ways depending on the type of gaming or activity involved and the jurisdiction where our operations are conducted. Depending upon the particular fee or tax involved, these fees and taxes are payable with varying frequency. License fees and taxes are based upon such factors as:

- a percentage of the gross gaming revenues received;
- the number of gaming devices and table games operated; and/or
- **one time one-time** fees payable upon the initial receipt of license and fees in connection with the renewal of license.

In many jurisdictions, gaming tax rates are graduated, such that they increase as gross gaming revenues increase. Furthermore, tax rates are subject to change, sometimes with little notice, and such changes could have adversely affect our gaming operations. A live entertainment tax is also paid in certain jurisdictions by casino operations where entertainment is provided.

In addition to taxes specifically unique to gaming, we are required to pay all other applicable taxes such as income, **sales, use**, and property taxes.

Rhode Island Commissions

In Rhode Island, our gaming operations are subject to extensive regulation by the Rhode Island Department of Business Regulation and the Division of Lotteries of the Rhode Island Department of Revenue. Similar to Delaware and unlike the other jurisdictions in which we operate, Rhode Island does not have a traditional tax on gaming operations. The state receives all of the gaming win that comes into our Rhode Island operations and then pays us a percentage of the gaming win. As a result, our revenue from Rhode Island operations reflects only the net amount we are paid of the total gaming win from our Rhode Island casinos. As of **December 31, 2022** **December 31, 2023**, Twin River Casino Hotel is entitled to

a 28.85% share of video lottery terminal ("VLT") revenue on the initial 3,002 units and a 26.00% share on VLT revenue generated from units in excess of 3,002. Tiverton Casino Hotel is and Newport Grand was entitled to receive a percentage of VLT revenue that is equivalent to the percentage received by Twin River Casino Hotel. Twin River Casino Hotel and Tiverton Casino Hotel are entitled to an 83.5% share of table games revenue.

Delaware Commissions

In Delaware, our gaming operations are subject to extensive regulations related to our operations by the Delaware State Lottery Office, Delaware's Department of Safety and Homeland Security, Division of Gaming Enforcement and the Delaware Harness Racing Commission. Similar to the Rhode Island jurisdiction, Delaware does not have a traditional tax on gaming operations. The Delaware State Lottery Office sweeps the win from the casino operations, collects the State's share of the win and the amount due to the vendors under contract with the State who provide the slot machines and associated computer systems, collects the amount allocable to purses for harness horse racing and remits the remainder to us as our commission. As a result, our revenue from Delaware operations reflects only the net amount we are paid of the total gaming win from our Delaware casino and raceway. As of December 31, 2022 December 31, 2023, Dover Downs was entitled to an approximate 42% share of VLT revenue and 80% share of table games revenue.

Operational Requirements

In most jurisdictions, we are subject to certain requirements and restrictions on how we must conduct our gaming operations. In some states and territories, we are required to give preference to local suppliers and include minority and women-owned businesses in construction projects as well as in general vendor business activity. Similarly, we may be required to give employment preference to minorities, women and in-state residents in certain jurisdictions.

Some gaming jurisdictions also prohibit cash distributions from a gaming operation, except to allow for the payment of taxes, if the distribution would impair the financial viability of the gaming operation. Moreover, many jurisdictions require a gaming operation to maintain insurance and post bonds in amounts determined by the applicable gaming authority. In addition, our ability to conduct certain types of games, introduce new games or move existing games within our facilities may be restricted or subject to regulatory review and approval. Some of our operations are subject to restrictions on the number of gaming positions we may have and the maximum wagers allowed to be placed by our customers.

Our operating properties are also subject to various rules and regulations related to the prevention of financial crimes and combating terrorism, including the U.S. Patriot Act of 2001, 2001 and the Bank Secrecy Act. These rules and regulations require us to, among other things, implement policies and procedures related to anti-money laundering, suspicious activities, currency transaction reporting and due diligence on customers. Although we have policies and procedures designed to comply with these rules and regulations, to the extent they are not fully effective or do not meet heightened regulatory standards or expectations, we may be subject to fines, penalties, restrictions on certain activities, reputational harm, or other adverse consequences.

Riverboat Casinos

In addition to all other regulations generally applicable to the gaming industry, certain of our riverboat casinos are also subject to regulations applicable to vessels operating on navigable waterways, including regulations of the U.S. Coast Guard, or alternative inspection requirements. These requirements set limits on the operation of the vessel, mandate that it must be operated by a minimum complement of licensed personnel, establish periodic inspections, including the physical inspection of the outside hull, and establish other mechanical and operations rules. In addition, the riverboat casinos may be subject to future U.S. Coast Guard regulations, or alternative security procedures, designed to increase homeland security which could affect some of our properties and require significant expenditures to bring such properties into compliance.

Racetracks

We conduct horse racing operations at our racetracks in Aurora, Colorado and Dover, Delaware and operate additional off-track betting ("OTB") locations throughout Colorado. Regulations governing our horse racing operation in Colorado and Delaware are administered separately from the regulations governing gaming operations, with separate licenses and license fee structures. The racing authorities responsible for regulating our racing operations have broad oversight authority, which may include: annually reviewing and granting racing licenses and racing dates, approving the opening and operation of OTB facilities, approving simulcasting activities, licensing all officers, directors, racing officials and certain other employees of a racing licensee, and approving certain contracts entered into by a racing licensee affecting racing, pari-mutuel wagering, account wagering and OTB operations.

Retail and Mobile Sports Book Wagering

We offer retail sports wagering at our casinos in Colorado, Delaware, Illinois, Indiana, Louisiana, Nevada, New Jersey, Rhode Island, and Mississippi, as well as mobile sports wagering in Arizona, Iowa, Colorado, Indiana, New York, Ohio and Virginia. Virginia, and the Canadian province of Ontario. We and our partners are subject to various federal, state and international laws and regulations that affect our retail and mobile sports wagering businesses. Additional laws in any of these areas are likely to be passed in the future, which could result in impact to the ways in which we and our partners are able to offer sports wagering in jurisdictions that permit such activities.

Interactive Business

We are subject to various federal, state and international laws and regulations that affect our interactive business, including those relating to the general operation of online gaming and/or betting in a particular state or territory, anti-money laundering, responsible gaming, anti-bribery, anti-corruption, privacy and security of customer and employee personal information and those relating to the Internet, behavioral tracking, mobile applications, advertising and marketing activities, sweepstakes and contests. Additional laws in all of these areas are likely to be passed in the future, which could result changes to the legal and/or regulatory environment, including more stringent monitoring of customer playing patterns and increased levels of checks, balances and intervention with our customers and in significant limitations on or changes to the ways in which we can collect, use, host, store or transmit the personal information and data of our customers or employees, communicate with our customers, and deliver products and services, or may significantly increase our compliance costs. As new legal and regulatory requirements are introduced and as our business expands to include new uses or collection of data that is subject to privacy or security regulations, our compliance requirements and costs will increase and we may be subject to increased regulatory scrutiny.

Some of our social gaming products and features are based upon traditional casino games, such as slots and table games. Although we do not believe these products and features constitute gambling, it is possible that additional laws or regulations may be passed in the future that would restrict or impose additional requirements on our social gaming products and features.

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